Corporate Compliance Program Policies and Procedures

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Section XI
Subject A – 1a
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Corporate Compliance Plan

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CORPORATE COMPLIANCE PLAN

I. The Purpose of the Compliance Plan and Program.

Transitional Services, Inc. ("TSI") has adopted a Corporate Compliance Program (the "Compliance Program") to promote TSI's compliance with all applicable laws, regulations, and ethical standards. Our Compliance Program is described in this Corporate Compliance Plan (the "Compliance Plan").[1] This Plan provides guidance to all persons who are affected by our Compliance Risk Areas (as defined herein), including our employees,[2] contractors,[3] and Board of Directors ("Board") members[4] on how to conduct themselves when working for TSI. The goals of TSI's Compliance Program are to:

1. Prevent fraud, waste, abuse, and other improper or unethical conduct;[5]
2. Detect any improper or unethical conduct at an early stage before it creates a substantial risk of liability for TSI; and
3. Respond swiftly to compliance problems through investigation, disciplinary, and corrective action.

All employees, contractors, and Board members of TSI have a personal obligation to assist in making the Compliance Program successful. Employees, contractors, and Board members are expected to:

1. Familiarize themselves with this Compliance Plan;
2. Review and understand the key compliance policies governing their particular functions and responsibilities;
3. Report any fraud, waste, abuse, or other improper or unethical conduct by using the methods described in this Compliance Plan;

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[1] The "Corporate Compliance Plan" is this document that provides an overview of TSI's Corporate Compliance Program. The Corporate Compliance Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

[2] In this Compliance Plan, "employees" includes TSI's employees, Executive Director, senior administrators, managers, interns, and volunteers who are affected by TSI's Compliance Risk Areas, as defined herein.

[3] In this Compliance Plan, "contractors" includes TSI's contractors, agents, subcontractors, and independent contractors who are affected by TSI's Compliance Risk Areas, as defined herein.

[4] In this Compliance Plan, "Board of Directors and Board of Managers members" includes TSI's Board of Directors, Board of Managers, and corporate officers who are affected by TSI's Compliance Risk Areas, as defined herein.

[5] Note that personnel issues are not compliance issues unless an employee believes that they have been intimidated or retaliated against for reporting a compliance issue, in which case they should contact the Corporate Compliance Officer. Other personnel issues should be reported to the Director of Human Resources.

4. Cooperate in any audits and investigations of TSI; and

5. Carry out their responsibilities in a manner that demonstrates a commitment to honesty, integrity, and compliance with the law.

The Compliance Plan and Compliance Program are reviewed at least annually to address new compliance challenges and maximize the use of TSI's resources, and to determine whether:

1. The Compliance Plan, Compliance Program, and Standards of Conduct have been implemented;

2. Employees, contractors, and Board members are following the policies, procedures, and Standards of Conduct;

3. The policies, procedures, and Standards of Conduct are effective; and

4. Any updates are required.

Employees, contractors, and Board members are encouraged to provide input on how the Compliance Program might be improved.

II. The Elements of the Compliance Program.

The Compliance Program is based on the compliance laws, regulations, and guidance from Federal and State governmental entities that TSI is required to comply with.[6] The key elements of the Compliance Program, which are discussed in greater detail in the sections referenced below, are as follows:

1. General Responsibilities (Section III – page 3);
2. Standards of Conduct and Key Policies and Procedures (Section IV – page 6);
3. Corporate Compliance Officer and Committee (Section V – page 8);
4. Compliance Training (Section VI – page 12);
5. Process for Reporting Compliance Issues (Section VII – page 12);
6. Internal Investigations (Section VIII – page 15);
7. Corrective Action (Section IX – Page 16);
8. Good faith Participation and Disciplinary Measures (Section X – page 17);

[6] This includes Section 363-d of the New York Social Services Law, Part 521 of Title 18 of the New York State Codes, Rules and Regulations, and guidance issued by the New York State Office of Medicaid Inspector General ("OMIG") and the U.S. Department of Health and Human Services Office of Inspector General ("HHS-OIG").

9. Non-Retaliation and Non-Intimidation (Section XI – page 18); Government Audits and Investigations (Section XII – page 18);

10. Routine Identification of Compliance Risks and Internal Compliance Audits (Section XIII – page 20);

11. System for responding to Compliance Issues (Section XIV – page 22)

12. Conflict of Interest Policy (Section XV – page 23);

13. Laws Regarding the Prevention of Fraud, Waste, and Abuse (Section XVI – page 24)

14. Other related Policies and Procedures (Section XVII – page 25)

15. Summary (Section XVIII -page 26).

III. General Responsibilities.

TSI recognizes that operating in an ethical and legal manner is not only an obligation of TSI but is an obligation of each individual providing services on its behalf. The following responsibilities apply to employees, contractors, and Board members, respectively.

A. Responsibilities of Employees.

1. Duty to Know and Comply with Applicable Requirements.

Employees are obligated to know the following information, to the extent it is applicable to the employee's daily responsibilities:

a. Medicaid, Medicare, and other payer and service delivery requirements;

b. The prohibitions against fraud, waste, abuse, and improper conduct;

c. TSI's Compliance Risk Areas, as defined herein; and

d. TSI's Compliance Program.

Employees are also required to comply with TSI's ***Exclusion Screening Policy***. (See Section XI Subject A-10) Employees, including the Corporate Compliance Officer and senior administrators, are obligated to attend periodic training related to their job responsibilities.

2. Duty to Report.

Employees are obligated to report instances of actual or possible fraud, waste, abuse, and other improper and unethical conduct to one of the following below. Employees can find more

information in TSI's ***Duty to Report Policy*** and ***Fraud Prevention Policy***. (See Employee Handbook, as well as Section XI Subject A- 4 and Subject 11 respectively)

a. TSI's Compliance Hotline (716-553-4010);

b. TSI's Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or mail to Attn: Compliance Office, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

c. The employee's supervisor or any supervisor or Program Supervisor;

d. Any member of the Compliance Committee; or

e. The Compliance Dropbox is located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110 Tonawanda, NY 14150.

Employees are encouraged to <u>first</u> report their concerns directly to TSI to allow TSI the opportunity to quickly address potential problems. Employees shall cooperate in internal and external audits or investigations regarding possible fraud, waste, abuse, or other improper or unethical conduct.

3. Duty to Respond.

Employees are obligated to respond appropriately to reports of actual or possible fraud, waste, abuse, or other improper or unethical conduct that are reported to them by other employees, contractors, and Board members. Such response should include following the procedure set forth in Sections VIII and IX of this Compliance Plan below, relating to investigating and responding to actual or suspected noncompliance.

4. Duty to Promote Organizational Compliance.

Employees shall promote their commitment to compliance with Medicaid, and other payer and service delivery requirements, and the prohibitions against fraud, waste, and abuse and other improper or unethical conduct. Employees shall cooperate with and assist the Corporate Compliance Officer in the performance of their responsibilities.

B. <u>Responsibilities of Contractors.</u>

1. Duty to Know and Comply with Applicable Requirements.

Contractors are obligated to know the following information, to the extent it is applicable to the service they provide to TSI:

a. Medicaid, and other payer and service delivery requirements;

b. The prohibitions against fraud, waste, abuse, and other improper and unethical conduct;

c. TSI's Compliance Risk Areas, as defined herein; and

d. TSI's Compliance Program.

Contractors are also required to comply with TSI's ***Vendor Relations Policy.*** (See Section XI Subject A-12), ***Exclusion Screening Policy.*** (See Section XI Subject A-10), and ***Fraud Prevention Policy*** (Employee Handbook, and Section XI Subject A- 11)

2. Duty to Report.

Contractors shall report instances of actual or possible fraud, waste, abuse, and other improper or unethical conduct to the following below. Contractors can find more information in TSI's ***Duty to Report Policy***. (See Section XI Subject A- 4)

a. TSI's Compliance Hotline (716-553-4010); See page 15 of this document for additional details.

b. TSI's Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or mail to Attn: Compliance Office, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

c. Any member of the Compliance Committee; or

d. The Compliance Dropbox is located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150.

C. <u>Responsibilities of Board Members.</u>

1. Duty to Know and Comply with Applicable Requirements.

Board members are obligated to attend annual compliance training, to review and certify adherence to the Compliance Plan, and to know the following information:

a. The prohibitions against fraud, waste, abuse, and other improper or unethical conduct;

b. TSI's Compliance Risk Areas, as defined herein; and

c. TSI's Compliance Program.

2. Duty to Report.

Board members shall report instances of actual or possible fraud, waste, abuse, and other improper or unethical conduct in the following ways below. Board members can find more

information in TSI's ***Duty to Report Policy*** **(**Section XI Subject A- 4) **and** ***Fraud Prevention Policy***. (Employee Handbook, and Section XI Subject A- 11)

a. TSI's Compliance Hotline (716-553-4010); See page 15 of this document for additional details.

b. TSI's Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or mail to Attn: Compliance Office, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

c. Any member of the Compliance Committee;

d. TSI's Executive Director; or

e. The Compliance Dropbox is located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150.

3. Duty to Promote Organizational Compliance.

Board members shall promote and demonstrate their commitment to TSI's Compliance Program. Board members are responsible for overseeing the development, implementation, operation, and evaluation of the Compliance Program. The Board shall periodically receive updates and reports from the Corporate Compliance Officer on compliance-related initiatives and activities.

4. Duty to Respond.

Board members are obligated to respond appropriately to reports or other indications of actual or possible fraud, waste, abuse, or other improper or unethical conduct. Such response should include ensuring that TSI follows the procedures set forth in Sections VIII and IX of this Compliance Plan, below, relating to investigating and appropriately responding to reports of fraud, waste, abuse, or other improper or unethical conduct.

Board Members are obligated to cooperate in any internal or external audits or investigations by duly authorized internal or external auditors or investigators regarding possible fraud, waste, abuse, or other improper or unethical conduct.

IV. Standards of Conduct and Key Policies and Procedures.

A. Standards of Conduct.

These Standards of Conduct set forth the basic principles that guide TSI's decisions and actions. The Standards of Conduct are not intended to address every potential compliance issue that may arise in the course of TSI's business. All employees, contractors, and Board members are expected to familiarize themselves with the Code of Conduct and comply with it in carrying out their duties.

1. Comply With Applicable Laws

All employees, contractors, and Board members must be aware of and comply with all laws and regulations applicable to their functions.

2. Conduct Affairs in Accordance with High Ethical Standards.

All employees, contractors, and Board members shall conduct themselves in accordance with high ethical standards of the community and their respective professions.

3. Conflicts of Interest.

All employees, contractors, and Board members must faithfully conduct their duties solely for the purpose, benefit, and interest of TSI and those individuals it serves. All employees, contractors, and Board members have a duty to avoid conflicts with the interests of TSI and may not use their positions and affiliations with TSI for personal benefit. Employees, contractors, and Board members must avoid not only actual conflicts of interest but also the appearance of conflicts of interest.

4. Provide High Quality of Care.

All employees and contractors are expected to provide high quality services and Board members shall support this standard of care. The care provided must be reasonable and necessary for the care of each individual and be provided by properly qualified individuals.

5. Provide Equal Opportunity for All Recipients.

TSI is committed to providing services for persons, without regard to age, creed, disability, religion, gender identity or expression, familial status, marital status, military status, national origin, race, color, sex, sexual orientation, human research subject, or source of payment. All employees, contractors, and Board members shall treat all individuals receiving services with respect and dignity. Discrimination in any form will not be tolerated.

6. Confidentiality.

Employees, contractors, and Board members have access to a variety of sensitive and proprietary information of TSI, the confidentiality of which must be protected. All employees, contractors, and Board members must ensure that confidential and proprietary information is properly maintained in accordance with laws, regulations, policies, and procedures, and that sensitive and proprietary information is not disclosed without proper authorization or a legal basis.

7. Integrity with Payer Sources.

Employees and contractors shall ensure that all requests for payment for services are reasonable, necessary, and appropriate, are issued by properly qualified persons, and are billed in the correct amount with appropriate supporting documentation.

8. Honesty and Integrity.

Employees, contractors, and Board members must be honest and truthful in all of their dealings. They must avoid doing anything that is, or might be, against the law.

9. Dignity and Respect.

Employees, contractors, and Board members shall respect and value each other, the diversity of TSI's work force, and the individuals they serve.

B. Key Policies and Procedures. (See Section XI Subject A for details)

The development and distribution of policies and procedures are essential components of an effective compliance program. All employees, contractors, and Board members are required to review and carry out their duties in accordance with the policies applicable to their functions and responsibilities. TSI's Compliance Program policies and procedures include the following:

1. Duty to Report Policy;
2. Non-Retaliation and Non-Intimidation Policy ;
3. Compliance Training Policy ;
4. Disciplinary Policy ;
5. Compliance Investigations Policy ;
6. Auditing and Monitoring Policy ;
7. Vendor Relations Policy ;
8. Exclusion Screening Policy
9. Fraud Prevention Policy ;
10. Conflict of Interest Policy ;
11. Whistleblower Policy ; and
12. Compliance Committee Charter

V. Corporate Compliance Officer and Compliance Committee.

A. Corporate Compliance Officer.

The Corporate Compliance Officer is responsible for overseeing the implementation of the Compliance Program, and for carrying out the Compliance Program's day-to-day activities. The Compliance Officer (CO) at TSI, who also performs as Quality Management Director, is Mark Kraus. His contact information is:

Corporate Compliance email: CCO@tsiwny.org
Corporate Compliance Hotline Number: 716-533-4010. If one wishes to remain anonymous, first dial*67. See page 15 of this document for additional details.
Mailing Address: Transitional Services, Inc. 389 Elmwood Avenue, Buffalo, NY 14222.
Correspondence may also be placed in The Compliance Dropbox located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150.

The Corporate Compliance Officer's duties include, but are not limited to, the following:

1. Overseeing and monitoring the adoption, implementation, and maintenance of the Compliance Plan and Compliance Program, including drafting, revising, and approving the written policies and procedures required, in accordance with agency Policy Development Procedures – Section IX Subject Q-1);
2. Evaluating the effectiveness of the Compliance Plan and Compliance Program;
3. Reviewing and updating the Compliance Plan and compliance policies, and developing new compliance policies as needed;
4. Overseeing operation of the Compliance Hotline and promptly taking appropriate action;
5. Evaluating, investigating, and independently acting on compliance-related questions, concerns, and complaints, including designing and coordinating internal investigations, and documenting, reporting, coordinating, and pursuing any resulting corrective action, including self-disclosure if appropriate;
6. Ensuring proper reporting of violations to duly authorized regulatory agencies as appropriate or required;
7. Working with the Director of Human Resources and others as appropriate to develop the compliance training program described in Section VI of this Compliance Plan, below;
8. Establishing and maintaining open lines of communication with members of the Compliance Committee, TSI's employees, managers, Board members,

downstream and related entities, programs, and departments to ensure effective and efficient compliance policies and procedures;

9. Ensuring the distribution of information about the Compliance Program to contractors to the extent they are affected by this plan;

10. Conducting and facilitating internal audits to evaluate compliance and assess internal controls;

11. Responding to government audits and investigations and other inquiries;

12. Distributing compliance responsibilities throughout TSI;

13. Developing an annual work plan that outlines TSI's proposed strategies for meeting the applicable statutory and regulatory requirements for the coming year, including internal audits, with the assistance of Program Managers, Supervisors and the Compliance Committee;

14. Assisting TSI in establishing methods to improve its efficiency, quality of services, and reducing TSI's vulnerability to fraud, waste, and abuse;

15. Ensuring the Human Resources Department is screening prospective and current employees, contractors, and Board members;

16. Maintaining appropriate Compliance Program documentation;

17. Chairing the Corporate Compliance Committee.

The Corporate Compliance Officer reports directly to, and is accountable to, the Executive Director for reporting purposes. TSI will ensure that the Corporate Compliance Officer is allocated sufficient staff and resources to satisfactorily perform the responsibilities for the day-to-day operation of the Compliance Program based on TSI's Compliance Risk areas and organizational experience,[7] and that the Corporate Compliance Officer and appropriate personnel have access to all records, documents, information, facilities, and employees, contractors, and Board members that are relevant to carrying out the Compliance Program responsibilities.

The Corporate Compliance Officer will report to the Board, Executive Director, and Compliance Committee on the progress of adopting, implementing, and maintaining the Compliance Program on a regular basis, and no less frequently then quarterly. In addition, the Corporate Compliance Officer shall prepare a written report to the Board annually describing the compliance efforts undertaken during the preceding year and identifying any changes necessary to improve the Compliance Program. In the event of suspected or actual improper conduct on the part

[7] As used in this Compliance plan, "organizational experience" means TSI's: (1) knowledge, skill, practice, and understanding in operating its Compliance Program; (2) identification of any issues or risk areas in the course of its internal monitoring and auditing activities; (3) experience, knowledge, skill, practice, and understanding of its participation in the Medicaid Program and the results of any audits, investigations, or reviews it has been the subject of; or (4) awareness of any issues it should have reasonably become aware of for its categories of service.

of the Executive Director, the Corporate Compliance Officer is required to report such conduct directly to the Board.

B. <u>Compliance Committee.</u>

The Compliance Committee is responsible for coordinating with the Corporate Compliance Officer to ensure that TSI is conducting its business in an ethical and responsible manner, consistent with its Compliance Program.

The Corporate Compliance Officer shall be a member of the Compliance Committee and serve as the Chair of the Committee. The Executive Director shall appoint additional members to the Compliance Committee, to include the Associate Director, Director of Financial Services, Assistant Director of Financial Services, HR Manager, Intake Supervisor and the Quality Improvement Clerk, Quality Improvement Specialist, and EHR Analyst. Additional staff are assigned, as necessary.

The Compliance Committee meets at least quarterly, and the duties, responsibilities, and members of the Compliance Committee are reviewed at least annually.

The Compliance Committee reports directly, and is accountable to the Corporate Compliance Officer, Executive Director and the Board, through the Corporate Compliance Officer. The Compliance Committee's functions include, but are not limited to, the following:

1. Review regular reports from the Corporate Compliance Officer on the implementation of the Compliance Program;
2. Identify Compliance Risk Areas, as defined herein;
3. Assist with the development of and approving the annual work plan carried out under the Compliance Program;
4. Coordinate with the Corporate Compliance Officer to draft, revise, and approve the written policies and procedures required, and to ensure that written policies, procedures, and the Standards of Conduct are current, accurate, and complete;
5. Approve the compliance training program provided to all employees, contractors, and Board members and re-evaluating as appropriate;
6. Coordinate with the Corporate Compliance Officer to ensure that all compliance training program requirements are completed in a timely manner;
7. Review reports from the Corporate Compliance Officer or designees of investigations of actual or suspected fraud, waste, abuse, or other improper or unethical conduct and any corrective action taken as a result of such investigations;

8. Coordinate with the Corporate Compliance Officer to ensure communication and cooperation by employees, contractors, and Board members on compliance-related issues, internal or external audits, or any other Compliance Program-related functions or activities;

9. Recommend and approving any changes to the Compliance Plan, Compliance Program, and compliance policies; and

10. Develop and evaluate strategies to promote compliance and detection of fraud, waste, abuse, and other improper or unethical conduct.

C. Board Members

The Board has ultimate authority for governance of TSI, including oversight of TSI's Compliance Program. The Board will receive reports on the operation of the Compliance Program directly from the Corporate Compliance Officer at least quarterly. The Corporate Compliance Officer is authorized to bring matters directly to the Board at any time.

VI. Compliance Training.

TSI will take reasonable steps to ensure the Corporate Compliance Officer and all Board members, staff, volunteers and vendors receive effective training regarding the Code of Conduct and the Compliance Program. Refresher training will be held with the Board of Directors, management staff, and current staff annually in May. New affected individuals, to include Board members will be trained within 30 days of involvement with TSI. The CO's Annual Work Plan will include the plan for training.

Training and education will be provided in a form and format that is accessible and understandable to all employees, contractors, and Board members, consistent with Federal and State language and other access laws, rules, or policies. Training will be scheduled by the Human Resources Manager and/or their designee as part of their responsibility to oversee general orientation for new employees and annual refresher training. The basic compliance training session shall cover the key elements of the Compliance Program.

Employees may also be required to participate in targeted compliance training sessions recommended by the Corporate Compliance Officer, Administrative Staff, or Program Supervisors. Targeted training is designed to focus on the specific compliance issues associated with an employee's functions.

After all compliance trainings, Board Members and employees must acknowledge in writing that they have received training and agree to fulfill their obligations under the Compliance Plan and policies.

Contractors must participate in compliance training either prior to contracting with TSI or within thirty (30) days of contracting with TSI. Such training may consist of TSI providing the contractor with TSI's Fraud Prevention Policy and a copy of the Compliance Plan or a link to access the Compliance Plan.

All individuals and entities required to receive training must be afforded an opportunity to ask questions and receive responses to such questions. Additional information on compliance training can be found in TSI's ***Compliance Training Policy***. **(**Section XI Subject A- 2)

VII. Process for Reporting Compliance Issues.

TSI is committed to providing a prompt response to compliance issues reported or identified through audits. The agency is also committed to timely corrective action when issues are verified through investigation. If fraud, waste or abuse is discovered, the agency will report it to the NYS Office of Medicaid Inspector General and refund overpayments. In the case of the discoveries of errors made in billing, the agency will void the inaccurate claims and complete a Self-Disclosure to the Office of Medicaid Inspector General (OMIG), as required. As a consequence of compliance issues that arise, the agency may need to amend its policies and procedures to reduce the potential for recurrence.

TSI recognizes that an open line of communication between the CO, Corporate Compliance Committee and affected individuals is critical to the success of the Program. In addition to using the Corporate Compliance Hotline, staff is strongly encouraged to report incidents of potential fraud or to seek clarification regarding legal or ethical concerns directly to the CO. Reports made to a Corporate Compliance Committee member are reported by the member to the Compliance Officer.

To encourage reporting, the CO's photo, Corporate Compliance hotline (533-4010), mailing address: (Transitional Services, Inc. 389 Elmwood Ave, Buffalo, NY 14222) and email address (CCO@tsiwny.org) will be posted in every staff office. The names of the back-ups to the Compliance Officer will be included on the poster.

A. Reporting Options

In accordance with its ***Duty to Report Policy***, (Section XI Subject A- 1) TSI maintains open lines of communication for the reporting of actual or suspected improper or unethical conduct. Employees, contractors, and Board members shall promptly report any such conduct of which they become aware in any one of the following ways:

1. Through the Compliance Hotline at 716-553-4010; (See VII – B below for details)

2. Notifying the Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or in writing to Attn: Compliance

Officer, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

3. Notifying a Supervisor or Program Manager;

4. Notifying any member of the Compliance Committee; or

5. In writing through the Compliance Dropbox located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150.

These lines of communication are publicized by TSI, and will be made available to all employees, contractors, Board members, and service recipients who are Medicaid Program beneficiaries. Employees, contractors, and Board members may also use these reporting methods to ask compliance-related questions and communicate directly with the Corporate Compliance Officer.

A Corporate Compliance Violation Report is completed for each incident (TS 184). In addition, a log will be maintained on all reported issues whether written or by phone (TS 185). The CO will provide a written acknowledgment of a report within 5 business days. The investigation may include interviews and record/document review. See **Compliance Investigation Policy** for details (Section XI Subject A- 5)

B. <u>Compliance Hotline.</u>

The Compliance Hotline may be accessed by dialing 716-533-4010 to report a complaint. Employees, contractors, and Board members have the option of reporting a complaint on the Compliance Hotline anonymously by dialing *67 prior to dialing the Compliance Hotline number to disable the caller-identification function. Note: the *67 function will only work from landline or cellular telephones outside of the agency. The system will log the extension of calls made within TSI.

All messages are recorded. After the caller hangs up, the recording is sent simultaneously to the Corporate Compliance Officer, QI Specialist and EHR Analyst. The Corporate Compliance Officer (or designee) is responsible for reviewing all Compliance Hotline reports and assessing whether they warrant further investigation. This number is available seven days per week, twenty-four hours per day. This voice mailbox will be checked daily during Administrative Office Business Hours (Monday through Friday) to ensure prompt action.

Note: The Compliance Hotline is designed solely for the good faith reporting of fraud, waste, abuse, and other compliance problems; it is not intended for complaints relating to the terms and conditions of an employee's employment. Any such calls received will be directed the Human Resources Manager, the employee's Supervisor, or Program Manager.

However, if an employee believes that they were retaliated against or intimidated for reporting a compliance concern, the employee's complaint may be reported on the Compliance Hotline or to the employee's supervisor or Human Resources Manager. However, if the employee reports retaliation or intimidation on the Compliance Hotline, the employee should disclose their identity in order for the Corporate Compliance Officer to be able to investigate the matter.

C. Confidentiality

TSI will ensure that the confidentially of persons reporting compliance issues is maintained unless the matter is subject to a disciplinary proceeding, referred to, or under investigation by the New York State Attorney General's Medicaid Fraud Control Unit ("MFCU"). OMIG, or law enforcement, or disclosure is required during a legal proceeding. All persons reporting compliance issues will be protected from non-intimidation and non-retaliation pursuant to TSI's ***Non-Retaliation and Non-Intimidation Policy***. **(**Section XI Subject A- 7) **Individuals** are encouraged to identify themselves when making such reports so that an investigation can be conducted with a full factual background.

VIII. Internal Investigations.

All reports of fraud, waste, abuse, or other improper or unethical conduct, as well as any potential compliance problems identified in the course of internal auditing and monitoring, shall be promptly reviewed and evaluated by the Corporate Compliance Officer. The Corporate Compliance Officer determines, in consultation with other personnel and legal counsel of TSI, as necessary, whether the report warrants an internal investigation. If warranted, the Corporate Compliance Officer will coordinate the investigation and determine whether any outside advisors such as attorneys, accountants, or other advisors are needed. If the Corporate Compliance Officer and/or senior management determine it is in the best interests of TSI to keep the contents and/or findings of the investigation confidential and not subject to disclosure to third parties, the Corporate Compliance Officer shall arrange for legal counsel to conduct and/or supervise the investigation under the attorney-client and attorney work product privileges.

In accordance with TSI's ***Compliance Investigations Policy*** **(**Section XI Subject A- 6), employees, contractors, and Board members are required to cooperate fully in all audits and investigations. Although individuals have a right not to incriminate against themselves, any employee who fails to provide such cooperation will be subject to disciplinary action, up to and including termination of employment. Any Board member who fails to provide such cooperation will be subject to sanctions as set forth in TSI's Bylaws and policies, as well as applicable laws and regulations. Any contractor who fails to provide such cooperation will be subject to termination of contract or the relationship.

Investigations consist of interviews and document reviews as necessary. The investigation of the compliance issue will be documented, including any alleged violations, a description of the

investigation process, and copies of interview notes and any other documents essential for demonstrating that a thorough investigation of the issue was completed. Any disciplinary action taken and the corrective action implemented will also be documented.

All investigations will conclude with a written report of findings and recommendations for corrective action to correct the problem and prevent future occurrence. The written report may be subject to the attorney-client privilege if it is prepared by TSI's outside legal counsel. The Corporate Compliance Officer and/or legal counsel shall present the written report or a summary thereof to the Compliance Committee and Executive Director. The Corporate Compliance Officer shall oversee the corrective action to ensure it is completed. The Corporate Compliance Officer shall update the Compliance Committee on the status of internal investigations and corrective action.

The Corporate Compliance Officer shall work with the Executive Director, Board President in conjunction with corporate council, and outside advisors, as appropriate, to determine the type of disciplinary action to be taken and whether the conduct that is the subject of the investigation should be disclosed to law enforcement, regulatory agencies and/or payers. If the Compliance Officer credibly believes or credible evidence is identified that a State or Federal law, rule, or regulation has been violated, TSI will promptly report or self-disclose the violation to the appropriate governmental entity, such as the NYS Office of Medicaid Inspector General in the case of fraud, waste or abuse, and the agency will take the steps necessary to refund the overpayment. The Corporate Compliance Officer shall receive copies of any reports submitted to governmental entities.

If it is determined during the investigation that the employee intentionally did not comply with the standards of the facility or has broken the law, significant disciplinary reactions will result, including but not limited to oral or written warnings, suspension, termination, financial penalties or prosecution. Action may also be imposed against any employee who fails to cooperate in the investigation, who enabled the noncompliant behavior or was aware of the noncompliant behavior and did not report it.

IX. Corrective Action.

TSI is committed to taking prompt and thorough corrective action to address any fraud, waste, abuse, or other improper or unethical conduct identified through internal audits, investigations, reports by employees, or other means. The Corporate Compliance Officer is independently responsible for reviewing and approving all corrective action plans. The Corporate Compliance Officer may consult with the Executive Director and others regarding corrective action plans, as appropriate. However, the Corporate Compliance Officer is authorized to recommend corrective action directly to the Board if the Corporate Compliance Officer believes, in good faith, that the Executive Director is not promptly acting upon such a recommendation or acting in the best interests of TSI. In cases involving clear fraud or illegality, the Corporate

Compliance Officer also has the authority to order interim measures, such as a suspension of billing, while a recommendation of corrective action is pending. Corrective action may include, but not be limited to, any of the following steps:

1. Modifying TSI's existing policies, procedures, and/or business practices;
2. Providing additional training or other guidance to employees, contractors, or Board members;
3. Seeking interpretive guidance of laws and regulations from government agencies and/or legal counsel;
4. Disciplining employees, terminating contractors, and sanctioning Board members as described more fully in Section X of this Compliance Plan, below;
5. Notifying government agencies of improper conduct by employees, contractors, Board members, or others; and/or
6. Facilitating the reporting and returning overpayments or other funds to which TSI is not entitled to the appropriate government agency or payer, including through OMIG's voluntary self-disclosure program, if applicable.

X. Good Faith Participation and Disciplinary Measure.

To support and encourage good faith reporting and participation in the Corporate Compliance Program, TSI has disciplinary policies in effect to address violations of its compliance standards including TSI's ***Disciplinary Policy***. **(**Section XI Subject A- 8) TSI's disciplinary standards are enforced fairly and consistently, and the same disciplinary actions apply to all levels of personnel.

Employees, contractors, and Board members are subject to disciplinary action in accordance with TSI's disciplinary policies when the employee, contractor, or Board Member:

1. Engages in, encourages, directs, facilitates, or permits improper or unethical conduct;
2. Fails to report actual or suspected improper or unethical conduct; or
3. Violates TSI's Compliance Plan or a TSI policy designed to detect or prevent improper or unethical conduct.

The Corporate Compliance Officer will promptly notify the Executive Director and Human Resources Manager of any improper or unethical conduct of an employee that may warrant discipline. The Human Resources Manager, in consultation with the Corporate Compliance Officer and Executive Director , will be responsible for determining the appropriate discipline for employees, in accordance with TSI's standard employment policies.

Contractor sanctions shall range from written admonition, financial penalties (if applicable), and in the most extreme cases, termination of the contractor's relationship with TSI. The Corporate Compliance Officer shall make a recommendation to the Executive Director with respect to such sanctions.

Board Member sanctions can range from written admonition to, in the most extreme cases, removal from the Board, in accordance with TSI's Bylaws and policies, as well as applicable laws and regulations. The Corporate Compliance Officer shall make a recommendation to the Board with respect to such sanctions.

The Compliance Officer will ensure that the written policies and procedures for taking disciplinary actions are published and disseminated to all employees, contractors, and Board members, and are incorporated into TSI's training plan, as set forth in its ***Compliance Training Policy***. **(**Section XI Subject A- 2)

XI. Non-Retaliation and Non-Intimidation.

In accordance with TSI's ***Non-Retaliation and Non-Intimidation Policy***, **(**Section XI Subject A- 7). ***and Whistleblower Policy*** (Section XI Subject A- 5) TSI prohibits intimidation and retaliation for good faith participation in the Compliance Program, including for reporting or threatening to report potential issues, investigating issues, and reporting to appropriate officials. No employee, contractor, or Board member who files a report of, or threatens to report, actual or suspected fraud, waste, abuse, or other improper or unethical conduct based on a reasonable belief will be subject to retaliation or intimidation by TSI in any form.

With respect to employees, prohibited retaliation and intimidation includes, but is not limited to, terminating, suspending, demoting, failing to consider for promotion, harassing, reducing the compensation of any employee, or adversely changing working conditions due to the employee's intended or actual filing of a report. Employees, contractors, and Board members should immediately report any perceived retaliation or intimidation to the Corporate Compliance Officer. However, if an employee has participated in a violation of law and/or a policy of TSI, TSI has the right to take appropriate action against them. While TSI requires its employees to report such concerns directly to TSI, certain laws provide that individuals may also bring their concerns to the government.

XII. Government Audits and Investigations.

A. Contact By Government Officials.

Employees, contractors, and Board members are required to cooperate fully in all government audits and investigations. If contacted by governmental investigators or auditors, all employees are expected to request the following information:

1. The name, agency, business telephone number, and address of all investigators or auditors;

2. The reason for the contact; and

3. If the contact is in person, the investigators or auditors' business cards.

Employees shall direct the investigators or auditors to the Corporate Compliance Officer, and the Executive Director. If neither are available, the employee shall contact the Director of Financial Services.

B. Subpoenas and Document Requests.

Employees may receive subpoenas and other written or verbal requests for documents from government agencies. Subpoenas that are outside the normal course of TSI's business and written or verbal requests for documents from government agencies must immediately be forwarded to the Corporate Compliance Officer, and the Executive Director. The Corporate Compliance Officer and Executive Director, in conjunction with TSI's legal counsel, will evaluate the subpoena or written request, and if appropriate, coordinate the production of documents to the government agency. It is TSI's policy to respond only to written requests for documents, and to cooperate with all appropriate written requests for documents from government agencies.

C. Prohibition on Altering or Destroying Records.

Employees, contractors, and Board members are strictly prohibited from altering, removing, destroying, or otherwise making inaccessible any paper or electronic documents, records, or information relating to the subject matter of any government subpoena, information request, or search warrant during the course of an audit or investigation. This prohibition shall override any record destruction that would otherwise be carried out under TSI's ordinary record retention and destruction policies. Employees, contractors, and Board members are also barred from directing or encouraging another person to alter, remove, destroy, or otherwise making inaccessible any such paper or electronic documents, records, or information.

D. Request For Interviews.

If an employee, contractor, or Board member receives a request from a government official to provide an interview in the course of a government audit or investigation, the individual should immediately contact the Corporate Compliance Officer and the Executive Director. The Corporate Compliance Officer and Executive Director will, as appropriate, seek advice from legal counsel. If the request is deemed to be appropriate, the Corporate Compliance Officer, Executive Director, or legal counsel will coordinate and schedule all interview requests with the relevant government agency.

Employees, contractors, and Board members are required to reasonably cooperate with government officials, including providing them with timely access to facilities and records upon reasonable notice, and being truthful and complete in their communications. Although individuals have the right not to incriminate against themselves, any failure by an employee to provide cooperation or follow the requirements set forth in this Compliance Plan will be subject to disciplinary action up to and including termination of employment. Any Board member who fails to provide such cooperation will be subject to sanctions as set forth in TSI's Bylaws and policies, as well as applicable laws and regulations. Any contractor who fails to provide such cooperation may be subject to termination of its contract.

XIII. Routine Identification of Compliance Risks and Internal Compliance Audits.

TSI seeks to identify compliance issues at an early stage before they develop into significant legal problems by establishing a system for routine identification and evaluation of compliance risk areas. Additional information on risk identification and internal auditing can be found in the ***Auditing and Monitoring Policy***. **(**Section XI Subject A- 6)

A. Identification of Key Risk Areas.

Risk areas are identified through regular compliance audits of a sampling of records focusing on those areas within TSI that have potential exposure to government enforcement actions, such as the accuracy and validity of service documentation, medical necessity, quality of care and billing. Auditing techniques may involve the monthly inspection of services records as they relate to medical billing, the investigation of invoice submissions that were disapproved, and if needed, interviews with employees involved in management, billing, resident care, service and case management, documentation and others. Contractual arrangements with vendors may also be reviewed, with several transactions being inspected to determine compliance.

Key risk areas include, but are not limited to, the following:[8]

1. Billing for individuals not actually served by TSI;
2. Billing for services rendered to individuals that are not properly documented;
3. Billing the same service twice;
4. Billing at a rate in excess of the rate permitted under the applicable program;
5. Billing for services that are knowingly also being billed to the government by another health care provider;

[8] These risk areas include the ten (10) areas identified 18 § NYCRR 521-1.3(d) including: (1) billings; (2) payments; (3) ordered services; (4) medical necessity; (5) quality of care; (6) governance; (7) mandatory reporting; (8) credentialing; (9) contractor, subcontractor, agent, or independent contractor oversight; and (10) other risk areas that are or should reasonably be identified by TSI through its organizational experience.

6. Failing to properly coordinate an individual's benefits among Medicare, Medicaid, and other third party payers;

7. Submitting cost reports that are inaccurate or incomplete;

8. Ordering unnecessary or excessive services;

9. Failing to properly document the provision of ordered services;

10. Determining if billing and payment system weaknesses are being identified and corrected as necessary;

11. Providing medically unnecessary services;

12. Failing to properly credential licensed health care professionals as required by NYS (OMH, DOH or Medicaid Regulations);

13. Employing an excluded individual or company or billing for services provided by an excluded individual or company;

14. Failing to properly oversee contractors, subcontractors, agents, and independent contractors; and

15. Ensuring compliance with applicable mandatory reporting obligations.

Additional risk areas can be identified through benchmark analysis that provides operational "snapshots" from a compliance perspective that identify the need for further assessment, study or investigation; staff exit interviews, review of external audits performed by governmental agencies, payers, and credentialing bodies, and through the Completion of an OMIG self-evaluation tool. Risk areas may also be identified by reviewing the annual work plans and other resources from OMIG, HHS-OIG, and other regulatory agencies.

B. Performance of Internal Audits and Compliance Reviews.

TSI's Compliance Officer, in conjunction with the Compliance Committee, will develop audit tools and procedures for carrying out internal audits and routine monitoring, and develop a schedule of internal audits for the upcoming year. The audits will cover aspects of TSI's operations that pose a heightened risk of non-compliance and will focus on TSI's Compliance Risk Areas. Ongoing audits will be performed by internal or external auditors who have expertise in State and Federal Medicaid Program requirements and applicable laws, rules, and regulations, or who have expertise in the subject area of the audit. TSI will also annually review the effectiveness of its Compliance Program, including a determination as to whether any revision or corrective action is required, on at least an annual basis. Any revisions to written policies and procedures related to the Compliance Program will be presented by the Corporate Compliance Officer to the Board for approval.

The Corporate Compliance Officer may contract with outside companies to perform certain auditing functions. The Corporate Compliance Officer will oversee the services provided by outside companies. If the Corporate Compliance Officer determines it is in the best interests of TSI to keep the contents and/or findings of an audit confidential, the Corporate Compliance Officer shall arrange for legal counsel to conduct and/or supervise the audit under the attorney-client privilege. A written report shall be prepared summarizing the design, implementation, and results of each audit, and recommending any corrective action. The corrective action shall be designed to reduce the potential for recurrence and ensure ongoing compliance with the requirements of Medicaid, and other payers.

The Corporate Compliance Officer shall present the audit findings or summaries thereof, as appropriate, to the Compliance Committee, Executive Director, and the Board. If requested by a Program Manager, the Corporate Compliance Officer will work with the Program Manager and unit Supervisor to implement any corrective action. The Program Manager shall report to the Corporate Compliance Officer when implementation is completed.

All employees and contractors are required to participate in and cooperate with internal and external audits as requested by the Corporate Compliance Officer. This includes assisting in the production of documents, explaining program operations or rules to auditors, and implementing any corrective action plans.

XIV. A System for Responding to Compliance Issues

TSI is committed to providing a prompt response to compliance issues reported or identified through audits. The agency is also committed to timely corrective action when issues are verified through investigation. If fraud, waste or abuse is discovered, the agency will report it to the NYS Office of Medicaid Inspector General and refund overpayments. In the case of the discoveries of errors made in billing, the agency will void the inaccurate claims. As a consequence of compliance issues that arise, the agency may need to amend its policies and procedures to reduce the potential for recurrence.

When Errors Are Identified Through Internal Audits

When a compliance issue requires remedial action, a corrective plan of action will be developed by the staff responsible for the error, the Supervisors or managers responsible for the program or department. The plan will be submitted to the Corporate Compliance Committee for review and approval. The CO will continue to monitor the situation until it has been corrected. If it appears that the practice may lead to criminal or civil liability, the Executive Director and Board President will be notified, and corporate counsel will be contacted. Further action will be determined in conjunction with their recommendations.

The action plan should ensure to the greatest extent possible that the specific issue is addressed and that similar problems will not occur at other programs.

When an External Entity Completes an Audit

The CO will be provided the results of all audits conducted by outside entities, such as OMIG, NYSOMH, NYSDOH, and lead Health Homes. The CO will then add to the Compliance Work Plan risk areas identified by the external auditors, and a plan for monitoring these risk areas to reduce the potential for re-occurrence.

Timeliness of Responses

The CO and any other staff assigned to investigate non-compliant behavior or errors will respond quickly to conduct the investigation, document it and make recommendations for disciplinary action, corrective actions, refunding of overpayments and changes to agency policies and procedures.

XV. Conflict of Interest Policies.

TSI seeks to protect its interests when considering a transaction with a Board member, employee, or officer that might also benefit the personal interests of those individuals. TSI's ***Conflict of Interest Policy*** **(**Section XI Subject A- 9) **describes** such conflicts and disclosure of conflicts in detail. Board members and officers owe a fiduciary duty of loyalty to TSI and must disclose any actual or potential conflicts of interest to TSI promptly upon learning of such conflict and on an annual basis.

XVI. Laws Regarding the Prevention of Fraud, Waste, and Abuse.

A. Federal Laws.

1. Civil and Criminal False Claims Act.

Any person who knowingly and/or willfully submits a false claim for payment to the Federal government shall be subject to civil or criminal penalties, including imprisonment, repayment, civil monetary penalties per claim, treble damages. and exclusion from participating in Medicare and Medicaid. Examples of prohibited conduct include billing for services not rendered, upcoding claims, double billing, misrepresenting services that were rendered, falsely certifying that services were medically necessary, making false statements to the government, failing to comply with conditions of payment, and failing to refund overpayments made by a Federal health care program. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

2. Anti-Kickback Law.

Individuals/entities shall not knowingly offer, pay, solicit, or receive remuneration to induce referrals for items paid for by Medicare, Medicaid, or other Federal health care program unless the transaction fits within a safe harbor. This applies to any form of remuneration to induce or reward referrals for Federal health care program business (money, free or discounted items or services, overpayments or underpayments, waivers of copays or deductibles, low interest loans or subsidies, or business opportunities that are not commercially reasonable). Criminal or civil penalties include imprisonment, fines, treble damages, and exclusion from participating in Medicare/Medicaid.

3. Ethics in Patient Referrals Act ("Stark Law").

Physicians[9] (including psychologists) or their family member who have an ownership or compensation relationship with an entity that provides "designated health services"[10] shall not refer a patient in need of designated health services for which payment may be made under Medicare or Medicaid to such entities unless that ownership or compensation arrangement is structured to fit within a regulatory exception. Penalties include repayment of Medicare or Medicaid reimbursement and civil penalties.

4. Civil Monetary Penalties Law.

Individuals are prohibited from specified conduct including submitting false or fraudulent claims or misrepresenting facts, receiving or offering kickbacks, offering inducements to Medicare/Medicaid beneficiaries, offering inducements to physicians to limit services, submitting claims for services ordered by, or contracting with, an excluded entity, failing to report and repay an overpayment, and failing to grant government timely access. Penalties include fines, treble damages, denial of payment, repayment of amounts improperly paid, and exclusion from participating in the Medicare/Medicaid Programs.

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[9] Physicians include medical doctors, doctors of osteopathy, psychologists, oral surgeons, dentists, podiatrists, optometrists, and chiropractors.

[10] Designated health services are any of the following services, other than those provided as emergency physician services furnished outside of the United States, that are payable in whole or in part by the Medicare Program: (1) clinical laboratory services; (2) physical therapy, occupational therapy, and outpatient speech-language pathology services; (3) radiology and certain other imaging services; (4) radiation therapy services and supplies; (5) durable medical equipment and supplies; (6) parenteral and enteral nutrients, equipment, and supplies; (7) prosthetics, orthotics, and prosthetic devices and supplies; (8) home health services; (9) outpatient prescription drugs; and (10) inpatient and outpatient hospital services. *See* 42 CFR § 411.351.

B. State Laws.

New York has laws that are similar to the Federal laws listed above. These include the New York False Claims Act, False Statements Law, Anti-Kickback Law, Self-Referral Prohibition Law, Health Care and Insurance Fraud Penal Law, and anti-fee-splitting law. Individuals may be entitled to bring an action under the New York False Claims Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

C. Whistleblower Protections.

1. Federal Whistleblower Protection.

An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of the employee's lawful acts conducted in furtherance of a False Claims Act action may bring an action against the employer. However, if the employee's action has no basis in law or fact or is primarily for harassment, the employee may have to pay TSI its fees and costs.

2. New York State Whistleblower Protection.

Employees who, in good faith, report a false claim are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by their employer. Remedies include reinstatement, two (2) times back pay plus interest, litigation costs, and attorneys' fees.

3. New York State Labor Laws.

An employee is protected from retaliation or intimidation by an employer if the employee discloses or threatens to disclose an activity, policy, or practice of the employer that the employee reasonably believes is in violation of any law, rule, or regulation or reasonably believes poses a substantial and specific danger to the public health or safety, to a supervisor or public body. An employee is also protected from retaliation or intimidation by an employer if the employee provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such activity, policy, or practice, or who objects to, or refuses to participate in, any such activity, policy, or practice. The employee's disclosure or threat of disclosure is only protected if the employee has made a good faith effort to notify the employer by bringing the activity, policy, or practice to the attention of a supervisor and has afforded the employer a reasonable opportunity to correct the activity, policy, or practice.

XVI. Other Related Policies and Procedures

There are various additional personnel and program-related policies and procedures that are relevant to TSI's Compliance Plan and Compliance Program. These policies and procedures

are contained in TSI's ***Policy and Procedure Manual.***

A. Personnel-Related Policies and Procedures.

The following personnel-related policies and procedures contained in TSI's Employee Handbook and TSI Policy and Procedure Manual are relevant to TSI's Compliance Plan and Compliance Program:

Post Offer Procedures ……..Section III, Subject C

Confidentiality …….Section III, Subject C

Harassment ……..Section III, Subject C

Rules of Conduct …….Section III, Subject C

Tips, Gratuities and Gifts …….Section III, Subject C

Performance Reviews ……..Section III, Subject C

Involuntary Separation from Employment ……..Section III, Subject C

Identity Theft Prevention and Management …….Section III, Subject C, Addendum B

The Purpose of Performance Appraisals …….Section III, Subject D-1

The Advisory and Supervision File …….Section III, Subject D-2

Performance Appraisal Report ……Section III, Subject D-3

Staff Advancement Recommendation ……....Section III, Subject D-4

Progressive Disciplinary Policy ……..Section III, Subject D-5

Staff Orientation and Training …….Section III, Subject F-1

NYS Justice Center Code of Conduct ……....Section XII, Subject H-1

Staff Code of Conduct ……..Employee Handbook and Appendix A

Employee Sign Off Sheet TS183 …...Section III, Subject C Employee Handbook Addendum C

B. Medicaid related Policies and Procedures.

The following program-related policies and procedures contained in TSI's ***Policy and Procedure Manual*** are relevant to TSI's Compliance Plan and Compliance Program:

Medicaid Billing Client Information …… Section IV Subject A-1(c)

Physician Authorization & Re-Authorization …… Section IV Subject A-3(g)

General Reimbursement Standards …… Section IV Subject A-3(h)

Guidelines for Auditing ……..… Section IX Subject P-1

Review of Medicaid Remittances ……..…… Section IX Subject P-2

XVII. Summary.

In summary, TSI has adopted this Compliance Plan with the goal of carrying out its activities in accordance with law and high ethical standards. The effectiveness of the Compliance Program depends on the active participation of all employees, contractors, and Board members in preventing, detecting, and appropriately responding to actual or suspected fraud, waste, abuse, or other improper or unethical conduct. Working together, we can make TSI a model of excellence and integrity in our community.

Section XI
Subject A 2
Established: (April 2007)
Revised: September 2025

COMPLIANCE COMMITTEE CHARTER

ARTICLE I
PURPOSE

1.1. Purpose. Transitional Services, Inc. ("TSI") has adopted a Corporate Compliance Program to promote TSI's compliance with all applicable laws, regulations, and ethical standards. TSI's Corporate Compliance Program is described in its Corporate Compliance Plan. As part of its Corporate Compliance Program, TSI has designated a Compliance Committee. The Compliance Committee is responsible for coordinating with TSI's Corporate Compliance Officer to ensure that TSI is conducting its business in an ethical and responsible manner, and consistent with its Corporate Compliance Program.

ARTICLE II
DEFINITIONS

2.1. Definitions. As used in this Compliance Committee Charter, the following capitalized terms shall have the meanings ascribed to such terms in this **Article II**:

(a) "Compliance Risk Areas" means the Compliance Risk Areas set out in TSI's Corporate Compliance Plan. These risk areas include the ten (10) areas identified 18 § NYCRR 521-1.3(d) including billings, payments, ordered services, medical necessity, quality of care, governance, mandatory reporting, credentialing, contractor, subcontractor, agent, or independent contractor oversight, and other Compliance Risk Areas that are or should reasonably be identified by TSI through its Organizational Experience.

(b) "Corporate Compliance Officer" means the individual at TSI responsible for overseeing the implementation of the Corporate Compliance Program, and for carrying out the Corporate Compliance Program's day-to-day activities.

(c) "Corporate Compliance Plan" means the document that provides an overview of TSI's Corporate Compliance Program.

(d) "Corporate Compliance Program" means TSI's implementation of the Corporate Compliance Plan and includes all of TSI's compliance activities. The Corporate

Compliance Program promotes TSI's compliance with all applicable laws, regulations, and ethical standards.

(e) "Employees, Contractors, and Board Members" means TSI's employees, Executive Director, senior administrators, managers, interns, volunteers, contractors, agents, subcontractors, independent contractors, Board of Directors (the "Board"), and corporate officers who are affected by TSI's Compliance Risk Areas.

(f) "Organizational Experience" means TSI's:

(i) Knowledge, skill, practice, and understanding in operating its Corporate Compliance Program;

(ii) Identification of any issues or Compliance Risk Areas in the course of its internal monitoring and auditing activities;

(iii) Experience, knowledge, skill, practice, and understanding of its participation in the Medicaid Program and the results of any audits, investigations, or reviews it has been the subject of; or

(iv) Awareness of any issues TSI should have reasonably become aware of for its categories of service.

ARTICLE III
MEMBERSHIP

3.1. Membership. TSI's Compliance Committee shall consist of ten(10) members. The members of TSI's Compliance Committee include TSI's Corporate Compliance Officer, Executive Director, Associate Director, Director of Financial Services, Assistant Director of Financial Services, Human Resources Manager, Intake Supervisor,QI Specialist, QI/EHR/Training, and Quality Improvement Clerk. TSI's Executive Director shall appoint additional members to the Compliance Committee as deemed necessary.

3.2. Corporate Compliance Officer. TSI's Corporate Compliance Officer shall be a member of the Compliance Committee, and shall serve as the Chair of the Committee.

ARTICLE IV
MEETINGS

4.1. Meetings. TSI's Compliance Committee will meet at least quarterly, or more frequently if determined necessary by the Compliance Committee, Corporate Compliance Officer, or the Board.

ARTICLE V
DUTIES AND RESPONSIBILITIES

5.1. Duties and Responsibilities. The duties and responsibilities of TSI's Compliance Committee shall include, but not be limited to, the following:

(a) Receiving regular reports from the Corporate Compliance Officer on the implementation of TSI's Corporate Compliance Program.

(b) Identifying Compliance Risk Areas.

(c) Assisting with the development of and approving the annual work plan carried out under TSI's Corporate Compliance Program.

(d) Coordinating with TSI's Corporate Compliance Officer to ensure that TSI is conducting its business in an ethical and responsible manner, consistent with TSI's Corporate Compliance Program.

(e) Coordinating with TSI's Corporate Compliance Officer to ensure that the written policies and procedures are current, accurate, and complete.

(f) Coordinating with TSI's Corporate Compliance Officer to ensure that the Standards of Conduct are current, accurate, and complete.

(g) Coordinating with TSI's Corporate Compliance Officer to ensure that TSI's compliance training program includes all required training topics.

(h) Approving the compliance training program provided to all Employees, Contractors, and Board Members and re-evaluating as appropriate.

(i) Coordinating with the Corporate Compliance Officer to ensure that all compliance training program requirements are timely completed.

(j) Coordinating with TSI's Corporate Compliance Officer to ensure communication and cooperation by Employees, Contractors, and Board Members on compliance related issues, internal and external audits, and any other function or activity required by applicable regulations.

(k) Receiving reports from the Corporate Compliance Officer of investigations of actual or suspected fraud, waste, abuse, or other improper or unethical conduct and any corrective action taken as a result of such investigations.

(l) Advocating that the Corporate Compliance Officer is allocated sufficient funding, resources, and staff to fully perform their responsibilities.

(m) Ensuring that TSI has effective systems and processes in place to identify Corporate Compliance Program risks, overpayments, and other issues.

(n) Recommending and approving any changes to TSI's Corporate Compliance Plan, Corporate Compliance Program, and compliance policies.

(o) Developing and evaluating strategies to promote compliance and detection of fraud, waste, abuse, and other improper or unethical conduct.

(p) Ensuring that TSI has effective policies and procedures for correcting and reporting Corporate Compliance Program risks, overpayments, and other issues.

(q) Advocate for the required modifications to TSI's Corporate Compliance Program.

ARTICLE VI
REVIEW OF COMPLIANCE COMMITTEE CHARTER

6.1. Review of Compliance Committee Charter. TSI's Compliance Committee will review and update the Compliance Committee Charter on an annual basis.

ARTICLE VII
REPORTING AND ACCOUNTABILITY

7.1. Reporting and Accountability. TSI's Compliance Committee will report directly to the Corporate Compliance Officer , and will be accountable to, TSI's Executive Director and the Board.

Adopted: March 17, 2023

Corporate Compliance Training

PURPOSE

The purpose of this Policy is to establish compliance training and education requirements for Transitional Services, Inc. ("TSI").

APPLICABILITY

This Policy applies to all employees, Board of Directors ("Board") members, and contractors of TSI.[11]

POLICY

The proper education and training of personnel at all levels is a key element of an effective Compliance Program. TSI has established and implemented an effective compliance training and education program. All employees (including the Compliance Officer, senior administrators, and managers) and Board members will receive training promptly at orientation or appointment, and at a minimum annually thereafter regarding the Compliance Program and job-specific training as it pertains to compliance matters. Contractor training will contain the elements which relate to their contracted role and affected areas.

Training and education will be provided by TSI in a form and format that is accessible and understandable to all employees, contractors, and Board members, consistent with Federal and New York State language and other applicable laws, rules, and policies.

PROCEDURE

1. Compliance Training for Employees, Contractors and Board Members

Board of Directors - The Compliance Officer will train members of the Board of Directors annually and within 30 days of appointment to the Board, on an individual basis.

[11] "Employees, contractors, and Board members" includes TSI's employees, Executive Director, senior administrators, managers, volunteers, interns, contractors, agents, subcontractors, independent contractors, corporate officers, and Board members who are affected by TSI's Compliance Risk Areas. "Compliance Risk Areas" are those areas of operation affected by TSI's Corporate Compliance Program, as set forth in its Corporate Compliance Plan.

Management and Administrative Staff - The Compliance Officer will train on an individual basis, newly appointed Executive Director and other senior administrators, management staff, supervisors and administrative staff.

New Direct Care Staff - Compliance training is part of the staff orientation program which is conducted by the Program Supervisor within thirty days of hire.

Current Direct Care staff - Supervisors will train current direct care staff annually.

Each employee, volunteer or Board Member is required to sign a statement (TS 186A) indicating that he or she has attended the training session, has received a copy of the Compliance Plan, understands the Plan and will abide by the expectations established by this Program. This statement is retained in the employee personnel file. The Executive Secretary maintains and retains statements signed by Board members.

Contractors and Vendors - Contractors must participate in compliance training either prior to contracting with TSI or within thirty (30) days of contracting with TSI. Such training may consist of TSI providing the contractor with TSI's Fraud Prevention Policy and a copy of the Compliance Plan or a link to access the Compliance Plan.

The individual responsible for entering into the contract, typically the Director of Financial Services or designee, with the approval of the Corporate Compliance officer, is responsible for assuring the vendor has received the training described in this policy.

This overview will include each of the training and education program areas set forth in Section 6, below.

Employees will be afforded an opportunity to ask questions and receive responses to any questions they have in order for training to be considered complete. Each employee will be required to sign a form (TS 186A) indicating receipt of the Compliance Plan and completion of the training.

In addition to training on TSI's Compliance Program, TSI's Compliance Officer will also receive training by attending events outside of TSI.

Compliance Program Refresher Training.

Annually, TSI provides a Compliance Program refresher training for employees (including the Compliance Officer, senior administrators, and managers), contractors, and Board members. The Compliance Program refresher training is held annually in the month of May. This Compliance Program refresher training will, at a minimum, cover each of the training and education program areas set forth in Section 6, below. The Compliance Officer and/or Human Resources Manager or their designee(s) will be responsible for scheduling refresher training sessions for employees. Additional Compliance Program refresher trainings will be provided to employees, contractors, and Board members on an as needed basis.

2. Targeted Compliance Training for Employees.

The Compliance Officer, in consultation with each Program Supervisor, will determine whether it is necessary and appropriate to develop a curriculum of targeted compliance training for employees. Targeted compliance training will consist of in-depth guidance on fraud prevention and other Compliance Issues[12] arising in connection with the operation of a specific program. Employees shall have access to all policies and procedures relevant to the performance of their duties. All targeted compliance training curricula must be approved by the Compliance Officer.

3. Compliance Training for the Board.

All members of TSI's Board will receive compliance training promptly upon appointment to the Board but no later than thirty (30) days of their appointment and at least once annually thereafter. The Compliance Officer with assistance of TSI's legal counsel, as appropriate, will be responsible for developing this training program, and this training program will cover, at a minimum, each of the training and education program areas set forth in Section 6, below. Board members must acknowledge in writing that they have received training, understood the Standards of Conduct, and agree to fulfill their obligations under the Compliance Plan.

4. Compliance Training for Contractors.

Contractors, agents, subcontractors, and independent contractors who are affected by TSI's Compliance Risk Areas must participate in compliance training either prior to contracting with TSI or within thirty (30) days of contracting with TSI, and at least once annually thereafter. The compliance training given to contractors will cover, at a minimum, each of the training and education program areas set forth in Section 6, below. Such training may consist of providing the contractor with TSI's Compliance Plan and Compliance Program policies and procedures and affording the contractor the opportunity to ask questions and receive responses about the Plan and Program. *See* ***Fraud Prevention Policy*** and ***Sample Fraud Prevention Letter to Contractors***.

5. Training Program Requirements.

Training programs will include an overview of all elements of the Compliance Program as described in the Compliance Plan and compliance policies. All Compliance Program training and education will include, at a minimum, the following topics:

[12] "Compliance Issues" are actual or suspected fraud, waste, abuse, or other wrongful or unethical conduct, violations of laws, regulations, administrative guidance, or TSI's Compliance Plan and policies.

a. TSI's Compliance Risk Areas and Organizational Experience; [13]

b. TSI's written policies and procedures related to its Compliance Plan and Compliance Program;

c. Individual's obligation to participate in TSI's Compliance Program;

d. Types of issues that constitute Compliance Issues (actual or suspected fraud, waste, abuse, or other improper or unethical conduct, violations of law, regulations, administrative guidance, or TSI's Compliance Plan or policies);

e. Individual's obligation to report Compliance Issues in good faith and methods for reporting (including method for anonymous and confidential reporting) to the Compliance Officer and others;

f. Individual's ability to ask questions regarding TSI's Compliance Program and Compliance Plan;

g. The Compliance Officer's and Compliance Committee's role and their interactions with management and the Board;

h. How internal and external audits and investigations are handled and an individual's obligation to assist in audits and investigations as requested;

i. Various types of remedial measures and corrective action plans for non-compliance, including how TSI responds to Compliance Issues and implements corrective action plans;

j. The consequences of failure to comply with TSI's Compliance Plan and Compliance Program (*i.e.*, discipline, termination, liability) and information about non-intimidation and non-retaliation policies;

k. Responsibilities of supervisors/managers to detect and report Compliance Issues;

l. The requirements specific to the Medicaid Program and TSI's categories of service;

m. Overview of relevant laws and requirements, including requirements related to reporting overpayments; and

[13] "Organizational Experience" means TSI's: (1) knowledge, skill, practice, and understanding in operating its Compliance Program; (2) identification of any issues or Compliance Risk Areas in the course of its internal monitoring and auditing activities; (3) experience, knowledge, skill, practice, and understanding of its participation in the Medicaid Program and the results of any audits, investigations, or reviews TSI has been the subject of; or (4) awareness of any issues it should have reasonably become aware of for the categories of service TSI provides.

n. If applicable, coding and billing requirements and best practices, and the claim development and submission process.

6. Compliance Training Plan.

The Compliance Officer, with the assistance of the Human Resources Manager and the Compliance Committee shall be responsible for implementing this Policy and for developing and maintaining a compliance training plan. The training plan will, at a minimum, outline the following:

a. The subjects or topics for training and education;

b. The timing and frequency of the training;

c. Which employees, contractors, and Board members are required to attend;

d. How attendance is tracked; and

e. How the effectiveness of the training will be periodically evaluated.

7. Retention of Training Records

Each employee will be required to sign a form indicating receipt of the Compliance Plan and completion of the training.

TSI shall keep records for six (6) years of all Compliance Program trainings, to include targeted trainings, attended by the Corporate Compliance Officer, employees, Board Members, contractors and vendors, to include course descriptions, frequency of training, and hours of each training session. The Human Resources Manager or designee will be responsible for maintaining these records. Staff records are retained in the staff member personnel file. Board Member trainings are maintained and retained by the Executive Secretary.

Auditing and Monitoring Policy

PURPOSE

The purpose of this Policy is to establish and implement an effective system for routine auditing and monitoring and identification of compliance risks at Transitional Services, Inc. ("TSI").

APPLICABILITY

This Policy applies to all employees, Board of Directors ("Board") members, and contractors of TSI.[14]

POLICY

The Compliance Officer will, in conjunction with the Compliance Committee, ensure that TSI conducts internal compliance auditing and monitoring and, as appropriate, external audits, to evaluate TSI's compliance with Medicaid Program requirements and the overall effectiveness of its Compliance Program. The Compliance Officer, in conjunction with the Compliance Committee, will also ensure that TSI conducts internal compliance auditing and monitoring, and, as appropriate, external audits, to identify compliance risks preferably at an early stage before they develop into significant legal problems. TSI's Compliance Program will also be reviewed on at least an annual basis to ensure that the Medicaid Program requirements, as well as requirements set out in State and Federal laws, rules, and regulations, have been met.

A System for Routine Identification of Compliance Risk Areas

a) Regular compliance audits of a sampling of records focusing on those areas within TSI that have potential exposure to government enforcement actions, such as the accuracy and validity of service documentation, medical necessity, quality of care and billing. Auditing techniques may involve the monthly inspection of services records as they relate to medical billing, the investigation of invoice submissions that were disapproved, and if needed, interviews with employees involved in management, billing, resident care, service and case management, documentation and others.

[14] "Employees, contractors, and Board members" includes TSI's employees, Executive Director, senior administrators, managers, interns, volunteers, contractors, agents, subcontractors, independent contractors, corporate officers, and Board members who are affected by TSI's Compliance Risk Areas. "Compliance Risk Areas" are those areas of operation affected by TSI's Compliance Program, as set forth in its Corporate Compliance Plan. TSI's Corporate Compliance Plan ("Compliance Plan") is the document that provides an overview of TSI's Corporate Compliance Program ("Compliance Program"). The Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

Contractual arrangements with vendors may also be reviewed, with several transactions being inspected to determine compliance.

b) Benchmark analysis that provides operational "snapshots" from a compliance perspective that identifies the need for further assessment, study or investigation.

c) Review of the effectiveness of the Plan's dissemination, communication of TSI's compliance standards and Code of Conduct, availability of the Compliance Hotline and adequacy of compliance training and education to ensure that the Plan's compliance elements have been satisfied. Subsequent reviews to ensure that corrective actions have been effectively and completely implemented.

d) Review of staff exit interviews to identify risk areas.

e) Review of HR monthly checks of excluded parties to ensure such individuals are not involved in agency Medicaid services. Review checks of new hires and contracted individuals.

f) Review of HR Files on staff credentialing as required by NYS (OMH, DOH or Medicaid regulations.)

g) Development of a Work Plan and submission to the Corporate Compliance Committee and Board annually. The Compliance Work Plan identifies risk areas based on self-identified weak areas, regulatory advisories, regulatory actions and outside assessments. If new risks arise during the year due to growth of services, changes in personnel or technology, payor changes, or regulatory changes, revisions are made to the Work Plan and approved by the Committee and the Board. Reports on the progress of the Work Plan are provided to the Committee monthly and to the Board at least twice annually.

h) Completion of an OMIG self-evaluation tool annually in September to ensure the agency Corporate Compliance Program is up to date according to the NYS SS Law 363-d, and 18 NYCRR Section 521.

i) Maintenance of documentation of audit results, identified compliance issues, corrective action plans and completed corrective actions.

PROCEDURE

1. Oversight of Auditing Process.

The Compliance Officer will be responsible for overseeing TSI's auditing and monitoring system. The Compliance Officer is authorized to delegate auditing duties to other personnel of TSI, as well as outside attorneys, accountants, and vendors as necessary and appropriate.

2. Identification of Risk Areas.

Internal and external compliance audits will focus on TSI's Compliance Risk Areas. TSI's Compliance Risk Areas will be identified by the Compliance Officer and Compliance Committee by reviewing the:

a. Results of all internal or external audits, including audits or surveys performed by Federal and State government agencies, payers, and credentialing bodies;

b. Annual work plans and other resources from the New York State Office of the Medicaid Inspector General ("OMIG"), U.S. Department of Health and Human Services Office of the Inspector General ("HHS-OIG"), and other regulatory agencies; and

c. Reviewing risk areas raised by compliance complaints filed or identified by TSI's employees, Board, and/or contractors.

The Compliance Officer and their designee(s) will select audit subjects based on the level of risk associated with the subject, any prior history of violations, the length of time that has passed since the most recent audit on the same subject, and the cost and time to perform the audit. The Compliance Officer will ensure that any internal audits mandated by law or contract are carried out on a schedule consistent with such requirements.

3. Audit Plan.

The Compliance Officer and their designee(s) will develop a schedule for audits for the upcoming year, which will be subject to the approval of the Compliance Committee. The schedule will specify the subject of each audit, audit methodology, the time period during which the audit will be carried out, and the employees or contractors to be used to perform the audit. The Compliance Officer will use best efforts to minimize any disruption of TSI's business activities caused by audits. If new risks arise during the year due to growth of services, changes in personnel or technology, payor changes, or regulatory changes, the Compliance Officer will consider revising the schedule for audits. Any changes to the schedule for audits will be subject to the approval of the Compliance Committee. The Compliance Officer or designee will report to the Compliance Committee regarding the schedule for audits on a monthly basis. This will be report to the Board on the same at least quarterly.

4. Audit Procedures.

The Compliance Officer, in conjunction with their designee(s) will determine the audit tools and procedures for carrying out the audits. Audits will be performed by internal or external auditors who have expertise in State and Federal Medicaid Program requirements and applicable laws, rules, and regulations, or who have expertise in the subject area of the audit. The Compliance

Officer may contract with outside companies to perform certain auditing functions. The Compliance Officer will oversee the services provided by any outside vendors.

If the Corporate Compliance Officer determines it is in the best interests of TSI to keep the contents and/or findings of an audit confidential, the Corporate Compliance Officer shall arrange for legal counsel to conduct and/or supervise the audit under the attorney-client and attorney work product privileges.

All employees, Board members, and contractors are required to participate in and cooperate with internal and external audits as requested by the Corporate Compliance Officer. This includes assisting in the production of documents, explaining program operations or rules to auditors, and implementing any corrective action plans.

5. Written Report and Corrective Action.

Upon completion of an audit, the Compliance Officer will arrange for the preparation of a written audit report. The report will set forth the subject of the audit, audit methodology, audit findings, and any recommended corrective action. The report or a summary thereof will be provided to the Compliance Committee, Executive Director, Board, and administrative staff, as appropriate.

Included in such reports will be new compliance issues identified, plans for investigation, status of previously initiated investigations, timing and effectiveness of corrective action plans implemented, and designs for ongoing future monitoring. A summary of calls to the Compliance Hotline is included, identifying trends and patterns. Documents, including those that are submitted to governmental agencies, will be included within the scope of these audits as appropriate.

When a compliance issue requires remedial action, a corrective plan of action will be developed by the staff responsible for the error, the Supervisors or managers responsible for the program or department. The plan will be submitted to the Corporate Compliance Committee for review and approval. The CO will continue to monitor the situation until it has been corrected. If it appears that the practice may lead to criminal or civil liability, the Executive Director and Board President will be notified, and corporate counsel will be contacted. Further action will be determined in conjunction with their recommendations.

The action plan should ensure to the greatest extent possible that the specific issue is addressed and that similar problems will not occur at other programs.

When an External Entity Completes an Audit

The CO will be provided the results of all audits conducted by outside entities, such as OMIG, NYSOMH, NYSDOH, and lead Health Homes. The CO will then add to the Compliance

Work Plan risk areas identified by the external auditors, and a plan for monitoring these risk areas to reduce the potential for re-occurrence.

Timeliness of Responses

The CO and any other staff assigned to investigate non-compliant behavior or errors will respond quickly to conduct the investigation, document it and make recommendations for disciplinary action, corrective actions, refunding of overpayments and changes to agency policies and procedures.

Any overpayments and/or fraud and abuse discovered through an audit, including the potential for self-disclosure to the appropriate State and/or Federal organization, will be handled in accordance with TSI's ***Compliance Investigations Policy*** (Section XI Subject A – 6) and other relevant policies. All audit reports will be maintained by TSI for ten (10) years.

6. Annual Compliance Program Review.

TSI's Compliance Program will be reviewed at least annually to ensure that the Medicaid Program requirements, as well as requirements set out in State and Federal laws, rules, and regulations, have been met. The purpose of this review will be to determine the effectiveness of TSI's Compliance Program, as well as whether any revision or corrective action is required. Additionally, the annual Compliance Program review will determine whether:

a. The Compliance Plan, Compliance Program, and Standards of Conduct have been implemented;

b. Employees, Board members, and contractors are following the policies, procedures, and Standards of Conduct;

c. The policies, procedures, and Standards of Conduct are effective; and

d. Any updates are required.

The annual Compliance Program review may be carried out by TSI's Compliance Officer, Compliance Committee members, external auditors, or other individuals who have the necessary knowledge and expertise to evaluate the effectiveness of the Compliance Program components that they are reviewing and are independent from the functions being reviewed. The annual review will include:

a. On-site visits;

b. Interviews with employees, Board members, and contractors;

c. Review of records;

d. Surveys; and/or

e. Any other comparable method TSI deems appropriate, so long as the method does not compromise the independence or integrity of the review.

The design, implementation, and results of the annual review, as well as any corrective action implemented, will be documented. The results of the review will be shared with TSI's Executive Director, senior management, Compliance Committee, and Board.

Duty to Report Policy

PURPOSE

Transitional Services, Inc. ("TSI") intends to comply with all Federal and State laws, regulations, and standards that apply to its operations. The purpose of this Policy is to support TSI's goal of compliance by establishing effective lines of communication for reporting actual or suspected matters of non-compliance.

APPLICABILITY

This Policy applies to all employees, Board of Directors ("Board") members, and contractors of TSI.[15]

POLICY

1. Any person who is aware of, or suspects that fraud, waste, abuse, or other improper or unethical conduct, violations of law, regulations, administrative guidance, or TSI's Compliance Plan and policies (a "Compliance Issue") has been committed by an employee, Board member, or contractor is obligated to report the Compliance Issue to the Compliance Officer, or any member of TSI's Compliance Committee, through the mechanisms described below.

2. Anyone who files a complaint concerning a Compliance Issue must be acting in good faith and have reasonable grounds for believing the information disclosed constitutes a Compliance Issue ("Protected Disclosure").

3. Any person who knowingly, or with reckless disregard for the truth, gives false information or knowingly makes a false report of a Compliance Issue, or a subsequent false report of retaliation, will be subject to disciplinary action up to and including termination of their relationship with TSI. Allegations made in good faith that are not substantiated are not subject to corrective action.

[15] "Employees, contractors, and Board members" includes TSI's employees, Executive Director, senior administrators, managers, volunteers, interns, contractors, agents, subcontractors, independent contractors, corporate officers, and Board members who are affected by TSI's Compliance Risk Areas. "Compliance Risk Areas" are those areas of operation affected by TSI's Compliance Program, as set forth in its Compliance Plan. TSI's Corporate Compliance Plan ("Compliance Plan") is the document that provides an overview of TSI's Corporate Compliance Program ("Compliance Program"). The Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

4. No person who makes a Protected Disclosure will suffer intimidation, retaliation, or adverse employment consequences. Any person who retaliates against or intimidates any individual who makes a Protected Disclosure is subject to discipline up to and including termination. TSI's ***Non-Retaliation and Non-Intimidation*** *Policy* (Section XI Subject A-7) is intended to encourage and enable employees, Board members, and contractors to participate in good faith in the Compliance Program and to raise concerns within TSI prior to seeking resolution outside of the organization.

5. Protected Disclosures may be made on a confidential basis by the complainant or may be submitted anonymously through TSI's Compliance Hotline, Compliance Dropbox, or by mailing an anonymous letter to the Compliance Officer. Protected Disclosures and investigatory records will be kept confidential unless the matter is subject to a disciplinary proceeding, referred to or under investigation by the New York State Attorney General's Medicaid Fraud Control Unit ("MFCU"), the New York State Office of the Medicaid Inspector General ("OMIG"), or law enforcement, or the disclosure is required during a legal proceeding.

PROCEDURE

1. Duty to Report

A. Reporting Options

TSI maintains open lines of communication for the reporting of actual or suspected improper or unethical conduct. When an employee, Board member, or contractor becomes aware of a Compliance Issue impacting TSI, the individual must report the information anonymously or otherwise, in any one of the following ways:

1. Through the Compliance Hotline at 716-553-4010; (See below for details)
2. Notifying the Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or in writing to Attn: Compliance Officer, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;
3. Notifying a Supervisor or Program Manager;
4. Notifying any member of the Compliance Committee; or
5. In writing through the Compliance Dropbox located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150.

B. Compliance Hotline

The Compliance Hotline may be accessed by dialing 716-533-4010 to report a complaint. Employees, contractors, and Board members have the option of reporting a complaint on the Compliance Hotline anonymously by dialing *67 prior to dialing the Compliance Hotline number to disable the caller-identification function. Note: the *67 function will only work from landline or cellular telephones outside of the agency. The system will log the extension of calls made within TSI.

All messages are recorded. After the caller hangs up the recording is sent simultaneously to the Corporate Compliance Officer, QI Specialist and EHR Analyst. The Corporate Compliance Officer (or designee) is responsible for reviewing all Compliance Hotline reports and assessing whether they warrant further investigation. This number is available seven days per week, twenty-four hours per day. This voice mailbox will be checked daily during Administrative Office Business Hours (Monday through Friday) to ensure prompt action.

Note: the Compliance Hotline is designed solely for the good faith reporting of fraud, waste, abuse, and other compliance problems; it is not intended for complaints relating to the terms and conditions of an employee's employment. Any such calls received will be directed to the Human Resources Manager, the employee's Supervisor, or Program Manager.

However, if an employee believes that they were retaliated against or intimidated for reporting a compliance concern, the employee's complaint may be reported on the Compliance Hotline or to the employee's supervisor or Human Resources Manager. However, if the employee reports retaliation or intimidation on the Compliance Hotline, the employee should disclose their identity in order for the Corporate Compliance Officer to be able to investigate the matter.

Any employees, Board members, or contractors who are aware of or suspect a Compliance Issue, and who do not fully disclose it to one or more of the above-named parties, may be subject to the same disciplinary action as those who are involved in the non-compliance. *See also* ***Disciplinary Policy***. (See Section XI Subject A- 8)

2. Investigation of Reports.

If the complainant identifies themselves, the complainant will be contacted to acknowledge receipt of the Compliance Issue within five (5) working days for most issues and within twenty-four (24) hours for Compliance Issues that involve alleged environmental violations. All reports will be promptly and thoroughly investigated by the Compliance Officer or designee. Appropriate corrective action will be taken if warranted by the investigation.

3. Prohibition Against Intimidation or Retaliation.

TSI forbids any form of intimidation or retaliation against any individual for reporting, in good faith, a Protected Disclosure. Employees, Board members, and contractors must immediately report any perceived retaliation and/or intimidation to the Compliance Officer. *See also* ***Non-Retaliation and Non-Intimidation Policy***.

WHISTLEBLOWER POLICY
OF
TRANSITIONAL SERVICES, INC.

ARTICLE I

PURPOSE

1.1 Purpose

(a) **TRANSITIONAL SERVICES, INC.** (the "Corporation") requires its directors, officers, employees, key persons, volunteers, and contractors to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. The purpose of this Whistleblower Policy is to encourage the Corporation's its employees, volunteers, contractors, officers, key persons, directors, and consumers of services to report any action or suspected action of the Corporation's directors, officers, employees, volunteers, key persons, and/or contractors that may be illegal, fraudulent, or contrary to any adopted policy of the Corporation by providing a procedure to report such actions and to protect from retaliation any such person who, in good faith, reports suspected improper conduct.

(b) It is intended that this Policy comply with the provisions of Section 715-B of the New York State Not-for-Profit Corporation Law, as added by the Non-Profit Revitalization Act of 2013, as amended, and shall be interpreted and construed accordingly. This Policy applies to any matter which is related to the Corporation's business and does not relate to private acts of an individual not connected to the business of the Corporation. The rights and protections set forth in this Policy are in addition to, and not in abrogation of, the protections provided by Sections 740 and 741 of the New York State Labor Law, Section 191 of the New York State Finance Law, or any applicable Federal law, including but not limited to the False Claims Act (31 U.S.C. § 3730(h)).

ARTICLE II

REPORTING RESPONSIBILITIES

2.1 Reporting Responsibilities. All directors, officers, employees, key persons, and volunteers of the Corporation have a responsibility to report any action or suspected action taken by the Corporation itself, by its leadership, or by others on the Corporation's behalf, that is illegal, fraudulent, unethical, or violates any adopted policy of the Corporation ("Violations").

2.2 Reporting in Good Faith. Anyone reporting a Violation must act in good faith, without malice to the Corporation or any individual, and have reasonable grounds for believing that the information shared in the report indicates that a Violation has occurred. A person who makes a report does not have to prove that a Violation has occurred. However, any report which the reporter has made maliciously or any report which the reporter has good reason to believe is false will be viewed as a serious disciplinary offense.

ARTICLE III

NO RETALIATION

3.1 No Retaliation. No person who in good faith reports a Violation or who in good faith cooperates in the investigation of a Violation shall suffer intimidation, harassment, discrimination, or other retaliation or, in the case of employees, adverse employment consequence. Any individual within the Corporation who retaliates against another individual who has reported a Violation in good faith or who, in good faith, has cooperated in the investigation of a Violation shall be subject to discipline, including, without limitation, termination of employment or volunteer status.

3.2 Reporting of Retaliation. If you believe that an individual who has made a good faith report of a Violation or who has in good faith cooperated in the investigation of a Violation is suffering intimidation, harassment, discrimination, or other retaliation or, in the case of employees, adverse employment consequence, please contact the Corporation's Corporate Compliance Officer.

ARTICLE IV

PROCEDURES FOR REPORTING VIOLATIONS

4.1 Reporting Procedure. All directors, officers, employees, key persons, and volunteers should report their concerns relating to a Violation to any person within the Corporation who can properly address those concerns. In most cases, the direct supervisor of an employee or volunteer is the person best suited to address a concern. However, if the employee or volunteer is not comfortable speaking with their supervisor or if they are not satisfied with their supervisor's response, the employee should report the Violation to the Corporate Compliance Officer, to any member of the Board of Directors of the Corporation (the "Board"), or to anyone in management they feel comfortable approaching. Any person other than an employee or volunteer should report any Violation directly to the Corporate Compliance Officer of the Corporation.

4.2 Identity; Confidentiality. The Corporation encourages anyone reporting a Violation to identify themselves when making a report in order to facilitate the investigation of the Violation. However, reports addressed to an individual within the Corporation may be submitted on a confidential basis and reports may be submitted to the Corporate Compliance Officer anonymously

by submitting them directly, without providing an identity or return address, to the Corporate Compliance Officer using the contact information set forth below.

4.3 Report Content. The report of any Violation may be made in person, by telephone, or by mail, electronic mail, or other written communication. Such report should contain sufficient information to permit adequate investigation. At a minimum, the following information should be provided:

a) A description of the nature of the improper activity, with sufficient detail to permit an initial investigation;

b) The name(s) of the individual(s) and/or department(s) engaging in the activity or with knowledge of the activity;

c) The approximate or actual date(s) the activity took place; and

d) An explanation of any steps taken internally with the Corporation's management to report or resolve the complaint.

ARTICLE V

COMPLIANCE AND ADMINISTRATION

5.1 Notification of Violation; Acknowledgement. Every supervisor, manager, director, and other representative of the Corporation is required to notify the Corporate Compliance Officer of every report of a Violation. The Corporate Compliance Officer will notify the sender and acknowledge receipt of a report of Violation within seven (7) business days, but only to the extent the sender's identity is disclosed or a return address is provided.

5.2 Investigation; Correction.

a. The Corporate Compliance Officer is responsible for promptly investigating all reported Violations and for causing appropriate corrective action to be taken if warranted by the investigation. The Corporate Compliance Officer shall conduct an investigation into the reported Violation within thirty (30) days of receipt of the report, or as soon as practicable thereafter. Such investigation shall be conducted in a confidential manner, consistent with the need to conduct an adequate investigation, to comply with all applicable laws, and if appropriate, to cooperate with law enforcement authorities.

b. The Corporate Compliance Officer shall review the policies and procedures of the Corporation and make note of the alleged Violation.

c. The Corporate Compliance Officer shall assess, in the most confidential manner possible, the concerns of the director, officer, employee, key person, or volunteer who reported the alleged Violation, as well as those of other directors, officers, employees, or volunteers who may have an understanding of, or be complicit in, the alleged Violation, in order to form an informative opinion on the matter and determine potential recommendations for resolution.

d. The Corporate Compliance Officer may utilize the Corporation's general counsel, as needed, during an investigation of a reported Violation.

e. The Corporate Compliance Officer will prepare and submit a written report on the reported Violation to the Corporate Compliance Committee or another authorized committee thereof (as the case may be, the "Governing Body"), together with recommendations as to resolution and a timeline for implementation of recommended actions. The Corporate Compliance Officer will also forward a copy of the written report to the Board.

f. The Governing Body shall act on the Corporate Compliance Officer's written report as appropriate, including reviewing all findings and recommendations identified therein, and submitting a written assessment of the matter, including recommendations as to resolution and a timeline for implementation of recommended actions, to the Board.

g. Upon receipt of the written report from the Governing Body, the Board of Directors will consider the matter and render binding determinations as to resolution, up to and including, the suspension or removal of any director, officer, employee, key person, or volunteer found to have engaged in the reported Violation.

5.3 Administration.

a) The Corporate Compliance Officer shall administer this Policy and shall report directly to the Board of the Corporation and the Governing Body; provided, however, that directors who are employees may not participate in any Board or Governing Body deliberations or voting relating to administration of this Policy.

b) Any person who is the subject of a whistleblower complaint shall not be present at or participate in Board or Governing Body deliberations or vote on the matter relating to such complaint; provided, however, that the Board or Governing Body may request that

the person who is subject to the complaint present information as background or answer questions at the Board or Governing Body meeting prior to the commencement of deliberations or voting relating thereto.

c) The Governing Body is responsible for addressing all reported concerns or complaints of Violations relating to corporate accounting practices, internal controls, or auditing. Accordingly, the Corporate Compliance Officer must immediately notify the Governing Body of any such concern or complaint. In addition, if the Corporate Compliance Officer deems it appropriate, the Corporate Compliance Officer may advise the Chairperson of the Board of any other reported Violations.

5.4 Annual Reporting. The Corporate Compliance Officer is required to report to the Board at least annually on compliance activity.

5.5 Documentation. The Governing Body or another appropriate Committee of the Board shall assure that all reported Violations and investigations are properly documented, including minutes of any meeting of any Committee or the Board where the matter was discussed.

ARTICLE VI

MISCELLANEOUS

6.1 Access to Policy. A copy of this Policy shall be distributed to all directors, officers, employees, key persons, and volunteers who provide substantial services to the Corporation.

6.2 Corporate Compliance Officer. The contact information of the Corporate Compliance Officer is as follows:

Mark Kraus, Quality Management Director & Corporate Compliance Officer
Transitional Services, Inc.
389 Elmwood Avenue
Buffalo, New York 14222
(716) 874-8182
CCO@tsiwny.org

6.3 Modification. The Board may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with federal, state, or local laws and regulations and/or to accommodate organizational changes within the Corporation.

Compliance Investigations Policy

PURPOSE

The purpose of this Policy is to establish and implement a system at Transitional Services, Inc. ("TSI") for promptly responding to Compliance Issues as they are raised, investigating potential Compliance Issues identified in the course of internal auditing and monitoring (including self-evaluations and audits), correcting such problems promptly and thoroughly to reduce the potential for recurrence, and ensuring ongoing compliance with TSI's Compliance Program,[16] State and Federal laws, rules, and regulations, and Medicaid Program requirements. "Compliance Issues" are actual or suspected fraud, waste, abuse, or other improper or unethical conduct, violations of laws, regulations, administrative guidance, or TSI's Compliance Plan and policies.

APPLICABILITY

This Policy applies to all employees, Board of Directors ("Board") members, and contractors of TSI.[17]

POLICY

1. The Compliance Officer shall have the primary responsibility of conducting and/or overseeing the investigation of, and independently acting on, matters related to TSI's Compliance Program, including reported Compliance Issues. This includes designing and coordinating internal investigations and documenting, reporting, coordinating, and pursuing any resulting corrective action with all TSI departments, contractors, agents, subcontractors, independent contractors, and New York State.

2. The purpose of the investigation shall be to determine whether there is reasonable cause to believe an individual(s) or entity(ies) may have knowingly or inadvertently participated in a Compliance Issue, to facilitate corrective action if appropriate, and to implement procedures necessary to ensure future compliance.

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[16] TSI's Corporate Compliance Plan ("Compliance Plan") is the document that provides an overview of TSI's Corporate Compliance Program ("Compliance Program"). The Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

[17] "Employees, contractors, and Board members" includes TSI's employees, Executive Director, senior administrators, managers, interns, volunteers, contractors, agents, subcontractors, independent contractors, corporate officers, and Board members who are affected by TSI's Compliance Risk Areas. "Compliance Risk Areas" are those areas of operation affected by TSI's Compliance Program, as set forth in its Compliance Plan.

3. Employees, Board members, and contractors are required to fully cooperate in all audits and investigations subject to the individual's right against self-incrimination. Any employee who fails to provide such cooperation may be subject to termination of employment. Any Board member who fails to provide such cooperation will be subject to sanctions as set forth in TSI's Bylaws and policies, as well as any applicable laws and regulations. Any contractor who fails to provide such cooperation may be subject to termination of contract or the relationship, as appropriate.

4. After an investigation, TSI shall correct compliance problems promptly and thoroughly to reduce the potential for recurrence. The Compliance Officer shall periodically report to the Compliance Committee and to the Board on the status of such investigations.

PROCEDURE

1. General Procedures.

When the Compliance Officer (CO) receives a report, the individual responsible for that area will be contacted immediately and interviewed by the CO to obtain all facts relating to the alleged impropriety. The conversation is documented. The individual will be requested to review and to sign the statement, attesting to its accuracy.

TSI will ensure that the confidentially of persons reporting compliance issues is maintained unless the matter is subject to a disciplinary proceeding, referred to, or under investigation by the New York State Attorney General's Medicaid Fraud Control Unit ("MFCU"). OMIG, or law enforcement, or disclosure is required during a legal proceeding. All persons reporting compliance issues will be protected from non-intimidation and non-retaliation pursuant to TSI's ***Non-Retaliation and Non-Intimidation Policy***.

Following the initial interview, the CO may determine that the situation requires further investigation and will advise the Executive Director.

a. Determination of Whether Investigation is Warranted.

The Compliance Officer shall have the primary responsibility of conducting and/or overseeing the investigation of both reported Compliance Issues and those identified in the course of internal auditing and monitoring. *See* ***Auditing and Monitoring Policy***. (Section XI Subject A-3) The Compliance Officer shall determine, in consultation with personnel and legal counsel of TSI, as necessary, whether the report warrants an investigation. If warranted, the Compliance Officer will promptly coordinate the investigation and determine whether any outside advisors are needed.

b. Use of Internal and External Resources.

The Compliance Officer may utilize TSI's employees (consistent with maintaining appropriate confidentiality) and outside advisors such as attorneys, accountants, auditors, or other consultants for assistance or advice.

c. Attorney-Client Privileged Investigations.

If the Compliance Officer, Executive Director or Board President the administrative team determine it is in the best interests of TSI to keep the information and documents obtained during the course of the investigation confidential under the attorney-client or attorney work product privileges, the Compliance Officer or Executive Director shall arrange for legal counsel to conduct and/or supervise the investigation. Legal counsel shall instruct TSI on how the investigation will be conducted to ensure that information provided and documents generated in the course of the investigation will be covered by the attorney-client and/or attorney work product privileges.

d. Interviews and Document Review.

The Compliance Officer, or their designee(s), may:

i. Conduct interviews with employees, Board members, contractors, and other individuals;

ii. Review any relevant document(s); and

iii. Undertake other processes and methods as the Compliance Officer deems necessary.

e. Cooperation.

Employees, Board members, and contractors are required to fully cooperate in all investigations subject to an individual's right against self-incrimination. Employees, Board members, and contractors are strictly prohibited from destroying, modifying, or otherwise making inaccessible any documents or electronic information that they know are the subject of a pending investigation. Employees, Board members, and contractors are also barred from directing or encouraging another person to take such action.

f. Documentation.

Compliance investigations will be recorded by the Compliance Officer for reporting and tracking purposes. The record of the compliance investigation will include any alleged violations, a description of the investigative process, and copies of any interview notes and other documents essential for demonstrating that a thorough investigation on the issue was conducted. All

investigations will conclude with a written report of findings and recommendations for corrective action to correct the problem and prevent future recurrence.

g. Corrective Action.

If the allegations are found to be true, the CO, the HR Manager, the Executive Director and Board President in conjunction with corporate counsel as appropriate, will determine the type of disciplinary action to be taken and if regulatory agencies or law enforcement should be contacted. The CO will report or self-disclose to the NYS Office of Medicaid Inspector General any occurrences of fraud, waste or abuse and the agency will take the necessary steps to refund overpayments.

The Compliance Officer is responsible for drafting, reviewing, and approving corrective action plans. However, if the subject of the corrective action plan is the Executive Director or if the Executive Director is not promptly acting upon such a recommendation or acting in the best interests of TSI, the Compliance Officer shall recommend and seek approval of the corrective action plan from the Board. Corrective action may include, but is not limited to, any of the following steps:

i. Modifying TSI's existing policies, procedures, or business practices;

ii. Providing additional training or other guidance to employees, contractors, or Board members;

iii. Seeking interpretive guidance of applicable laws and regulations from government agencies and/or legal counsel;

iv. Disciplining employees, terminating contractors, and sanctioning Board members as described more fully in TSI's ***Disciplinary Policy***;. (Section XI Subject A-8) If it is determined during the investigation that the employee intentionally did not comply with the standards of the facility or has broken the law, significant disciplinary reactions will result, including but not limited to oral or written warnings, suspension, termination, financial penalties or prosecution. Action may also be imposed against any employee who fails to cooperate in the investigation, who enabled the noncompliant behavior or was aware of the noncompliant behavior and did not report it.

v. Promptly notifying government agencies of improper conduct by employees, contractors, Board members, or others; and/or

vi. Reporting and returning overpayments or other funds to which TSI is not entitled to the appropriate government entity or payer, including through the New York State Office of Medicaid Inspector General's ("OMIG's") voluntary self-disclosure program, if applicable.

2. Possible Criminal Activity.

In the event the investigation indicates possible criminal activity on the part of an employee, Board member, or contractor, the following action will be taken:

a) The Compliance Officer shall contact outside legal counsel promptly to assist with the investigation.
b) An investigation should be conducted promptly by outside legal counsel so as to ensure that any determinations of overpayments and quantification of such overpayments can be made such that TSI can repay government payers within sixty (60) days of any such determination and quantification of any overpayments.

c) Billing potentially improper claims should be suspended until such time as an investigation has been completed and, if necessary, remedial action has been taken.

d) If appropriate, individuals may be suspended from or removed from any position with oversight of, or impact upon, the relevant operational area or responsibility that is the subject of the investigation.

e) TSI, in consultation with legal counsel, will determine whether the findings of the investigation results in credible evidence or a credible belief that a State or Federal law, rule, or regulation has been violated. If TSI identifies credible evidence or credibly believes that a violation of a State or Federal law, rule, or regulation has occurred, TSI will promptly report the violation to the appropriate government entity.

3. Non-Compliant Billing Issues.

In the event the investigation reveals a non-compliant billing issue, such as the use of an improper code, the following action will be taken: if an overpayment has been made by Medicaid, Medicare, and/or any other State or Federal health care program(s) because of TSI's error, mistake, or otherwise inappropriate claims submission:

a. The defective practice or procedure will be corrected as quickly as possible;

b. Overpayments will be identified and quantified, and repaid no later than sixty (60) days from the date that the overpayments were quantified;

c. A Self-disclosure statement to the OMIG will be prepared; and

d. A program of education and/or corrective action plan will be undertaken with appropriate individuals and entities to prevent similar problems in the future.

4. Documentation by Compliance Officer.

The Compliance Officer shall record compliance investigations for reporting and tracking purposes. The record of the compliance investigation will include any alleged violations, a

description of the investigative process, and copies of any interview notes and other documents essential for demonstrating that a thorough investigation on the issue was conducted. Any disciplinary action taken and/or corrective action implemented will also be documented. The Compliance Officer will also receive and retain copies of any reports submitted to governmental entities.

All investigations will conclude with a written report of findings and recommendations for corrective action to correct the problem and prevent future recurrence. The written report may be prepared by the Compliance Officer and/or legal counsel. It may be subject to the attorney-client and attorney work product privileges.

The Compliance Officer and/or legal counsel shall present the written report or a summary thereof to the Compliance Committee and Executive Director except when the Executive Director is the subject of the investigation. The written report and final resolution to the investigation shall be recorded. Documentation of the complaint, investigation, and final resolution shall be retained for ten (10) years.

Section XI
Subject A – 7
Established: (April 2007)
Revised: August 2023

Non-Intimidation and Non-Retaliation Policy

PURPOSE

The purpose of this Policy is to ensure that employees, Board of Directors ("Board") members, and contractors of Transitional Services, Inc. ("TSI") are encouraged to report Compliance Issues within the organization without fear of reprisal. "Employees, Board members, and contractors are protected from intimidation and retaliation for good faith participation in TSI's Compliance Program, including but not limited to reporting Compliance Issues, investigating issues, conducting self-evaluations, audits, and remedial actions, and reporting to appropriate officials.

APPLICABILITY

This Policy applies to all employees, Board members, and contractors of TSI.

POLICY

1. TSI prohibits any act of retribution, discrimination, harassment, retaliation, or intimidation against any employee, Board member, or contractor who, in good faith, participates in TSI's Compliance Program activities, including, but not limited to:

    a. Reporting or threatening to report Compliance Issues, and responding to potential Compliance Issues to appropriate personnel;

    b. Reporting or threatening to report a practice of TSI that poses a substantial and specific danger to the public health or safety;

    c. Participating in investigation of, and investigating, potential Compliance Issues;

    d. Conducting or responding to audits, investigations, reviews, or compliance self-evaluations;

    e. Drafting, implementing, or monitoring remedial actions;

    f. Reporting compliance-related concerns to any government entity;

    g. Attending or performing compliance-related training;

    h. Reporting instances of intimidation or retaliation; or

i. Otherwise assisting in any activity or proceeding regarding any Compliance Issue.

2. A good faith report means one where the individual reasonably believes the information reported to be true and where the report is not made for the purpose of harming the standing or reputation of TSI, or of another employee, Board member, or contractor.

3. The protections of this Policy do **not** apply to:
   a. Allegations not based on a reasonable belief;

   b. Allegations whose nature or frequency indicate an intent to harass or embarrass TSI or any employees, Board members, or contractors; or

   c. Instances where individuals report their own lapses or complicity in unacceptable conduct. In such instances, the act of reporting will not be subject to sanctions, but the underlying conduct may be subject to disciplinary action.

PROCEDURE

1. Reporting Mechanisms.

Employees, Board members, and contractors have a duty to report actions that they believe in good faith to be an actual or suspected Compliance Issue. Employees, Board members, and contractors have a variety of reporting options; however, they are encouraged to take advantage of internal reporting mechanisms. *See* ***Duty to Report Policy***. (Section XI Subject A-4 for details). Reporting to the Organization and Government.

While TSI requires employees, Board members, and contractors to report Compliance Issues directly to TSI, certain laws provide that individuals may also bring their concerns directly to the government. Any perceived retaliation or intimidation should be reported to the Compliance Officer immediately.

2. Confidentiality.

Anyone who investigates a Compliance Issue shall maintain the confidentiality of the individual who made the report, unless the matter is subject to a disciplinary proceeding, referred to or under investigation by the New York State Attorney General's Medicaid Fraud Control Unit ("MFCU"), the New York State Office of the Medicaid Inspector General ("OMIG"), or law enforcement, or the disclosure is required during a legal proceeding.

3. Statutory Protections.

In addition to the protections afforded to employees, Board members, and contractors under this Policy, the following New York State laws also protect employees from retaliatory action for good-faith reporting.

a. New York State Labor Law, Section 740.

An employer may not take any retaliatory action against an employee if the employee discloses, or threatens to disclose, information about the employer's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official.

Protected disclosures are those that the employee, in good faith, reasonably believes assert that the employer is in violation of a law that creates a substantial and specific danger to the public health and safety, or which constitutes health care fraud under Penal Law § 177[18] or Social Services Law § 145-b.[19] The employee's disclosure is protected only if the employee first raised the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. Notification is not required where: (1) there is an imminent and serious danger to the public health or safety; (2) the employee reasonably believes that reporting to the supervisor would result in destruction of evidence or other concealment of the activity, policy, or practice; (3) the activity, policy or practice could reasonably be expected to lead to endangering the welfare of a minor; (4) the employee reasonably believes that reporting to the supervisor would result in physical harm to the employee or any other person; or (5) the employee reasonably believes that the supervisor is already aware of the activity, policy or practice and will not correct it.

Employees are also protected from retaliatory action if the employee objects to, or refuses to participate in, any activity that is in violation of a law that creates a substantial and specific danger to the public health and safety or which constitutes health care fraud under Penal Law § 177 or Social Services Law § 145-b.

If an employer takes retaliatory action against the employee, the employee may sue in State court for reinstatement to the same, or an equivalent position, any back wages and benefits, and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, the court may impose a civil penalty in an amount not to exceed ten thousand dollars ($10,000).

[18] New York State Penal Law § 177 criminalizes knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions.

[19] New York State Social Services Law § 145-b criminalizes submission of false statements or deliberate concealment of material information in order to obtain public assistance, including Medicaid.

b. New York State Labor Law, Section 741.

A health care employer may not take any retaliatory action against an employee if the employee discloses, or threatens to disclose, certain information about the employer's policies, practices, or activities to a regulatory, law enforcement, or other similar agency or public official, to a news media outlet, or to a social media forum available to the public at large.

Protected disclosures are those that the employee, in good faith, believes constitute improper quality of patient care or improper quality of workplace safety. The employee's disclosure is protected only if the employee first raised the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or a patient, and the employee has a good faith belief that reporting to a supervisor would not result in corrective action. Employees are also protected from retaliatory action if the employee objects to, or refuses to participate in, any activity, policy, or practice of the employer that the employee, in good faith, reasonably believes constitutes improper quality of patient care or improper quality of workplace safety.

If an employer takes retaliatory action against the employee, the employee may sue in State court for reinstatement to the same, or an equivalent position, any back wages and benefits, and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, the court may impose a civil penalty in an amount not to exceed ten thousand dollars ($10,000).

Section XI
Subject A-8
Established: (April 2007)
Revised: March 2023

Disciplinary Policy

PURPOSE

The purpose of this Policy is to describe disciplinary standards for Transitional Services, Inc. ("TSI"), which are implemented and enforced to address potential violations and encourage good faith participation in TSI's Compliance Program.

APPLICABILITY

This Policy applies to all employees, Board of Directors ("Board") members, and contractors of TSI.

POLICY

TSI is committed to ensuring that State and Federal laws, rules, regulations, administrative guidance regarding fraud, waste, abuse, or other improper or unethical conduct, and its Compliance Plan and policies (collectively, the "Compliance Standards") are adhered to by all employees, Board members, and contractors.

It is TSI's policy to firmly, fairly, and consistently enforce the Compliance Standards by imposing appropriate disciplinary action against employees, Board members, and contractors for:

a. Engaging in, encouraging, directing, facilitating, or permitting improper or unethical conduct;

b. Failing to report actual or suspected improper or unethical conduct; or

c. Violating TSI's Compliance Plan or a TSI policy designed to detect or prevent improper or unethical conduct.

PROCEDURE

1. Discipline for Non-Compliance.

Employees, Board members, and contractors may violate TSI's Compliance Standards if they :

a. Engage in, encourage, direct, facilitate, or permit improper or unethical conduct;

b. Fail to report actual or suspected improper or unethical conduct; or

c. Violate TSI's Compliance Plan or a TSI policy designed to detect or prevent improper or unethical conduct.

2. Discipline for Not Reporting.

Employees, Board members, or contractors who fail to detect or report Compliance Issues such as actual or suspected fraud, waste, abuse, or other improper or unethical conduct, violations of laws, regulations, administrative guidance, or TSI's Compliance Plan and Policies, may be subject to discipline or sanctions.

3. Disciplinary Actions and Sanctions.

TSI seeks to discipline and/or sanction individuals or entities in a fair, consistent, and appropriate manner, and will utilize the same disciplinary standards when enforcing violations of its Compliance Standards with all levels of personnel.

The Corporate Compliance Officer will promptly notify the Executive Director and Human Resources Manager of any improper or unethical conduct of an employee that may warrant discipline. The Human Resources Manager, in consultation with the Corporate Compliance Officer and Executive Director, will be responsible for determining the appropriate discipline for employees, in accordance with TSI's standard employment policies.

The degree of disciplinary action or sanction taken by TSI will be dependent on the applicable facts and circumstances. However, intentional and reckless behavior will be subject to more significant disciplinary actions and sanctions. For more information on disciplinary actions and sanctions, please see TSI's Employee Handbook. Disciplinary actions include, but are not limited to, the following:

a. Compliance with other training(s);

b. Warning (verbal or written);

c. Reprimand (written), that describes the unacceptable conduct or performance and specifies necessary improvements;

d. Probation;

e. Demotion;

f. Job reassignment;

g. Immediate suspension (with or without pay), including, but not limited to, those cases where the conduct poses an immediate threat to individuals served by TSI, TSI's operations, and/or property;

h. Termination of contractor agreement (provided such termination is consistent with the terms of the relevant agreement);

i. Removal from the Board in accordance with the terms of TSI's Bylaws and policies, as well as applicable laws and regulations.

Board member sanctions can range from written admonition to, in the most extreme of cases, removal as a Board member in accordance with TSI's Bylaws and policies, as well as applicable laws and regulations. The Compliance Officer shall make a recommendation to the Board with respect to such sanctions.

Contractor sanctions shall range from written admonition, financial penalties (if applicable), and in the most extreme of cases, termination of the contractor's relationship with TSI. The Compliance Officer shall make a recommendation to the Executive Director or Board with respect to such sanctions.

TSI will take mitigating or aggravating factors into account, as appropriate. When deciding upon the appropriate discipline, TSI will consider whether the individual or entity voluntarily reported the issue and/or fully cooperated in any investigation, and any other mitigating and/or aggravating circumstances. However, TSI retains the discretion to select the appropriate disciplinary action and sequence of action (if any) from these options, or others.

All disciplinary actions and sanctions are documented in the personnel/contractor file, and in the agency compliance files. Any sanctions related to employee non-compliant behavior or practices addressed under the Compliance Program will be carried out by the Human Resources Manager in consultation with the Compliance Officer.

4. Publication of Disciplinary Mechanisms.

The Compliance Officer is responsible for publishing and disseminating, on a regular basis, the consequences of violating TSI's Compliance Standards to all employees, contractors, and Board members. Methods of publication and dissemination may include, but are not limited to:

a. Email notifications;

b. Meetings with employees, Board members, and contractors;

c. Implementing written policies and procedures; and

d. Posting notices in TSI's common areas.

In publishing and disseminating TSI's position on the enforcement of its Compliance Standards, the Compliance Officer will emphasize that all violations, including the failure to report the misconduct of others when required, will be viewed as a serious infraction, and that discipline

up to and including termination of employment or a contractual relationship, may be imposed as a result of any finding or violation.

In addition to publishing and disseminating the consequences of violating TSI's Compliance Standards, the provisions of this Policy will be incorporated into TSI's Compliance Program training and education. *See also* ***Compliance Training Policy***. *(*Section XI Subject A-2).

5. Role of Supervisors.

Supervisors may be subject to discipline for failure to detect violations of TSI's Compliance Standards that occur within their areas of responsibility. If a supervisor contributes to or perpetrates improper and/or unethical conduct, TSI will take appropriate disciplinary action that is commensurate with the seriousness of the violation at issue and consider all the relevant circumstances (including mitigating and/or aggravating factors).

CONFLICT OF INTEREST POLICY
OF
TRANSITIONAL SERVICES, INC.

ARTICLE I
PURPOSE

1.1 Purpose.

The purpose of this Conflict of Interest Policy ("Policy") is to protect the interest of **TRANSITIONAL SERVICES, INC.** (the "Corporation") when it is contemplating entering into a transaction or arrangement that might: (a) result in a Conflict of Interest; (b) result in a Related Party Transaction; (c) result in a possible Excess Benefit Transaction; or (d) otherwise benefit the private interest of a director, officer, or Key Person of the Corporation. This Policy is intended to assist the Corporation's directors, officers, and Key Persons to act in the best interest of the Corporation and comply with applicable laws. This Policy is also intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to not-for-profit and charitable organizations.

ARTICLE II
DEFINITIONS

2.1 Definitions. As used in this Policy, the following capitalized terms shall have the meanings ascribed to such terms in this **Article II**:

a. "Affiliate" means, with respect to the Corporation, any entity controlled by, or in control of, the Corporation.

b. "Conflict of Interest" means, as determined by the Board of Directors hereunder:

   i. Possessing any Financial Interest or personal interest, direct or indirect;
   ii. Participating in any business, transaction, or professional activity which is in substantial conflict with any director's, officer's, or Key Person's duties to the Corporation; or
   iii. Incurring any obligation of any nature which is in substantial conflict with any director's, officer's, or Key Person's duties to the Corporation.

Circumstances which may suggest that a Conflict of Interest exist include, without limitation, the following:

i. A director, officer, or Key Person participates in a decision in which such person may be unable to remain impartial in choosing between the interests of the Corporation and such person's Financial Interests or personal interests or those of a Related Party;

ii. A director, officer, or Key Person has access to confidential information of the Corporation which could be used for personal benefit or gain or for the personal benefit or gain of a Related Party; or

iii. A director, officer, or Key Person receives a financial or other benefit from an Excess Benefit Transaction.

c. "Excess Benefit Transaction" means a transaction in which an economic benefit is provided by the Corporation, directly or indirectly, to or for the use of an entity or individual, and the value of the economic benefit provided by the Corporation exceeds the value of the consideration (including the performance of services) received by the Corporation.

d. "Financial Interest" means having, whether through a business, an investment, or a Related Party, a direct or indirect:

i. Ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

ii. Compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

iii. Potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

As used in this **Section c**, "compensation" includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial. A Financial Interest is not necessarily a Conflict of Interest. Under **Section 0** hereof, a person who has a Financial Interest may have a Conflict of Interest only if the Board of Directors of the Corporation decides that a Conflict of Interest exists.

e. "Interested Person" means any director, officer, Key Person, or member of a committee with Board of Directors-delegated powers who has a direct or indirect Financial Interest. If a person is an Interested Person with respect to any entity in the health care system of which the Corporate is a part, the person is an Interested Person with respect to all entities in the health care system.

f. "Key Person" means any person, other than a director or officer, whether or not an employee of the Corporation, who:

   i. Has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;

   ii. Manages the Corporation or a segment of the Corporation that represents a substantial portion of the activities, assets, income, or expenses of the Corporation; or

   iii. Alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

g. "Related Party" means:

   i. Any director, officer, or Key Person of the Corporation or any Affiliate of the Corporation;

   ii. Any Relative of any individual described in clause (i) of this subsection **g**; or

   iii. Any entity in which any individual described in clauses (i) and (ii) of this subsection **g** has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

h. "Related Party Transaction" means any transaction, agreement, or any other arrangement in which a Related Party has a Financial Interest and in which the Corporation or any Affiliate of the Corporation is a participant, except that a transaction shall not be a Related Party Transaction if:

   i. The transaction or the Related Party's Financial Interest in the transaction is de minimis;

   ii. The transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or

   iii. The transaction constitutes a benefit provided to a Related Party solely as a member of a class of beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

i. "Relative" means, with respect to any individual:
   i. The individual's spouse or domestic partner as defined in Section 2994-A of the New York Public Health Law;
   ii. The individual's ancestors, siblings (whether whole or half-blood), children (whether natural or adopted), grandchildren, and great-grandchildren; or
   iii. The spouse or domestic partner of the individual's siblings, children, grandchildren, and great-grandchildren.

ARTICLE III

PROCEDURES

3.1 Procedure for Disclosing a Conflict of Interest. In connection with any actual or potential Conflict of Interest, an Interested Person shall immediately disclose to the Board of Directors the existence of such Conflict of Interest and all material facts relating thereto.

3.2 Determining Whether a Conflict of Interest Exists.

a. After disclosure of the actual or potential Conflict of Interest and all material facts, and after any discussion with the Interested Person, such Interested Person shall leave, and not participate in, the Board of Directors' meeting while the determination of a Conflict of Interest is discussed, deliberated, and voted upon. Any director who is present at such a meeting but not present at the time of a vote due to a Conflict of Interest shall be determined to be present at the time of the vote.

b. The remaining directors of the Board of Directors shall determine, by a majority vote of such disinterested persons, whether a Conflict of Interest exists. An Interested Person is prohibited from making any attempt to influence improperly the deliberation or voting on the matter giving rise to the Conflict of Interest.

3.3 Procedures for Addressing and Documenting a Conflict of Interest.

a. An Interested Person may make a presentation at the Board of Directors' meeting, but, after the presentation, such Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest.

b. The chair of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board of Directors shall determine, by a majority vote of the disinterested directors of the Board of Directors, whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board of Directors shall make its decision as to whether to enter into the transaction or arrangement.

e. Upon making its final determination, the Board of Directors shall document the existence and resolution of the Conflict of Interest in the Corporation's records and in accordance with Article IV of this Policy.

3.4 Procedures for Disclosing, Addressing, and Documenting a Related Party Transaction

a) Any director, officer, or Key Person who has an interest in a Related Party Transaction shall immediately disclose in good faith to the Board of Directors the material facts concerning such interest.

b) The Corporation shall not enter into any Related Party Transaction unless the transaction is determined by the Board of Directors to be fair, reasonable, and in the Corporation's best interest at the time of such determination.

c) With respect to any Related Party Transaction involving the Corporation and in which a Related Party which has a substantial Financial Interest, the Board of Directors shall:
   i. Prior to entering into the transaction, consider alternative transactions to the extent available;
   ii. Approve the transaction by not less than a majority vote of the directors of the Board of Directors present at the meeting; and
   iii. Contemporaneously document in writing the basis for the Board of Directors' approval, including its consideration of any alternative transactions.

d) No Related Party may participate in deliberations or voting related to a Related Party Transaction; provided, however, that the Board of Directors may request that the Related Party present information as background or answer questions concerning the Related Party Transaction at the meeting of the Board of Directors prior to the commencement of deliberations or voting relating thereto. Any director who is present at a meeting of the Board of Directors but not present at the time of a vote due to a Related Party Transaction shall be determined to be present at the time of the vote.

3.5 Violations of this Policy.

a. If the Board of Directors has reasonable cause to believe a director, officer, Key Person, or member of a committee with Board-delegated powers has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall inform such person of the basis for such belief and shall afford such person an opportunity to explain the alleged failure to disclose.

b. If, after hearing such person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines that such person has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it or the appropriate level of management shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORDS OF PROCEEDINGS

4.1 Minutes. The minutes of the Board of Directors shall contain:

a. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, the Board of Directors' decision as to whether a Conflict of Interest in fact existed, and any resolution of the Conflict of Interest by the Board of Directors.

b. The names of the persons who were present for discussions, deliberations, and votes relating to the transaction or arrangement, the content of the discussion and deliberation, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

c. If the Board of Directors votes to approve a Conflict of Interest, the basis on which the Board of Directors made that decision, to include a statement as to why considered alternatives were rejected.

ARTICLE V

COMPENSATION

5.1 Compensation. No director or officer who may benefit from compensation, directly or indirectly, from the Corporation for services rendered may be present at or otherwise participate in any Board or committee deliberation or vote concerning such person's compensation. Notwithstanding the foregoing, the Board or authorized committee is permitted to request that a person who may benefit from such compensation present information as background or answer

questions at a committee or Board meeting prior to the commencement of deliberations or voting relating thereto. Nothing herein shall be construed to prohibit a director from deliberating or voting concerning compensation for service on the Board that is to be made available or provided to all directors of the Corporation on the same or substantially similar terms.

ARTICLE VI

ANNUAL STATEMENTS

6.1 Annual Statement. Each director (and, in the discretion of the Board of Directors, any officer, Key Person, or member of a committee with Board-delegated powers) shall, prior to the person's initial election or appointment and thereafter annually, complete, sign, and a submit to the secretary of the Corporation or other designated Corporate Compliance Officer a written statement:

a) Affirming such person:

(i) Has received a copy of this Policy;
(ii) Has read and understands this Policy;
(iii) Has agreed to comply with this Policy; and
(iv) Understands that the Corporation is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and

b) Identifying, to the best of such person's knowledge, any entity of which such person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which such person might have a conflicting interest.

6.2 Completed Statements. The secretary of the Corporation or other designated Corporate Compliance Officer shall provide a copy of all completed statements to the chair of the Board of Directors.

ARTICLE VII

PERIODIC REVIEWS

7.1 Periodic Reviews. To assist the Corporation to operate in a manner consistent with its charitable purposes and not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining; and

b) Whether partnerships, joint ventures, and arrangements concerning the management of the Corporation conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an Excess Benefit Transaction.

ARTICLE VIII

USE OF OUTSIDE EXPERTS

8.1 Outside Experts. When conducting the periodic reviews as provided for in **Article VII**, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX

OTHER CONFLICTS OF INTEREST

9.1 Receipt or Acceptance of Payments, Gifts, or Anything of Value

a) All employees, volunteers, interns, students, independent contractors, appointees, and vendors (hereinafter "Employee" or "Employees") must be free from any undue influence that conflicts with, or appears to conflict with, their legal duties and responsibilities. Generally, Employees of the Corporation may not receive or accept any payment, gift, or anything of value from any person or entity that has, or seeks to have, a business relationship with the Corporation. However, Employees may accept gifts of nominal value, meals, and social invitations, so long as they are consistent with law and good business ethics and practices, and do not obligate the recipient to take, or refrain from taking, any action or decision on behalf of the Corporation.

b) If possible, Employees are encouraged to make such nominal gifts available to individuals receiving services and/or specific departments of the Corporation. If an Employee has a question about whether a gift, payment, or any other thing of value may be accepted, the Employee must contact the Corporate Compliance Officer for guidance before accepting the gift, payment, or other thing of value.

9.2 Financial or Personal Interests. Employees must not have any financial or other personal interest in a transaction between the Corporation and a vendor, supplier, provider, or customer. Employees must not engage in financial, business, or any other activity which competes with the Corporation's business, or which, actually or in appearance, interferes with the performance of

their job duties. Employees may not give anything of value, including bribes, kickbacks, or payoffs, to any government representative, fiscal intermediary, carrier, contractor, vendor, or any other person in a position to benefit the Corporation in any way. If an Employee has a question about whether a relationship violates this subsection, the Employee must contact the Corporate Compliance Officer for guidance.

9.3 Unfair Competition or Deceptive Practices. Employees must not engage in unfair competition or deceptive trade practices that misrepresent the Corporation's services or operations.

9.4 Antitrust Laws. Employees must comply with all antitrust laws and may not engage in discussions or agreements with competitors regarding pricing, prices paid to suppliers or providers, or joint actions or boycotts, unless such activity is protected by law.

9.5 Legislation and Political Campaigns. The Corporation is a charitable organization that has been granted exemption from federal and state tax. In order for the Corporation to maintain its tax exempt status, Employees, in the name of or on behalf of the Corporation, are barred from carrying on propaganda or otherwise attempting to influence legislation (except as permitted by the Internal Revenue Code), and from participating or intervening in any political campaign on behalf of, or in opposition to, any candidate for public office. Employees must not entertain government representatives in connection with the Corporation's business. This does not, however, prevent Employees from engaging in political activity when acting in their individual capacity.

9.6 Proposed Contracts or Agreements. Certain Employees must notify and obtain the approval of the Corporate Compliance Officer prior to entering into any proposed contracts or agreements (or amendments thereto) with physicians, health care businesses, clients, providers, third party payors, vendors, or suppliers of the Corporation.

9.7 Reporting Obligations. Employees who have a potential or actual Conflict of Interest with respect to a particular contract or transaction must disclose the Conflict of Interest to their supervisor, the Corporate Compliance Officer, or the Board of Directors. Such disclosure shall be made as soon as the Employee becomes aware of the Conflict of Interest. The Employee shall refrain from any action that may affect the Corporation's participation in such a contract or transaction.

9.8 Annual Statements. At the discretion of the Board of Directors, each Employee of the Corporation shall, prior to the Employee's initial hiring and thereafter annually, complete, sign, and submit to the secretary of the Corporation or other designated Corporate Compliance Officer a written statement:

a. Affirming such person:

   i. Has received a copy of this Policy;
   ii. Has read and understands this Policy;
   iii. Has agreed to comply with this Policy; and
   iv. Understands that the Corporation is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and

b. Identifying, to the best of such person's knowledge, any entity of which such person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which such person might have a conflicting interest.

c. Completed Statements. The secretary of the Corporation or other designated Corporate Compliance Officer shall provide a copy of all completed statements to the chair of the Board of Directors.

Section XI
Subject A - 10
Established: (April 2007)
Revised: March 2023

Exclusion Screening Policy

(Employees, Board Members, and Contractors)

PURPOSE

The purpose of this Policy is to establish safeguards to prevent the employment of or contracting with individuals who have been excluded from participation in any State or Federal government health care program, or who have otherwise engaged in wrongful or unethical conduct. Transitional Services, Inc. ("TSI") is committed to identifying prospective and current employees, Board of Directors ("Board") members, and contractors (including agents, subcontractors, and independent contractors) who are listed on government exclusion lists to protect the individuals served by TSI and prevent the refunding of overpayments for services provided by excluded individuals and entities.

APPLICABILITY

This Policy applies to all employees, Board members, and contractors of TSI.

POLICY

Federal and State laws and regulations require that health care and human services providers—that receive reimbursement, directly or indirectly, from a Federally financed health care program, such as Medicaid or Medicare, or otherwise receive federal funds such as through HUD, do not employ excluded individuals or contract with an excluded contractor. . The Compliance Officer will develop and implement a screening process for prospective employees, contractors and Board members, The HR Manager is responsible for assuring all included databases in this policy are checked according to this policy.

PROCEDURE

1. Employee Screening Process.

All employment application forms require that applicants for employment to indicate whether they have been or are excluded from participation in Medicare, Medicaid, or any other State or Federal government health care program. Applicants will certify on these forms that the information they have provided regarding any exclusion is true, accurate, and complete.

In addition, all candidates for employment by TSI will be subject to pre-employment screening for exclusion from the Medicaid, Medicare, and other government programs. The screening process will commence when an applicant has been identified as a final candidate whose employment is conditioned upon an exclusions check, among other pre-employment screenings. The Human Resources Manager or designee conducts the screening.

The Human Resources Manager may delegate certain screening functions to outside vendors as appropriate.

No individual may be offered employment until the exclusion screening process has been completed. TSI is prohibited from offering employment to any individual who is included on the LEIE, EPLS, OMIG Excluded Provider List, SAM, or other similar lists or databases at the time of such offer.

2. Contractor and Board Member Pre-Screening Process.

All prospective contractors and Board members will be subject to screening for exclusion from the Medicaid, Medicare, and other government programs prior to TSI's execution of an agreement with a contractor or the appointment of an individual to a Board member position. TSI shall not enter into a contractual relationship with a prospective contractor or appoint an individual to the Board until such contractor and individual has cleared the exclusion screening process.

3. Mandatory Exclusion Lists for Employees, Contractors, and Board Members.

TSI shall comply with Federal and State exclusion regulations by conducting verifications of prospective and current employees, Board members, and contractors to ensure they are not included on any of the following Medicare/Medicaid exclusion lists and/or databases or similar lists and databases:

a. Excluded Parties List System ("EPLS"): The EPLS is maintained by the General Service Administration ("GSA"). The GSA website contains debarment actions taken by various Federal agencies, including exclusion actions taken by the HHS-OIG. The EPLS is available at https://www.epls.gov.

b. List of Excluded Individuals/Entities ("LEIE"): The LEIE provides information to the health care and human services industries regarding individuals and entities currently excluded from participation in Medicare, Medicaid, and all Federal health care programs. Individuals and entities who have been reinstated are removed from the LEIE. The LEIE contains only the exclusion actions taken by the HHS-OIG. The LEIE is available at http://www.oig.hhs.gov/fraud/exclusions/exclusions/about.asp.

c. OMIG Excluded Provider List: The OMIG Excluded Provider List includes providers that are determined should no longer be eligible to participate in the New York State Medicaid Program due to unethical behavior or other improper conduct. The Excluded Provider List is available at www.omig.state.ny.us.

d. System for Award Management (SAM.gov) for Supported Housing: Monthly the Human Resources Manager runs through the SAM.gov system all SHP vendors, employees and contractors paid with HUD funds to check if they are suspended or debarred from receiving federal funds. The Human Resources Manager will maintain reports to be furnished upon request.

The HR Manager will check if a vendor/employee/contractor is Suspended or Debarred by:

Going to www.sam.gov:
Clicking on Search Records
In the Quick Search box entering the name of the vendor/employee/contractor and clicking the Search button.
Clicking Print and retrieving and maintaining the document.

4. Monthly Verification Process.

The Human Resources Manager or their designee(s) will ensure that verifications occur each month after the first screening to ensure that existing employees, Board members, and contractors are not on the exclusion list. If an employee, contractor, or Board member is listed on it, may follow-up with such individuals or entities to question them about the listing.

5. Consequences of Being Listed on Exclusion Databases.

Any employee, contractor or Board member who is included on the EPLS, LEIE, OMIG Excluded Provider List, SAMS, or other similar lists and databases will be subject to immediate termination or removal from the Board, consistent with TSI's Bylaws and policies, as well as any applicable laws and regulations.

Any corrective action will be conducted according to the Disciplinary Policy (Section XI Subject A -8)

Fraud Prevention Policy for Employees and Board Members

Transitional Services, Inc. ("TSI") is committed to preventing, detecting, and correcting any fraud, waste, abuse, or improper or unethical conduct in Medicare, Medicaid, and other State and Federal health care programs. TSI has adopted a Compliance Program[20] designed to ensure compliance with all applicable laws and regulations by its employees,[21] Board of Directors ("Board") members, and contractors.

The purpose of this Policy is to provide you with detailed information regarding: (1) how to report Compliance Issues[22] to TSI; and (2) the Federal and State fraud and abuse laws. Any questions regarding our Compliance Program or this Policy may be addressed to our Compliance Officer.

POLICY

If you are aware of a potential Compliance Issue, you should:

1. Call and leave a voicemail on TSI's Compliance Hotline at 716-533-4010;

2. Contact the Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or in writing to Attn: Compliance Officer, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

3. Submit a report to the Compliance Dropbox located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150. (anonymous or otherwise);

4. Contact your supervisor or any supervisor; or

5. Contact any member of the Compliance Committee.

Employees are encouraged to first report their Compliance Issue directly to TSI to allow TSI the opportunity to promptly address the issue. Any employee who reports a potential Compliance Issue in good faith has the right to do so confidentially and anonymously and will be protected against retaliation and intimidation. However, if an employee has participated in a potential Compliance

[20] TSI's Corporate Compliance Plan ("Compliance Plan") is the document that provides an overview of TSI's Corporate Compliance Program ("Compliance Program"). The Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

[21] For purposes of this Policy, TSI's volunteers and interns are included in the term "employees."

[22] "Compliance Issues" include issues involving fraud, waste, abuse, and other improper or unethical conduct and violations of law, regulation, administrative guidance, or TSI's Compliance Plan or policies.

Issue, the employee is not protected against retailiation and intimidation and TSI has the right to take appropriate action against the employee, up to and including termination.

TSI is committed to investigating Compliance Issues. While TSI encourages its employees to report such issues directly to TSI, certain laws allow individuals to also bring their concerns to the government.

LAWS REGARDING THE PREVENTION OF FRAUD, WASTE, AND ABUSE

A. Federal Laws.

1. Civil and Criminal False Claims Act.

Any person who knowingly and/or willfully submits a false claim for payment to the Federal government shall be subject to civil or criminal penalties, including imprisonment, repayment, civil monetary penalties per claim, treble damages. and exclusion from participating in Medicare and Medicaid. Examples of prohibited conduct include billing for services not rendered, upcoding claims, double billing, misrepresenting services that were rendered, falsely certifying that services were medically necessary, making false statements to the government, failing to comply with conditions of payment, and failing to refund overpayments made by a Federal health care program. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

2. Anti-Kickback Law.

Individuals/entities shall not knowingly offer, pay, solicit, or receive remuneration to induce referrals for items paid for by Medicare, Medicaid, or other Federal health care program unless the transaction fits within a safe harbor. This applies to any form of remuneration to induce or reward referrals for Federal health care program business (money, free or discounted items or services, overpayments or underpayments, waivers of copays or deductibles, low interest loans or subsidies, or business opportunities that are not commercially reasonable). Criminal or civil penalties include imprisonment, fines, treble damages, and exclusion from participating in Medicare/Medicaid.

3. Ethics in Patient Referrals Act ("Stark Law").

Physicians[23] (including psychologists) or their family member who have an ownership or compensation relationship with an entity that provides "designated health services"[24] shall not refer a patient in need of designated health services for which payment may be made under Medicare or Medicaid to such entities unless that ownership or compensation arrangement is structured to fit within a regulatory exception. Penalties include repayment of Medicare or Medicaid reimbursement and civil penalties.

4. Civil Monetary Penalties Law.

Individuals are prohibited from specified conduct including submitting false or fraudulent claims or misrepresenting facts, kickbacks, offering inducements to Medicare/Medicaid beneficiaries, offering inducements to physicians to limit services, submitting claims for services ordered by, or contracting with, an excluded entity, failing to report and repay an overpayment, and failing to grant government timely access. Penalties include fines, treble damages, denial of payment, repayment of amounts improperly paid, and exclusion from participating in the Medicare/Medicaid Programs.

B. State Laws.

New York has laws that are similar to the Federal laws listed above. These include the New York False Claims Act, False Statements Law, Anti-Kickback Law, Self-Referral Prohibition Law, Health Care and Insurance Fraud Penal Law, and anti-fee-splitting law. Individuals may be entitled to bring an action under the New York False Claims Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

C. Whistleblower Protections.

1. Federal Whistleblower Protection.

[23] Physicians include medical doctors, doctors of osteopathy, psychologists, oral surgeons, dentists, podiatrists, optometrists, and chiropractors.

[24] Designated health services are any of the following services, other than those provided as emergency physician services furnished outside of the United States, that are payable in whole or in part by the Medicare Program: (1) clinical laboratory services; (2) physical therapy, occupational therapy, and outpatient speech-language pathology services; (3) radiology and certain other imaging services; (4) radiation therapy services and supplies; (5) durable medical equipment and supplies; (6) parenteral and enteral nutrients, equipment, and supplies; (7) prosthetics, orthotics, and prosthetic devices and supplies; (8) home health services; (9) outpatient prescription drugs; and (10) inpatient and outpatient hospital services. *See* 42 CFR § 411.351.

An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of the employee's lawful acts conducted in furtherance of a False Claims Act action may bring an action against the employer. However, if the employee's action has no basis in law or fact or is primarily for harassment, the employee may have to pay TSI its fees and costs.

2. New York State Whistleblower Protection.

Employees who, in good faith, report a false claim are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by their employer. Remedies include reinstatement, two (2) times back pay plus interest, litigation costs, and attorneys' fees.

3. New York State Labor Laws.

An employee is protected from retaliation or intimidation by an employer if the employee discloses or threatens to disclose an activity, policy, or practice of the employer that the employee reasonably believes is in violation of any law, rule, or regulation or reasonably believes poses a substantial and specific danger to the public health or safety, to a supervisor or public body. An employee is also protected from retaliation or intimidation by an employer if the employee provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such activity, policy, or practice, or who objects to, or refuses to participate in, any such activity, policy, or practice. The employee's disclosure or threat of disclosure is only protected if the employee has made a good faith effort to notify the employer by bringing the activity, policy, or practice to the attention of a supervisor and has afforded the employer a reasonable opportunity to correct the activity, policy, or practice.

Section XI
Subject A 11. b
Established: (April 2007)
Revised: March 2023

Fraud Prevention Policy

(For Contractors and Agents)

Transitional Services, Inc. ("TSI") is committed to preventing, detecting, and correcting any fraud, waste, abuse, or improper or unethical conduct in Medicare, Medicaid, and other State and Federal health care programs. TSI has adopted a Compliance Program designed to ensure compliance with all applicable laws and regulations by its employees, Board of Directors ("Board") members, contractors, and agents.

As part of our Compliance Program, we are providing contractors and agents with detailed information regarding: (1) how to report Compliance Issues involving fraud, waste, abuse and other wrongful or un ethical conduct and violations of law, regulation, administrative guidance or the agency Compliance Plan and policies to TSI; and (2) the Federal and State fraud and abuse laws. Any questions regarding our Compliance Program or this Policy may be addressed to our Compliance Officer.

POLICY

If you are aware of a potential Compliance Issue, you should:

1. Call and leave a voicemail on TSI's Compliance Hotline at 716-533-4010;

2. Contact the Corporate Compliance Officer by telephone (716-874-8182), email (CCO@tsiwny.org), inter-office mail, or in writing to Attn: Compliance Officer, Transitional Services, Inc., 389 Elmwood Avenue, Buffalo, New York 14222;

3. Submit a report to the Compliance Dropbox located outside the front door of the Administrative Offices at 250 Cooper Ave Suite 110. Tonawanda, NY 14150; or

4. Contact any member of the Compliance Committee or senior management at TSI.

You are encouraged to first report your potential Compliance Issue directly to TSI to allow TSI the opportunity to promptly address the issue. Any contractor or their staff who reports a potential Compliance Issue in good faith has the right to do so confidentially and anonymously and will be protected against retaliation and intimidation. However, if you or your company have participated in a potential Compliance Issue, you and your company are not protected against retaliation and intimidation and TSI has the right to take appropriate action against you and/or your company, including termination of the relationship.

TSI is committed to investigating potential Compliance Issues. While TSI encourages its contractors to first report such issues directly to TSI, certain laws allow individuals to also bring their concerns to the government.

LAWS REGARDING THE PREVENTION OF FRAUD, WASTE, AND ABUSE

A. Federal Laws.

1. Civil and Criminal False Claims Act.

Any person who knowingly and/or willfully submits a false claim for payment to the Federal government shall be subject to civil or criminal penalties, including imprisonment, repayment, civil monetary penalties per claim, treble damages. and exclusion from participating in Medicare and Medicaid. Examples of prohibited conduct include billing for services not rendered, upcoding claims, double billing, misrepresenting services that were rendered, falsely certifying that services were medically necessary, making false statements to the government, failing to comply with conditions of payment, and failing to refund overpayments made by a Federal health care program. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

2. Anti-Kickback Law.

Individuals/entities shall not knowingly offer, pay, solicit, or receive remuneration to induce referrals for items paid for by Medicare, Medicaid, or other Federal health care program unless the transaction fits within a safe harbor. This applies to any form of remuneration to induce or reward referrals for Federal health care program business (money, free or discounted items or services, overpayments or underpayments, waivers of copays or deductibles, low interest loans or subsidies, or business opportunities that are not commercially reasonable). Criminal or civil penalties include imprisonment, fines, treble damages, and exclusion from participating in Medicare/Medicaid.

3. Ethics in Patient Referrals Act ("Stark Law").

Physicians[25] (including psychologists) or their family member who have an ownership or compensation relationship with an entity that provides "designated health services"[26] shall not

[25] Physicians include medical doctors, doctors of osteopathy, psychologists, oral surgeons, dentists, podiatrists, optometrists, and chiropractors.

[26] Designated health services are any of the following services, other than those provided as emergency physician services furnished outside of the United States, that are payable in whole or in part by the Medicare Program: (1) clinical laboratory services; (2) physical therapy, occupational therapy, and outpatient speech-language pathology services; (3) radiology and certain other imaging services; (4) radiation therapy services and supplies; (5) durable medical equipment and supplies; (6) parenteral and enteral nutrients, equipment, and supplies; (7) prosthetics, orthotics, and prosthetic devices and supplies; (8) home health services; (9) outpatient prescription drugs; and (10) inpatient and outpatient hospital services. *See* 42 CFR § 411.351.

refer a patient in need of designated health services for which payment may be made under Medicare or Medicaid to such entities unless that ownership or compensation arrangement is structured to fit within a regulatory exception. Penalties include repayment of Medicare or Medicaid reimbursement and civil penalties.

4. Civil Monetary Penalties Law.

Individuals are prohibited from specified conduct including submitting false or fraudulent claims or misrepresenting facts, kickbacks, offering inducements to Medicare/Medicaid beneficiaries, offering inducements to physicians to limit services, submitting claims for services ordered by, or contracting with, an excluded entity, failing to report and repay an overpayment, and failing to grant government timely access. Penalties include fines, treble damages, denial of payment, repayment of amounts improperly paid, and exclusion from participating in the Medicare/Medicaid Programs.

B. State Laws.

New York has laws that are similar to the Federal laws listed above. These include the New York False Claims Act, False Statements Law, Anti-Kickback Law, Self-Referral Prohibition Law, Health Care and Insurance Fraud Penal Law, and anti-fee-splitting law. Individuals may be entitled to bring an action under the New York False Claims Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing TSI, the individual may have to pay TSI for its legal fees and costs.

C. Whistleblower Protections.

1. Federal Whistleblower Protection.

An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of the employee's lawful acts conducted in furtherance of a False Claims Act action may bring an action against the employer. However, if the employee's action has no basis in law or fact or is primarily for harassment, the employee may have to pay TSI its fees and costs.

2. New York State Whistleblower Protection.

Employees who, in good faith, report a false claim are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by their employer. Remedies include reinstatement, two (2) times back pay plus interest, litigation costs, and attorneys' fees.

3. New York State Labor Laws.

An employee is protected from retaliation or intimidation by an employer if the employee discloses or threatens to disclose an activity, policy, or practice of the employer that the employee reasonably believes is in violation of any law, rule, or regulation or reasonably believes poses a substantial and specific danger to the public health or safety, to a supervisor or public body. An employee is also protected from retaliation or intimidation by an employer if the employee provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such activity, policy, or practice, or who objects to, or refuses to participate in, any such activity, policy, or practice. The employee's disclosure or threat of disclosure is only protected if the employee has made a good faith effort to notify the employer by bringing the activity, policy, or practice to the attention of a supervisor and has afforded the employer a reasonable opportunity to correct the activity, policy, or practice.

Section XI
Subject A - 12
Established: (April 2007)
Revised: March 2023

Vendor Relations Policy

PURPOSE

The purpose of this Policy is to ensure that Transitional Services, Inc. ("TSI") complies with all applicable laws governing its relationships with vendors, contractors, agents, subcontractors, and independent contractors, and that all such relationships are carried out with honesty and integrity.

APPLICABILITY

This Policy applies to employees, Board of Directors ("Board") members, and contractors of TSI.[27]

POLICY

TSI and its employees, Board members, and contractors shall comply with all requirements applicable to Medicaid, Medicare, and other payers, as well as all fraud and abuse laws. TSI is ultimately responsible for the adoption, implementation, maintenance, enforcement, and effectiveness of its Compliance Program.

PROCEDURE

1. Conflicts of Interest.

TSI is prohibited from entering into a contract with any entity that violates TSI's Conflict of Interest Policy. If an employee, Board member, or contractor becomes aware that TSI has entered into or is contemplating a contract with an entity in violation of such Policy, the individual must immediately notify the Compliance Officer.

2. Gifts and Gratuities.

Generally, employees may not receive or accept any gifts or gratuities of any kind from any vendor (including persons or entities) that has, or seeks to have, a business relationship with

[27] "Employees, contractors, and Board members" includes TSI's employees, Executive Director, senior administrators, managers, interns, volunteers, contractors, agents, subcontractors, independent contractors, corporate officers, and Board members who are affected by TSI's Compliance Risk Areas. "Compliance Risk Areas" are those areas of operation affected by TSI's Compliance Program, as set forth in its Corporate Compliance Plan. TSI's Corporate Compliance Plan ("Compliance Plan") is the document that provides an overview of TSI's Corporate Compliance Program ("Compliance Program"). The Program is TSI's implementation of the Compliance Plan and includes all of TSI's compliance activities.

TSI. Gifts include, but are not limited to, the provision of any item or service to an employee at less than fair market value.

Employees may accept unsolicited gifts (*e.g.*, candy during the holiday season), and may allow vendors to pay for business-related meals, entertainment, or travel, so long as the gifts, meals, entertainment, or travel are of nominal value (*i.e.*,not more than one hundred dollars ($100.00) per year), are consistent with law and good business ethics and practices, and do not obligate the recipient to take, or refrain from taking, any action or decision of behalf of TSI. Gifts include, but are not limited to, the provision of any item or service to an employee at less than fair market value. Meals, entertainment, and travel are considered business-related only if they are used predominantly to facilitate business-related discussions.

Employees may not accept gifts, meals, or social invitations with a value of more than one hundred dollars ($100.00) per year without the prior approval of the Compliance Officer. If possible, employees are encouraged to make nominal gifts available to individuals receiving services and/or specific departments of TSI. Employees must contact the Compliance Officer if they have any questions about whether a gift from a vendor violates this Policy.

3. Kickbacks.

The Federal anti-kickback statute prohibits any person or entity from knowingly and willfully soliciting, receiving, offering, or paying anything of value to another person or entity in return for the referral of a patient, or in return for the purchasing, leasing, ordering, or arranging for any item or service, reimbursed by a State or Federal health care program such as Medicare or Medicaid (42 U.S.C. § 1320a-7b). Penalties for violating the statute include imprisonment, criminal fines, exclusion from government health care programs, and civil monetary penalties. A similar New York law prohibits the exchange of remuneration for referrals for items or services covered by the State's Medicaid Program (N.Y. Social Services Law § 366-d). Payments by vendors to induce TSI to contract with the vendor may violate State and Federal anti-kickback statutes.

Anything of value conveyed by the vendor to TSI must generally be reflected as a price discount or rebate. Discounts and rebates usually fit within a "safe harbor" to the anti-kickback laws. Any other payments, in cash or in kind, proposed by vendors that are not structured as discounts or rebates, such as "contract implementation allowances," free equipment, grants, or charitable contributions, must be approved by the Compliance Officer in consultation with legal counsel, as appropriate. A violation of this Policy's restrictions on gifts and gratuities may also be illegal under State and Federal anti-kickback laws.

4. Required Contract Provisions.

Every contract entered into by TSI must contain certain standard provisions designed to ensure that TSI does not do business with contractors that have engaged in fraud, waste, abuse, or other improper or unethical conduct. The list of standard provisions may be expanded by the

Compliance Officer and/or legal counsel. The TS 221 – Required Contract Provisions is attached as an addendum to each contract entered between Transitional Services, Inc. and a vendor, unless all provisions below are included in the body of the contract.

These standard provisions (or ones substantially similar) for contractors, including agents, subcontractors, and independent contractors, include the following:

a. The contractor is not included on the U.S. Department of Health and Human Services Office of Inspector General's ("HHS-OIG's") List of Excluded Individuals/Entities ("LEIE"), the Excluded Parties List System ("EPLS"), the New York State Office of Medicaid Inspector General's ("OMIG's") Excluded Provider List, System for Award Management (SAM.gov) for Supported Housing Program vendors, or other similar lists and databases, and has not been convicted of a crime relating to the provision of or billing for health care services;

b. The contractor will adhere to the applicable provisions of TSI's Compliance Program, which will be made available to the contractor;

c. The contractor will subcontract only with TSI's prior approval, will not subcontract with any persons or entities included on the LEIE, EPLS, OMIG Excluded Provider List, or other similar lists or databases or that have been convicted of a crime relating to the provision of, or billing for, health care services, and will terminate any subcontractors that engage in fraudulent or other illegal conduct;

d. The contractor will immediately report to the Compliance Officer any fraud, waste, abuse, or other improper or unethical activity of which it becomes aware that relates to TSI's operations or the services provided to TSI by the contractor or any subcontractors;

e. The contractor will promptly notify TSI of any government audit, inquiry, or investigation of which it becomes aware that relates to TSI or the services provided to TSI by the contractor or any subcontractors;

f. The contractor and its subcontractors will make their employees available for interviews or other proceedings at the request of government investigative agencies subject to the individual's right against self-incrimination;

g. TSI may immediately terminate the contract in the event that the contractor becomes an "excluded provider" or "excluded person" on a government database or engages in any fraud or other illegal activity;

h. TSI may immediately terminate the contract in the event that the contractor fails to adhere to TSI's Compliance Program requirements; and

i. The contractor will immediately notify TSI if any of the above representations cease to be true during the term of the contract.

5. Termination of Contractors.

Employees will promptly notify the Compliance Officer if they become aware of any suspected fraudulent, abusive, or other improper, illegal, or unethical conduct by a contractor, agent, subcontractor, or independent contractor. The Compliance Officer, in coordination with other appropriate personnel, will investigate the matter and determine whether the contractor, agent, subcontractor, or independent contractor has engaged in improper conduct. TSI will promptly terminate the contract of any contractor, agent, subcontractor, or independent contractor that has been found to have engaged in fraudulent, abusive, or other improper or illegal conduct, or whose subcontractor has been found to have engaged in fraudulent, abusive, or other improper or illegal conduct.

Required Contract Provisions

Every contract entered into by TSI must contain certain standard provisions designed to ensure that TSI does not do business with contractors that have engaged in fraud, waste, abuse, or other improper or unethical conduct. The list of standard provisions may be expanded by the Compliance Officer and/or legal counsel. These standard provisions (or ones substantially similar) for contractors, including agents, subcontractors, and independent contractors, include the following:

a. The contractor is not included on the U.S. Department of Health and Human Services Office of Inspector General's ("HHS-OIG's") List of Excluded Individuals/Entities ("LEIE"), the Excluded Parties List System ("EPLS"), the New York State Office of Medicaid Inspector General's ("OMIG's") Excluded Provider List, System for Award Management (SAM.gov) for Supported Housing Program vendors, or other similar lists and databases, and has not been convicted of a crime relating to the provision of or billing for health care services;

b. The contractor will adhere to the applicable provisions of TSI's Compliance Program, which will be made available to the contractor;

c. The contractor will subcontract only with TSI's prior approval, will not subcontract with any persons or entities included on the LEIE, EPLS, OMIG Excluded Provider List, or other similar lists or databases or that have been convicted of a crime relating to the provision of, or billing for, health care services, and will terminate any subcontractors that engage in fraudulent or other illegal conduct;

d. The contractor will immediately report to the Compliance Officer any fraud, waste, abuse, or other improper or unethical activity of which it becomes aware that relates to TSI's operations or the services provided to TSI by the contractor or any subcontractors;

e. The contractor will promptly notify TSI of any government audit, inquiry, or investigation of which it becomes aware that relates to TSI or the services provided to TSI by the contractor or any subcontractors;

f. The contractor and its subcontractors will make their employees available for interviews or other proceedings at the request of government investigative agencies subject to the individual's right against self-incrimination;

g. TSI may immediately terminate the contract in the event that the contractor becomes an "excluded provider" or "excluded person" on a government database or engages in any fraud or other illegal activity;

h. TSI may immediately terminate the contract in the event that the contractor fails to adhere to TSI's Compliance Program requirements; and

i. The contractor will immediately notify TSI if any of the above representations cease to be true during the term of the contract.

ACKNOWLEDGED AND AGREED this _____ day of _____, 20__

Signature: _____

Print Name _____

Print Title: _____

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New: (3.2023)

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