

Compliance Auditing and Monitoring

Policy

The Compliance Officer ("CO") has been assigned the task of overseeing the monitoring of the various activities and operations of the Company, providing an assessment of the effectiveness of the Plan, and indicating the areas where the Plan may need to be revised or improved. To the extent that the Company's monitoring activities reveal conduct which could potentially constitute violations of the Corporate Compliance Program, failure to comply with applicable state and federal law, and other types of misconduct, the Company has an obligation to investigate the conduct in question immediately to determine whether any such violation has occurred, take action to discipline the person or persons involved, and correct the problem.

Procedure

1. Monitoring

- A. The Company believes that a thorough and ongoing evaluation of the various aspects of the Compliance Program is crucial to its success.
 - i. In order to provide an ongoing evaluation of the effectiveness of the Compliance Program, the Company will employ a variety of monitoring techniques, which may include, but are not limited to, one or more of the following:
 - a. Periodic interviews with management personnel regarding their perceptions of the levels of compliance within their departments or areas of responsibility.
 - b. Questionnaires developed to poll both Company and Participating Provider personnel regarding compliance matters including the effectiveness of individual training/educational techniques.
 - c. Periodic written reports of department managers utilizing assessment tools developed to track specific areas of compliance.
 - d. Audits designed and performed by internal or external auditors utilizing auditing guidelines.
 - e. Investigations of alleged noncompliance reported through the Reporting Policy or other means.
 - f. Exit interviews for departing employees.
 - ii. Information obtained through monitoring efforts should be retained in written or electronic form and provided to the CO.
 - iii. The CO will also be responsible for arranging no less than annually an

independent review of all Company operations, the compliance plan, the Code of Conduct, in order to evaluate the effectiveness of the Code of Conduct and other compliance policies. The results of this independent review will be provided to the Board of Directors.

- a. The CO will review this information and issue revisions, modifications, or amendments to the Corporate Compliance Plan based upon the CO's evaluation of the results of the monitoring activities.

2. Auditing

- A. The CO shall be responsible for directing the ongoing auditing of the Company's compliance efforts. The CO shall ensure that every year the Company has an audit plan outlining areas in which audits will be performed.
- B. The Audit plan will identify and audit specific areas based upon Compliance Risk Matrix generate as part of the Company's annual risk assessment process performed by the CO.
- C. When developing the annual audit plan, the CO shall endeavor to audit the highest risk areas first. The CO shall prioritize audits based upon risk and Company resources.
- D. Once the CO determines the areas to be audited for the year, the CO shall assign responsibility to individuals to perform the audit. The CO shall inform the Board of Directors of the Audit plan for the year.

3. Investigation

- A. When the CO is made aware of alleged or potential compliance violations through audits, routine monitoring, reports of non-compliance, observations, or otherwise, the CO shall perform an assessment of the alleged non-compliance, by reviewing materials and other evidence provided.
 - i. If the initial assessment indicates that there is a basis for believing that the conduct reported or alleged constitutes material non-compliance with the Compliance Plan, applicable state or federal law, or other Company policy, the CO shall review and investigate the matter.
 - a. The CO, in conjunction with legal counsel, may handle the investigation personally, or may designate an individual with responsibility for investigating the matter. In the latter case, the CO shall direct the investigation, in conjunction with legal counsel. The Company shall not interfere with the investigation and the CO shall ensure that sufficient resources are assigned to the investigation to provide a complete and thorough investigation of the matter.

- ii. As part of the initial assessment, the CO shall determine whether the investigation should be handled in such a manner so that attorney-client privilege shall attach
 - iii. If the initial assessment does not provide a basis for the believing the alleged or reported conduct occurred or constitutes material non-compliance, the CO shall document the follow up and the basis for the determination that no investigation was necessary.
- B. The following steps should be undertaken when any report or activity results in an investigation:
- i. Notify the Executive Director of the existence of the complaint and the nature of the complaint.
 - ii. Commence investigation within thirty days of receipt of the report, information, or complaint regarding the potential noncompliance.
 - iii. Interview the persons allegedly involved in the conduct or potentially having knowledge of the alleged non-compliant conduct. Review any relevant documents, e-mails, correspondence, etc.
 - iv. Review any statutes, rules, regulations, bulletins, and/or Company policies involved. Seek advice of counsel as necessary.
 - v. Prepare a summary report that includes findings, and a determination of whether the alleged conduct occurred. If the investigation determines a material violation occurred, the report should recommend a corrective action plan and recommend disciplinary actions to be taken against individuals mentioned in the complaint.
 - vi. Implement recommended corrective actions and discipline, including repaying any resulting overpayments.
 - vii. If the investigation determines fraud or other criminal activity occurred, the CO shall seek the advice of counsel regarding self-disclosure and other appropriate actions. Self-disclosure shall not occur without advice and guidance from counsel.

Corrective Action Plans

Policy

Corrective action shall be imposed as a means of facilitating the Company's goal of full compliance. Corrective action plans should assist the staff, management and administration to understand the specific issues and reduce the likelihood of future noncompliance. Corrective action shall be sufficient to effectively address the particular instance of non-compliance and should reflect the severity of the noncompliance and the individual's past adherence to compliance standards.

Procedures

1. *Basis for Corrective Action:* Internal review reports, consultants' reports, results of compliance monitoring and auditing, complaints, and investigation reports.
2. *Elements of a Corrective Action Plan:*
 - A. As appropriate given the nature of the noncompliance, a corrective action plan shall include:
 - i. A resolution of specific identified problems.
 - ii. A recommendation to repay or not bill inappropriate claims.
 - iii. As directed by counsel, a report to appropriate government authorities about the non-compliance.
 - iv. A recommended policy or procedure to modify the Company's or the individual's practice to reduce the likelihood of recurrence and to monitor the adoption and compliance with the recommendations.
 - v. Additional mandatory education and training for employees or contractors who are subject to the new or revised policy and procedure.
 - vi. Other reasonable corrective measures designed to ensure compliance, including reporting individuals to the appropriate authorities.
 - B. The Executive Director shall follow up and audit individuals and departments as necessary to determine whether the corrective action plan is being followed and is effective in preventing a recurrence of the previously identified noncompliance. The failure of individuals to adhere to a corrective action plan is grounds for discipline and for additional corrective action.
 - i. If the CO determines, based upon monitoring of the corrective action plan, that the desired compliance is not being achieved, the CO shall report this failure to the Executive Director. The Executive Director and CO shall identify the reasons for the failings and shall identify a new corrective action plan. The CO shall be responsible for overseeing the implementation of the new corrective action plan.
 - C. When developing a corrective action plan, the CO may consider individual or departmental non-compliance in previous audit periods.