EPISCOPAL HEALTH SERVICES INC.

Episcopal Health Services Inc.

Compliance Plan
2023-2024

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Episcopal Health Services Inc. Compliance Program

Overview

Episcopal Health Services Inc. ("EHS") is committed to fostering a culture of compliant and ethical conduct which includes fostering the prevention, detection, and remediation of conduct that fails to comply with applicable law, ethical standards and/or an entity's policies.

As a condition of payment for care, services, items or supplies and/or to be eligible to submit claims for such, EHS which is subject to provisions under New York State's Public Health Law and Mental Hygiene Law, must implement an effective Compliance Program. EHS, as a "required provider" maintains an effective Compliance Program, as required under New York State Social Services Law § 363-d with compliance program regulations codified at 18 NYCRR Part 521, as well as State guidance from the New York State Office of the Medicaid Inspector General ("OMIG") and Federal guidance from, among other entities, the U.S. Sentencing Commission Guidelines ("USSG") Manual, the U.S. Department of Health and Human Services Office of Inspector General ("OIG") and the Centers for Medicare and Medicaid Services ("CMS"). On an annual basis EHS certifies with the Department of Health and as required, with payers, that it maintains an effective Compliance Program.

The EHS Compliance Program (or "Compliance Program") focuses on:

- Preventing, detecting and deterring health care fraud, waste, and abuse and illegal conduct;
- Promoting an environment that encourages ethical conduct as well as compliance with the law and regulations;
- Developing and maintaining practices to ensure the privacy of health and business information; and
- Creating and enforcing policies and procedures that describe the implementation of the compliance program and how potential compliance problems are resolved.

The scope of the Compliance Program includes all EHS staff, employees, volunteers, students, agency staff and trainees (collectively "Personnel") as well as members of the EHS Board of Trustees, businesses, contractors, subcontractors, independent contractors, affiliates, entities, vendors, agents and all other individuals associated with EHS who support EHS or work to provide services (collectively "Covered Persons") on to, for, or on behalf of EHS.

The Compliance Program works in conjunction with other lines of business of the hospital such as risk management, human resources and quality assurance as well as with outside regulatory entities such as OMIG, OIG, the U.S. Department of Health and Human Services Office for Civil Rights ("OCR"), Federal Department of Justice ("DOJ"), New York State Attorney General's Office ("AG") and its Medicaid Fraud Control Unit ("MFCU") and CMS.

Compliance Plan

EHS's Compliance Plan ("Compliance Plan" or the "Plan") is an essential piece of the Compliance Program with a purpose and design to provide an outline of how the functions of the Compliance Program and its supporting policies, procedures and operations will be administered and carried out.

The Compliance Plan is designed to, among other things:

- Establish an administrative framework for conducting an effective and diligent compliance effort including addressing plans to meet the required Federal and State elements of an effective compliance program;
- Create effective communication channels to deliver EHS's commitment to ethical business practices and receive feedback regarding adherence to these practices;
- Outline a commitment to educate Covered Persons regarding compliance requirements and how to conduct their job activities in compliance with Federal and State law and according to the policies and procedures of the Compliance Plan;
- Provide an overview of monitoring and auditing functions to measure the effectiveness of the Plan and to address problems in an efficient and timely manner;
- Outline enforcement and discipline components which ensure that all Covered Persons take their compliance responsibilities seriously; and
- Identify EHS's plan to minimize organizational compliance risks.

This Plan will be reviewed, at minimum, on an annual basis. The review process occurs in order to evaluate the effectiveness of the Compliance Plan and Compliance Program, to reflect current practices and changes, to ensure that services are monitored, delivered, and evaluated in accordance with the Compliance Program.

Compliance Program Administration & Oversight

Responsibility of the Compliance Officer

EHS provides for an individual, known as the "Compliance Officer", whose primary responsibility is the oversight of the compliance and privacy functions at EHS which include, without limitation, the following:

- Supervising and implementing the Compliance Program and coordination of all compliance efforts;
- Developing, implementing, revising and enforcing compliance and privacy policies and procedures and reviewing such on an annual basis and as otherwise needed to conform to regulatory and operational changes;
- Ensuring that Covered Persons are provided with EHS's Code of Conduct and Compliance Plan and access to any other written compliance and privacy policies and guidelines relevant to performing their function;
- Establishing and maintaining a Compliance Committee, educating Compliance Committee members about their responsibilities and generally overseeing the activities of the Compliance Committee;
- Developing, approving and disseminating compliance and privacy related training and education materials as well as developing and annually reviewing a Compliance Training Plan designed to outline the topics, timing, applicability and tracking of related compliance and privacy training;
- Working with EHS departments and key Personnel in the oversight of appropriate provider credentialing and the quality and efficiency of services provided;
- Coordinating with departments, units and programs to ensure that compliance is an integral part of performance assessment and assessments performed on contractors, subcontractors, independent contractors and/or vendors or other third parties;
- Developing a system for Federal and State exclusionary and sanction monitoring;
- Developing and disseminating communication that encourage active participation in the Compliance Program;
- Implementing anonymous and confidential mechanisms for reporting potential non-compliance and the oversight of compliance and privacy related investigations;
- Identifying and assessing areas of operations that present compliance risks, including vulnerabilities to fraud, waste and abuse and overpayments as well as prioritizing resources to mitigate and reduce those risks;
- Collaborating with various departments, units and programs to ensure the coordination and timely response to governmental audits and/or inquiries; and
- Ensuring an annual assessment of the Compliance Program is performed and attested to, as required by any regulatory entity.

The Compliance Officer reports regularly directly to the Chief Executive Officer and no less than quarterly to the EHS Board of Trustees.

Compliance Committee

EHS has an internal operational Compliance Committee (herein after referred to as the "Committee"). The Committee, which meets quarterly and more frequently as dictated, is responsible for, among other things:

- Supporting the Compliance and Privacy Department in developing, monitoring and assessing the Compliance Program;
- Providing an avenue of communication among management and leadership, those persons responsible for the internal compliance function, and the Board of Trustees;
- Periodically analyzing EHS's risk environment by identifying specific risk areas and developing a Compliance Work Plan to, among other things, review and mitigate vulnerabilities;
- Assessing, revising and approving existing compliance and where applicable privacy and security policies and procedures to assure compliance with the law, regulations and contracts;
- Assisting key Personnel in designing and coordinating internal and external compliance reviews and monitoring activities;
- Ensuring EHS's Compliance Officer is allocated sufficient funds and resources to be able to fully and effectively carry out their responsibilities;
- Developing and reviewing EHS's compliance training and education initiatives, including review of the annual training plan;
- Reviewing the effectiveness of the system of internal controls, including the Compliance Committee Charter and Compliance Program, designed to ensure compliance with Medicare and Medicaid regulations in daily operations; and
- Analyzing reports and actions taken resulting from internal and external audits or compliance investigations.

The Committee is composed of Personnel from an array of departments which are considered pertinent to developing, implementing and maintaining the overall compliance goals of EHS. Members include, without limitation:

1. Executive administration including:
    - Chief Executive Officer;
    - Chief Operating Officer;
    - Chief Financial Officer;
    - Chief Medical Officer;
    - Chief Nursing Officer;
    - Chief Quality Officer;
    - Chief Information Officer;

2. Administration level Personnel from the following departments, units or programs:
    - Compliance and Privacy;
    - Risk Management;
    - Performance Improvement;

- Operations and Regulatory;
- Information Technology and Services: Information Security;
- Health Information Management;
- Finance and Revenue Cycle;
- Human Resources;
- Behavioral Health;
- Managed Care; and
- Subsidiary corporation or entity administration (as needed).

Board Oversight

As part of their general governance oversight responsibilities, the EHS Board of Trustees is also responsible for knowledge of the operation of the Compliance Program and Compliance Plan, however, the day-to-day responsibilities and carrying out of duties rests within the Compliance and Privacy Department. There is a direct reporting relationship which exists between those responsible for the day-to-day oversight of the Compliance Program and the Board of Trustees. Additionally, Board of Trustee By-laws recognize the importance of supporting an effective Compliance Program by way of adoption of certain policies and procedures as well as the establishment of a Compliance Committee.

Code of Conduct

EHS maintains a Code of Conduct which provides a summary of the standards and expectations of conduct for all Covered Persons. The Code of Conduct articulates EHS's commitment to compliance by Covered Persons and summarizes the broad ethical and legal principles under which EHS operates. The Code of Conduct is an essential and required building block of the Compliance Program. The Code of Conduct is provided upon initial employment or affiliation with EHS and annually thereafter. The Code of Conduct is also available to the public by visiting www.ehs.org and selecting "*Compliance and Privacy*".

Policies

EHS maintains compliance and privacy policies which are designed to support the Compliance Program and its operations as well as meeting any regulatory requirements. EHS meets the applicable compliance requirements under the Deficit Reduction Act of 2005 ("DRA") which requires, among other things in general, for EHS to provide its employees, agents, and contractors information regarding Federal and State false claims laws and related statutes, the penalties for wrong doing under these laws, and the protections for whistleblowers who report potential fraud, waste and abuse including false claims and other non-compliance.

Covered Persons are urged to seek clarification of any compliance or privacy related policies by contacting the Compliance and Privacy Department. Questions and responses are evaluated and if appropriate, shared with other Covered Persons so that policies can be improved to reflect necessary regulatory or operational changes or clarifications. EHS policies are available to Personnel by accessing the EHS intranet page.

Training & Education

General compliance training is provided to all new Personnel during their orientation phase. Personnel receive information on the Compliance Program, reporting mechanisms, privacy and confidentiality including without limitation the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and supporting regulations as well as applicable State privacy laws, the Code of Conduct, false claims and fraud, waste and abuse, organizational risk areas, disciplinary standards for failure to comply and whistleblower and non-retaliation or intimidation protections. Ongoing training is provided on an annual basis. Further, general compliance and privacy training is also provided to contractors, vendors and members of the Board of Trustees and ICARE Foundation Advisory Committee via various means and methods.

Supplemental, remedial or targeted training and educations is performed as well and aims to cover topic or issues that may present a heightened risk of non-compliance, particularly to those directly affected by the statutes, regulations, policies, procedures and program guidelines for Federal health care programs. Details related to compliance training are outlined in a Compliance Training Plan which is developed and revised annually.

Reporting Potential Non-Compliance

Covered Persons have an obligation to report or participate in the investigation of any known or suspected non-compliance. Non-compliance includes, without limitation, the following:

- Known or suspected misconduct, compliance or non-compliance issues;
- Known or suspected violations of employee or patient privacy or confidentiality;
- Known or suspected violations of any applicable law or regulation;
- Known or suspected violations of EHS's policies and procedures, the Code of Conduct or the Compliance Program;
- Related risks under self or external audit, review of investigation;
- Performing or participation in internal or external investigations, reviews and audits;
- Cooperating with or implementing remedial actions in response to noted compliance issues, deficiencies or failures;
- Known or suspected fraud, waste or abuse including actions related to false claims or services which are medically unnecessary and potential overpayments;
- Situations covered under Labor Law §§ 740, 741 which include, without limitation, violations that create and/or present a substantial and specific danger to the public health or safety, or which constitute health care fraud or situations where Covered Persons reasonably believes constitutes improper quality of patient care; and/or
- Situations covered under Labor Law § 218-b which include, without limitation, workplace safety, reporting in good faith potential violations of the Labor Law or seeking intervention related to such, refusing to work in environments where Covered Persons reasonably believe that such work exposes them or others to an unreasonable risk of exposure to disease due to failure to maintain compliance with applicable law or guidelines covering work conditions and disease prevention.

Covered Persons or other individuals or entities may report any suspected non-compliance or other issues outlined in this policy as follows:

- By phone at (718) 869-5711;
- By email at compliance@ehs.org;
- By visiting the Compliance and Privacy Department;
- Via the 24/7 Confidential and Anonymous Compliance Hotline by calling 1-844-973-0162 or visiting www.ehs.ethicspoint.com; or
- By mail at Episcopal Health Services Inc., 327 Beach 19th Street, Far Rockaway, NY 11691. Attn: Compliance and Privacy.

Note: If you suspect Medicare fraud or that which involves a health plan, you can also contact the health plan sponsor directly or contact the OIG at 1-800-HHS-TIPS.

Individuals receiving calls on the Compliance Hotline work for an independent third-party company and are not employed or otherwise affiliated with EHS. Additionally, web based reporting can be done using the same Compliance Hotline system without the need to actually speak with a person. Both can be accessed 24 hours a day, 7 days a week and 365 days a year.

All reports to the Compliance Hotline are kept confidential to the extent practicable. A reporter's identity remains confidential and is only released or revealed on a "need to know" basis if required by law including, without limitation, if the matter is subject to disciplinary proceedings or under investigation by the AG, MFCU, OMIG, OIG, OCR or other regulatory or law enforcement agency or as subject to disclosure under a legal proceeding.

Non-Retaliation or Intimidation

EHS strictly prohibits intimidation, harassment or retaliation, in any form, against any individual who in good faith participates in the Compliance Program by reporting or participating in the investigation of suspected non-compliance including violations of law, policies and/or suspicions of fraud, waste and abuse.

The Compliance and Privacy Department is responsible for the oversight of any investigation into allegations of retaliation. Any attempt to intimidate or retaliate against a person who participates in the Compliance Program will result in action up to and including termination of employment, contract, or affiliation with EHS.

Responding to Reports of Non-Compliance

All queries, reports, problems, issues or concerns, complaints, and requests for guidance (collectively "Reports") received, referred to or otherwise obtained by the Compliance and Privacy Department, at the discretion of the Compliance and Privacy Department, shall be investigated, reviewed, referred to the appropriate department or otherwise appropriately responded to. The Compliance and Privacy Department, exercising sound judgment on a case-by-case basis, shall have absolute discretion as to whether a Report concerning any potential non-compliance warrants an investigation or review. An initial assessment is made to determine the severity of any Report and the need to involve other departments, Covered Persons or outside resources.

Unless otherwise mandated by applicable Federal or State law, all investigations conducted under the Compliance Program shall be conducted in a confidential manner with due diligence to determine whether there is credible evidence that an issue exists. Covered Persons, as applicable, have an affirmative obligation to participate in a review or investigation conducted under the Compliance Program. The Compliance and Privacy Department and others performing investigations or reviews have an obligation to protect the integrity of such. The Compliance and Privacy Department reserves the right to independently and unilaterally engage the services of outside legal counsel when deemed warranted or necessary.

If the investigation or review indicates that actual or potential non-compliance has occurred, the Compliance and Privacy Department will respond accordingly. Responses include, without limitation:

- Prompt identification, resolution and return of any overpayments via processes identified under the law including via Self-Disclosure Protocols;
- Notification to the appropriate government agency or law enforcement entity;
- Revision of current policies and procedures or process modification(s);
- System modification
- Training, education or remedial education; or
- Referral of disciplinary action which includes termination of employment, contract or other affiliation with EHS.

Enforcement Actions & Discipline

Covered Persons who violate the Compliance Program or applicable laws, regulations, or program requirements are subject to enforcement actions and discipline. Such actions will be consistent with EHS's progressive discipline policies and collective bargaining. Enforcement of the Compliance Program is applied equally and consistently regardless of title, rank, role or position. Actions include, among other things, re-training, counseling, warning or termination of employment, contract or other affiliation with EHS. Covered Persons who engaged in reckless disregard and purposefully egregious conduct are subject to immediate significant action. Such action/s are reviewed on a case by case basis.

Risk Assessment

EHS performs an annual risk assessment. The risk assessment process is aimed at identifying, mitigating and preventing potential non-compliance. The annual risk assessment process involves key Personnel from various administrative and clinical departments, units and programs at EHS and is guided with the oversight of the Compliance Committee.

Risks are identified, evaluated, scored and ranked based on as series of potential factors such as legal, regulatory, public accountability and financial risk and culminates in the development of an annual Compliance Work Plan. The risk assessment process includes the identification of internal risks as well as the evaluation of external risks identified by governmental entities such as OMIG and OIG through their work plan processes. Risks common to health care entities such as EHS generally include, without limitation:

- Billing and/or payments for items or services not rendered or not medically necessary;
- Appropriate professional and provider credentialing;
- Quality of care;
- Medicare and Medicaid recipient fraud;
- Duplicate billing, Up-coding, Unbundling or other potential false or fraudulent submission of claims;
- Submitting false cost reports;
- Retaining identified overpayments;
- Privacy and security gaps;
- Contractor
- Over Utilization of services; and
- Violations of Self-Referral laws.

The Compliance Work Plan is a fluid process meaning that it is subject to change and is continuous throughout the year. Reviews of items identified in the Compliance Work Plan are performed under the guidance and direction of the Compliance and Privacy Department and in many cases involve and require the input and assistance from key Personnel. Work Plan reviews are conducted with the associated legal, regulatory and compliance standards and requirements as a baseline and often involve a policy, process and financial impact assessment.

When reviews are performed under the Work Plan, key Personnel are responsible for responding, where appropriate, to the findings and recommendations and, where applicable, assisting in the plans and process for mitigation of identified risks. Mitigation steps may include corrective measures such as changes to policies, processes and future monitoring, ongoing assessment, training and education.

Reviews performed under the Compliance Program and the annual risk assessment process are considered confidential, to the extent possible, in nature.

Auditing & Monitoring

EHS actively uses auditing and monitoring processes to assess the effectiveness of its Compliance Program as well as other EHS processes and systems. Audits and reviews are sometimes conducted by using outside resources such as legal counsel, auditors or other individuals or entities. Audits and reviews may be inclusive in the Compliance Work Plan or may be performed as otherwise determined by the Compliance and Privacy Department.

The results of such audits are presented to the Compliance Committee, which assesses the results and recommends any necessary corrective measures. Additionally, reporting of audits and reviews, dependent on the nature or scope, are reported to the Board of Trustees.

Additionally, on an annual basis, a review is performed to assess whether the Compliance Program's elements have been satisfied under applicable law or regulation. This is further used to support an external reviews of the Compliance Program.

Contract Management

Business relationships with contractors, vendors, educational institutions and physicians, including employment and contracting have their own individual and specific associated risks. Particularly, financial relationships between EHS and these individuals or entities needs to be thoroughly reviewed with a heightened awareness for additional risks.

Accordingly, EHS has adopted, at a minimum, specific processes and policies which address the following aspects of conducting business:

- Initial review of all proposed contracts prior to execution;
- Development of standardized contractual templates (where applicable);
- Periodic review of all contracts and leases with physicians to ensure that all conditions supporting the exceptions are being satisfied;
- Making and documenting reasonable, consistent and objective determinations of fair market value;
- With respect to contracts or agreements that relate to potential risks identified at EHS, include obligations to adhere to and termination of such contract or agreement for violations of EHS's Code of Conduct;
- Monitoring the total value of monetary and non-monetary compensation provided under any contract; and
- Tracking expiration and/or renewal dates and terms in a formal methodical manner.

Exclusions & Sanction Monitoring

EHS maintains a system for performance of an initial and monthly screening of Personnel, members of the Board of Trustees and, where applicable, vendors, as required by applicable law, guidance or industry best practice. Initial Screening will be performed prior to establishing employment, affiliation or a contractual relationship with Personnel, Board members or vendors and will continue on a periodic basis which, in most cases, meets or exceeds any requirements and industry best practices. EHS prohibits the employment, contract or other affiliation of or with individuals or entities that are excluded from participation in any Federal health care program.

Privacy & Security

EHS is subject to detailed rules that govern the use and disclosure of individuals' protected health information ("PHI"), personal identifiable information ("PI") and standards for individuals' privacy rights. In an effort to ensure the privacy and confidentiality of health information is maintained, EHS has designated a Privacy Officer (the same individual with oversight of the Compliance Program) who is responsible for the development, implementation, and enforcement of EHS's privacy requirements.

Additional responsibilities include, without limitation, the following:

- Maintaining responsibility for EHS's compliance with the HIPAA rules and regulations;
- Ensuring that processes are implemented to maintain compliance with Federal and State laws related to the privacy, security, and confidentiality of PHI and PI, which includes evaluating and monitoring operations and systems development for privacy and security requirements and collaborating with Information Technology and Services;
- Involvement and oversight of periodic privacy risk assessments;
- Working with all EHS owned, operated or affiliated facilities, entities and programs to measure, evaluate, audit and review the implementation, effectiveness and quality of EHS privacy policies and procedures and related expectations; and
- Investigating, documenting, addressing and mitigating any unauthorized uses and disclosures of PHI as well as unauthorized access, acquisition or other potential breach of PHI and PI and other confidentiality or privacy complaints.

Information security is everyone's responsibility. Covered Persons are responsible for protecting patient, employee and other confidential business information. EHS maintains and monitors security systems, data backup systems and storage capabilities to ensure that information is maintained safely, effectively and securely. The Compliance and Privacy Department works in collaboration with the Information Security Officer to ensure that policies and practices are in place to protect the confidentiality of information.

Conflicts of Interest

EHS maintains policies and practices to prevent potential conflicts of interest. A conflict of interest is a situation in which a person is involved that may have multiple interests, one or more of which could possibly affect the person's motivation or actions.

Covered Persons must refrain from situations creating a conflict of interest. Furthermore, Covered Persons are strictly prohibited from knowingly and willfully soliciting, receiving, offering, or paying remuneration (including a kickback, rebate or bribe) for referrals for services that are paid, in whole or in part, by a Federal health care program.

Key Personnel as well as all employed physicians must disclose any potential conflicts both when they arise or are suspected as well as via an annual process developed, executed and maintained by the Compliance Officer. This process assists the Compliance Program be helping to ensure there are no initial potential conflicts or violations of Federal laws including the Physician Sunshine Act, Anti-kickback Statute and Stark Law, among others. Each completion of a conflict of interest disclosure is reviewed and monitored under the Compliance Program and steps are taken to remediate any potential conflicts when determined.

Quality of Care

The OIG may exclude a hospital from participating in Federal health care programs if a hospital provides items or services that fail to meet professionally recognized standards of health care. To achieve quality related goals EHS continually measures its performance against comprehensive standards.

EHS has developed its own quality of care protocols and has implemented mechanisms for evaluating compliance with those protocols. The Compliance Officer regularly assists EHS in establishing methods to improve the efficiency and quality of services provided to those it serves.

Additionally, EHS plays an active part in monitoring the quality of care and medical services provided at each location, facility or program by appropriately overseeing the credentialing and peer review processes of the medical staff and other credentialed providers.

Records Management

EHS maintains a Records Management Program designed to accomplish the following, including without limitation:

- Establish an accurate, efficient, secure, and cost effective manner for the retention, preservation and destruction or disposal of records;
- Maintain a written Records Management Schedule that maximizes the availability of records for patient care, research, quality improvement, and medico-legal purposes;
- Apply effective and cost efficient management techniques to maintain and preserve complete, accurate, quality records;
- Ensure that patient health information is available to meet the needs of EHS, our patients, regulatory requirements and other operational requirements;
- Protect the disposal, destruction, maintenance and preservation of records that are sought in connection with any legal proceeding (pending or anticipated), under contractual obligation or as otherwise required under Federal, State or local law.

The integrity and accuracy of EHS documents and records is of utmost importance. All EHS records must be maintained in accordance with, among other things, any applicable Federal, State or local law, accreditation standards, contracts, and/or CMS requirements as well as EHS's Records Management Program as well as make available any such records to regulatory or enforcement entities (*e.g.*, OIG, MFCU, OMIG, CMS) upon request. EHS's Compliance Officer also acts at EHS's Records Management Officer.