



COMPLIANCE PROGRAM

STRUCTURE AND GUIDELINES

VISITING NURSE SERVICE OF NEW YORK

AND ITS SUBSIDIARY AND AFFILIATED ENTITIES

STRUCTURE AND GUIDELINES OF THE COMPLIANCE PROGRAM

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I. OVERVIEW AND GOALS OF THE COMPLIANCE PROGRAM

As a health care organization operating multiple programs and service lines, the Visiting Nurse Service of New York and all of its subsidiaries and affiliates (collectively, “VNSNY”)¹ are proud of their long tradition of ethical and responsible conduct. VNSNY is committed not only to providing our patients and members with highest quality services, but also to providing those services pursuant to the highest ethical, business and legal standards. To that end, VNSNY has implemented a comprehensive Compliance Program to ensure that legal and ethical conduct is an integral part of our organization’s culture and operations.

Over the years, VNSNY has continually updated and improved its Compliance Program to adapt to the complex and continually changing regulatory environment in which we operate. The expectations and standards of the Compliance Program are set forth in the VNSNY Code of Conduct and numerous enterprise and entity-specific compliance policies and procedures that address specific legal requirements and potential risk areas. These risk areas include billing, payments, quality of care, medical necessity, documentation, governance, business relationships, mandatory reporting, credentialing, and other areas identified by VNSNY. We have also implemented risk assessment procedures, audit protocols, training requirements, reporting mechanisms, and investigative and corrective action processes, all of which have enhanced our ability to prevent and detect fraud, waste and abuse and ensure ongoing compliance. VNSNY’s Compliance Program is designed to be an effective and coordinated program that meets all applicable federal, state, and local statutory and regulatory requirements. Our goal as an organization is to ensure that our commitment to compliance is reflected throughout our network of systems and processes, as well as our culture.

VNSNY’s Compliance Program is comprised of eight basic elements. Following is a brief description of how each element of the VNSNY Compliance Program is designed, structured and implemented.

II. STRUCTURE AND GUIDELINES OF THE COMPLIANCE PROGRAM

A. Element 1: Written Policies and Procedures

(1) **VNSNY Code of Conduct.** The VNSNY Code of Conduct provides a high-level overview of VNSNY’s Compliance Program for all directors, officers, employees, contractors, agents and others associated with VNSNY and VNSNY CHOICE’s First Tier, Downstream and Related Entities (“FDRs”) (collectively referred to here as the “Personnel”). The Code of Conduct sets forth standards for legal and ethical conduct; describes compliance expectations; implements the operation of the Compliance Program; provides guidance to Personnel and others on dealing with potential compliance issues; identifies how to communicate

¹ VNSNY includes (i) Visiting Nurse Service of New York Home Care, VNSNY Hospice and Palliative Care, Family Care Services, Partners in Care, and VNS CHOICE Community Care (collectively, the “VNSNY Providers”), and (ii) VNS CHOICE and VNS Continuing Care Development Corporation (collectively, “VNSNY CHOICE”).

compliance issues to appropriate compliance personnel; and describes how potential compliance problems are investigated and resolved. The Code of Conduct is attached as Addendum A.

(2) Compliance Program Structure and Guidelines. The Compliance Program Structure and Guidelines describes the required elements of a compliance program pursuant to New York State and federal law, and also describes the manner in which each element is addressed and implemented by VNSNY. The elements are consistent with guidance issued by (i) the Centers for Medicare and Medicaid Services (“CMS”); (ii) the New York State Department of Health (“DOH”); (iii) the New York State Office of the Medicaid Inspector General (“OMIG”); (iv) the Office of Inspector General of the U.S. Department of Health and Human Services (“OIG”); and (v) the Federal Sentencing Guidelines.

(3) Compliance Policies and Procedures. VNSNY has adopted and implemented numerous compliance policies and procedures that further describe compliance expectations embodied in the VNSNY Code of Conduct. These policies and procedures are available on the intranet and address specific compliance risk areas and requirements in order to ensure that the Compliance Program is operating efficiently and effectively. The policies and procedures prescribed by Visiting Nurse Service of New York (parent) apply to all VNSNY programs and Personnel, while subsidiary and affiliates policies and procedures may be specific to certain business units or subsidiaries to address unique licensure or compliance mandates.

B. Element 2: Designation of a Compliance Officer; Compliance and Risk Structure and Governance.

(1) Vice President of Compliance and Regulatory Affairs (“VP of Compliance”). The VP of Compliance is VNSNY’s lead compliance officer and has overall responsibility for the Compliance Program for all of VNSNY’s programs and services.

- Responsibilities. The VP of Compliance is responsible for coordinating and overseeing the day-to-day compliance activities at VNSNY in collaboration with the Senior Vice President, General Counsel & Chief Risk Officer (“General Counsel & CRO”), the VNSNY Director of Compliance and Regulatory Affairs (“VNSNY Director of Compliance”), the VNSNY CHOICE Director of Compliance and Regulatory Affairs (“VNSNY CHOICE Director of Compliance”), the Senior Vice President (“SVP”) of Internal Audit, other appropriate members of VNSNY staff and senior management, the Legal Department, and outside compliance counsel, among others. The VP of Compliance is responsible for ensuring that compliance issues are properly and consistently coordinated and addressed as they arise, and that appropriate compliance assurance reviews, investigations, audits and inquiries are conducted. In addition, the VP of Compliance is responsible for overseeing appropriate responses to all reports, complaints and questions raised about compliance issues. In this regard, the VP of Compliance is the Compliance Program’s “point person” to whom all Personnel may report concerns and raise questions about compliance.

In addition, the VP of Compliance is also the VNSNY Privacy Officer and oversees all ongoing activities related to the development, implementation, maintenance of and adherence to VNSNY's policies and procedures covering the privacy of, and access to, patient health information in compliance with federal and state laws, and VNSNY's information privacy practices.

- Reporting. The VP of Compliance reports directly to the General Counsel & CRO and the VNSNY Audit Committee of the Board of Directors (the "VNSNY Audit Committee"), and informs the VNSNY Board of Directors of compliance activities. In addition, the VP of Compliance has direct access to the VNSNY Chief Executive Officer ("CEO"), the Boards of Directors of each of the VNSNY subsidiaries and affiliates (the "Boards"), as well as such committees of the VNSNY Boards as s/he deems appropriate, in order to ensure that compliance issues are appropriately and consistently addressed throughout the organization.
- Meetings. The VP of Compliance attends and makes periodic compliance reports at VNSNY Audit Committee meetings. S/he may also, in his/her discretion, attend meetings of the Boards. The VP of Compliance chairs the Compliance Working Group (described below), which ensures that all compliance issues are appropriately and consistently coordinated. The VP of Compliance is also a member and attends meetings of the VNSNY Executive Risk Committee ("ERC") (described below).
- Outside Resources. The VP of Compliance has ongoing access to legal counsel, both from the Legal Department and from external attorneys, as appropriate.

(2) VNSNY Director of Compliance. A VNSNY Director of Compliance has been appointed to assist the VP of Compliance in coordinating the day-to-day operations of the Compliance Program of VNSNY and at each of the VNSNY Providers.

- Responsibilities. The VNSNY Director of Compliance is the Compliance Officer directly responsible for coordinating with the VP of Compliance and other VNSNY personnel to ensure that all compliance issues with respect to the VNSNY Provider business units and VNSNY corporate services functions are properly addressed as they arise, and that appropriate compliance assurance reviews, audits and inquiries are conducted with respect to those functions. In addition, the VNSNY Director of Compliance is responsible for coordinating with other VNSNY Provider personnel to ensure that there are appropriate responses to all reports, complaints and questions about compliance issues that may arise regarding any VNSNY Provider and VNSNY, in consultation with the VP of Compliance as appropriate. The VNSNY Director of Compliance, in collaboration with the VP of Compliance and the VNSNY CHOICE Director of Compliance, shall also be responsible for ensuring that

required educational materials and training is provided to VNSNY Providers. In discharging these duties, the VNSNY Director of Compliance also coordinates with appropriate members of senior management, the Internal Audit Department, the Legal Department, and, if necessary, outside compliance counsel.

- Reporting. The VNSNY Director of Compliance reports to the VP of Compliance and the President of Provider Services and has direct access and provides reports, as necessary or appropriate, to each VNSNY Provider's Board of Directors, the CEO and the General Counsel & CRO. Relevant findings are also reported to the ERC by the President of Provider Services or the VP of Compliance.
- Meetings. The VNSNY Director of Compliance is a member of the Compliance Working Group and, as requested by the VP of Compliance, may attend VNSNY ERC meetings and such other board or committee meetings as appropriate.
- Outside Resources. The VNSNY Director of Compliance has access to legal counsel, both from the Legal Department and from external counsel, as appropriate.

(3) VNSNY CHOICE Director of Compliance. VNSNY CHOICE operates several health plans. As such, VNSNY CHOICE operates under the VNSNY Compliance Program, but has also developed, as required by regulation and sub-regulatory guidance, its own supplemental compliance program with its own VNSNY CHOICE Director of Compliance overseeing and monitoring its day-to-day operations.

- Responsibilities. The VNSNY CHOICE Director of Compliance is an employee of VNSNY CHOICE and is the Compliance Officer directly responsible for coordinating with the VP of Compliance, as well as other VNSNY CHOICE personnel, to ensure that VNSNY CHOICE compliance issues are properly addressed as they arise, that appropriate compliance assurance reviews, audits and inquiries are conducted with respect to VNSNY CHOICE. The VNSNY CHOICE Compliance Officer shall officially oversee the activities and management of the VNSNY CHOICE Medicare compliance activities, which includes the Special Investigation Unit and the Fraud, Waste and Abuse Program. In addition, the VNSNY CHOICE Director of Compliance is responsible for coordinating with other VNSNY CHOICE personnel to ensure that there are appropriate responses to all reports, complaints and questions about compliance issues that may arise with respect to VNSNY CHOICE, in consultation with the VP of Compliance. The VNSNY CHOICE Director of Compliance shall also be responsible for providing educational materials to VNSNY CHOICE employees and Medicare Advantage First-Tier, Downstream and Related Entities ("FDR"), as required by CMS, at the time of contracting and annually thereafter, and ensuring that all FDRs receive Medicare

Advantage Fraud, Waste and Abuse (“FWA”) training. In discharging these duties, the VNSNY CHOICE Director of Compliance also coordinates with appropriate members of senior management, the Internal Audit Department, the Legal Department, and outside compliance counsel.

- Reporting. The VNSNY CHOICE Director of Compliance reports to the VP of Compliance and the President of VNSNY CHOICE and has direct access and provides reports, as necessary or appropriate, to the VNSNY CHOICE Board of Directors, the CEO and the General Counsel & CRO. Relevant findings are also reported to the ERC by the President of VNSNY CHOICE or the VP of Compliance.
- Meetings. The VNSNY CHOICE Director of Compliance is a member of the Compliance Working Group, chairs the VNSNY CHOICE Compliance Committee, co-chairs the VNSNY CHOICE Delegated Operations Committee, and, as requested by the VP of Compliance attends VNSNY ERC meetings and such other meetings, as appropriate.
- Outside Resources. The VNSNY CHOICE Director of Compliance has ongoing access to legal counsel, both from the Legal Department and from external consulting attorneys, as appropriate.

(4) VNSNY Compliance Program Employees. There are VNSNY employees who have compliance responsibilities (“VNSNY Compliance Employees”) and support the Compliance Program through engaging in day-to-day compliance activities, including, without limitation, reviewing and investigating compliance concerns and performing auditing and monitoring activities, and any other responsibilities directed by the VNSNY Director of Compliance or VNSNY CHOICE Director of Compliance and the VP of Compliance. Depending on the nature of the particular Compliance Employee’s responsibilities, s/he reports to either the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance.

(5) Compliance Working Group. The Compliance Working Group is chaired by the VP of Compliance, meets at least quarterly, and is composed of VNSNY personnel involved directly in compliance activities, including: the VNSNY Director of Compliance; the VNSNY CHOICE Director of Compliance; the SVP of Internal Audit; and a representative of the Legal Department; and a representative selected by the VP of Compliance from each of the following departments: Human Resources, Quality, IT, and Finance. Other employees from various operational departments will be invited to attend as determined by the VP of Compliance. The Compliance Working Group is responsible for creating an annual work plan, consolidating and reviewing the status of internal audits and monitoring, addressing compliance issues as they arise on a consistent, enterprise-wide basis, and assisting the VNSNY ERC (defined below) with the ERC Inventory (defined below).

(6) VNSNY General Counsel & CRO. The General Counsel & CRO is responsible for, among other things, the implementation and operation of the VNSNY Enterprise Risk Management (“ERM”) program. Because compliance issues often pose substantial risk to VNSNY, the General Counsel & CRO collaborates with the VP of Compliance and the

Compliance Officers and staff with respect to compliance matters and their actual or potential risk to VNSNY. The General Counsel & CRO reports directly to the Audit Committee and the CEO, and regularly attends Audit Committee and Boards' meetings and provides reports thereto on risk matters and activities.

(7) Executive Risk Committee ("ERC"). The ERC is a senior management committee responsible for implementing and coordinating the VNSNY ERM program. The ERC is chaired by the General Counsel & CRO and is composed of members of senior management (including the SVP of Internal Audit, VP of Compliance) appointed by the VNSNY General Counsel & CRO with the approval of the CEO. The ERC meets at least quarterly and oversees VNSNY's efforts to identify, address, and mitigate risks throughout VNSNY, including all subsidiaries and affiliates. The General Counsel & CRO reports on risk, the activities of the ERC, and the ERC Inventory to the VNSNY Audit Committee and, as needed, to the VNSNY Board of Directors.

(8) Internal Audit. The Internal Audit Department is led by the SVP of Internal Audit and is responsible to perform periodic reviews and focused audits pursuant to the Internal Audit Work Plan, which is based, in large part, upon the OIG and OMIG Workplans and the ERC Inventory. The Internal Auditors report directly to the SVP of Internal Audit, who reports directly to the General Counsel & CRO and the VNSNY Audit Committee. The SVP of Internal Audit regularly attends and reports at the Audit Committee meetings.

(9) Oversight by the VNSNY Audit Committee and VNSNY Board of Directors. The VNSNY Audit Committee² is a Board-level committee that has primary responsibility for overseeing the VNSNY Compliance Program, the ERM program, and the Internal Audit department's Audit Plan and auditing activities. The Audit Committee meets at least quarterly, reviews the ERC Inventory annually, and receives reports from the VNSNY General Counsel & CRO, the SVP of Internal Audit, and the VP of Compliance, on compliance issues, identified risk areas and issues, risk and compliance management activities, and external and internal audits and investigations. The Chairperson of the Audit Committee, the CEO, the General Counsel & CRO, and/or the VP of Compliance report periodically to the full VNSNY Board of Directors on, among other things, risk and compliance matters. Finally, each of the Boards exercise oversight, as appropriate, and receive their own reports on compliance matters at their quarterly Board meetings from VNSNY Director of Compliance or VNSNY CHOICE Director of Compliance or the VP of Compliance and, as necessary, either the President of Provider Services or the President of VNSNY CHOICE.

A chart reflecting the Compliance, Risk and Internal Audit reporting structure is attached as Addendum B.

C. Element 3: Training and Education.

(1) Training and Education. All Personnel are to receive a copy of our Code of Conduct and are trained regarding the operation of the Compliance Program, the Code of

² The VNSNY Audit Committee has been delegated as the committee of the governing body that oversees compliance.

Conduct, VNSNY compliance policies and procedures, entity-specific supplemental policies and procedures, and applicable laws, rules and regulations affecting compliance and the prevention and detection of fraud, waste and abuse (“FWA”). Personnel are also updated through ongoing educational efforts by VNSNY, including topic-specific presentations, emails and other communications. This continuing education and training effort is of vital importance. Effective communication of applicable laws, regulations and policies requires the development of, and participation in, training and educational programs, and necessitates the dissemination of written materials on a periodic basis. Note that FDR who have met the FWA certification requirements through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Suppliers are deemed to have met the training and educational requirements for FWA.

(2) Schedule, Participation, and Review. Training and educational programs are conducted as follows:

- New Staff. As part of their orientation, all newly hired individuals receive compliance orientation training and all other training mandated by law and regulation, including without limitation, training on HIPAA and other patient confidentiality laws. As part of such training, such personnel receive a copy of the VNSNY Code of Conduct and are required to sign an acknowledgment form, which is maintained in each individual’s personnel file. All FDRs receive information on VNSNY CHOICE’s compliance program and how to report FWA. VNSNY CHOICE employees also receive specific Medicare Advantage FWA and Model of Care training. Depending on their job responsibilities, personnel may also receive a summary of the Compliance Program Structure and Guidelines, in addition to any specific policies and procedures that affect their duties.
- Annual Training. As part of VNSNY’s annual in-service program, all Personnel receive compliance, Code of Conduct and HIPAA training. Clinicians also receive training in clinical policies and procedures on an annual basis.
- Periodic Specialized Training and Ongoing Education. To the extent that an issue arises through an audit or issuance of new laws, rules regulations or otherwise, the Compliance Department will work with management on developing and disseminating appropriate training points and educational materials.
- Board Training. Annually all members of the Boards of Directors of the Boards receive Board training on the VNSNY Code of Conduct, the Compliance Program Structure and Guidelines, and their responsibilities to exercise effective oversight of the VNSNY Compliance Program. The VNSNY CHOICE Board receives specific additional FWA training regarding the Medicare Advantage program and associated compliance requirements.

- Mandatory Participation. Attendance and participation in training and educational programs is mandatory for all Personnel. Failure to comply with education and training requirements may result in disciplinary action consistent with the gravity of such non-compliance.
- Annual Review. The VP of Compliance, together with VNSNY Director of Compliance and VNSNY CHOICE Director of Compliance, annually reviews all training and educational materials and makes updates or revisions, as necessary.

D. Element 4: Communication Lines to Compliance

(1) Communication Methods. The VP of Compliance, as well as the VNSNY Director of Compliance and VNSNY CHOICE Director of Compliance, maintain open lines of communication with all Personnel to facilitate communication and reporting of compliance issues. VNSNY also maintains a method of anonymous and confidential reporting of compliance issues as they are identified through the Compliance Hotlines, as more fully discussed below. VNSNY has established procedures to encourage good faith participation in the Compliance Program. This procedure sets forth the expectation that Personnel will raise questions and report concerns relating to the VNSNY Code of Conduct, compliance policies and procedures, suspected or actual violations of federal and state laws, rules and regulations, and FWA.

(2) How to Report. Personnel are required to report concerns and raise questions they may have about compliance issues either orally or in writing to a supervisor, the Director of Compliance, the VNSNY CHOICE Director of Compliance, the VP of Compliance, and/or the Legal Department. All reports of suspected or actual non-compliance should contain as much detail as possible, including names, dates, times, location and the specific conduct the individual feels may violate the law or VNSNY's policies and procedures.

- Compliance "Hotlines" In addition to reporting concerns and raising questions, as discussed above, all Personnel may call the Hotlines to report possible violations, ask questions, or raise compliance concerns. The Hotlines, which are dedicated voice mail telephone lines, are monitored by the VNSNY Director of Compliance and the VNSNY CHOICE Director of Compliance. All calls to the Hotlines are logged by either the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance, as appropriate, including the date of the call, a summary of the inquiry and the resolution. The VNSNY CHOICE compliance hotline is also available for FDRs and its members to make reports.
- Confidentiality. All information, reports and questions provided or raised by any individual will be held in the strictest confidence permitted by applicable law. Also, to the extent possible, VNSNY will not disclose the identity of anyone who reports a suspected violation of law or who participates in an investigation. All Personnel should be aware, however, that the VP of Compliance, VNSNY Director of Compliance, VNSNY

CHOICE Director of Compliance and compliance counsel are obligated to act in the best interests of VNSNY and do not act as any person's representative or lawyer. Accordingly, confidentiality may not be guaranteed if disclosure is necessary to an investigation or is required by law.

- The Right to Report Anonymously. If Personnel wishes to remain anonymous, he/she may call the Hotlines or send a written, typed or computerized report to the VP of Compliance, the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance. However, we encourage Personnel to identify themselves when making reports so that an investigation can be conducted with a full factual background and without undue delay.

(3) Investigation and Reporting Back. The VP of Compliance, VNSNY Director of Compliance and/or VNSNY CHOICE Director of Compliance shall investigate all complaints and, if appropriate, advise the individual or entity reporting the complaint of the process of, and ultimate outcome of the investigation.

E. Element 5: Disciplinary Policies and Procedures

All Personnel are required to adhere to VNSNY's Compliance Program, the VNSNY Code of Conduct and all applicable compliance policies and procedures, and applicable laws and regulations. As set forth in VNSNY's disciplinary policies and procedures, appropriate discipline will be imposed if it is concluded, after an appropriate investigation, that any individual has not adhered to the Compliance Program or has violated applicable laws and regulations. The imposition of discipline may be based on, among other things, the person's unlawful or unethical actions, negligent or reckless conduct, deliberate ignorance of the rules that govern the job (including the applicable Code of Conduct, compliance policies and procedures and applicable laws, rules and regulations), condoning or not reporting unlawful actions by others, retaliation or intimidation against those who report suspected wrongdoing, or other violations. Discipline may include giving an employee an oral or written warning, probation for a specified period, suspension, or termination of employment.

VNSNY will ensure that disciplinary standards are enforced in a timely, consistent and effective manner. Employees will be subject to such disciplinary action, regardless of their level or position, for failure to comply with the Compliance Program and applicable laws and regulations. Investigation and disciplinary records will be maintained for a period of ten (10) years for all disciplinary actions imposed for compliance violations.

As further described in Element 7 below, VNSNY's reporting policies and procedures detail when compliance issues should be reported, how compliance issues will be investigated and resolved, as well as the potential sanctions for (i) not reporting suspected compliance issues, (ii) not participating in the Compliance Program, and (iii) encouraging, directing, facilitating, or permitting non-compliance behavior.

F. Element 6: Routine Identification of Compliance Risk Areas and Non-Compliance; Ongoing Self-Evaluation, Monitoring and Auditing; Coordination of Activities; and Tracking New Developments

(1) Routine Identification of Compliance Risk Areas.

- Annual ERC Inventory. On an annual basis, the ERC, in collaboration with VNSNY individual business units and departments, performs a risk assessment of the entire organization, identifies the top enterprise risks and prepares a risk inventory (the “ERC Inventory”). The ERC Inventory is reviewed and revised on an on-going basis by the ERC. Once the ERC Inventory is completed, specific risk owners, including business unit senior managers and risk leads, are responsible to address the identified risks through internal activities, reviews or audits and then to report back to the ERC during the year.

The ERC Inventory is based upon numerous sources, including:

- (i) the OIG and OMIG work plans, as reviewed by the VP of Compliance, the VNSNY Director of Compliance, the VNSNY CHOICE Director of Compliance, Internal Audit, the Legal Department;
- (ii) interviews with senior management and business unit risk leads;
- (iii) issues identified as result of audits or reviews;
- (iv) changes in laws or regulations;
- (v) issues identified by regulatory bodies pursuant to audits, pronouncements or otherwise;
- (vi) issues identified by the Compliance Working Group;
- (vii) issues identified by the VNSNY CHOICE Compliance Committee;
- (viii) Departmental risk assessments and inventories; and
- (ix) risks identified by staff members raised throughout the organization and reported to their supervisors, the General Counsel & CRO, the VP of Compliance, the VNSNY Director of

Compliance, the VNSNY CHOICE Director of Compliance, and the Legal Department.

- Departmental Risk Assessments and Inventories. Risk assessments are also conducted by various VNSNY departments and operational units, including, without limitation: Home Care, VNSNY CHOICE, Hospice, Partners in Care, Family Care Services, Patient Accounts, Human Resources, Finance, Charitable Benefits, Information Technology and Business Development.
- Compliance Working Group Work Plan. Based on the ERC Inventory, the various departments' and operating units' inventories, and its own review of potential risks areas, the Compliance Working Group creates its annual Work Plan and monitors the audit, review and monitoring activities throughout the organization, and the operation of the Compliance Program.

(2) Ongoing Compliance Auditing and Monitoring. Extensive compliance auditing and monitoring occurs throughout the organization, pursuant to the risk assessments described above, and the results are monitored by the VNSNY ERC and/or the Compliance Working Group. These ongoing activities are just some of the activities conducted by subunits of VNSNY.

- Internal Audit. As described above, through its annual Audit Plan, Internal Audit reports its findings to the Audit Committee, and works with business units on corrective actions with respect to audit findings.
- Compliance Auditors. VNSNY Compliance Employees and other various specialists and compliance auditors throughout the organization (collectively, the "Compliance Auditors") may be deployed to perform periodic reviews and focused audits of VNSNY programs, and will report to the VNSNY Director of Compliance and/or VNSNY CHOICE Director of Compliance, as the case may be, and the VP of Compliance. The Compliance Auditors ensure that VNSNY vigilantly monitors all its programs, providers and functions from a compliance and quality of care perspective.
- VNSNY Provider Compliance Employees. VNSNY Provider Compliance employees review the OMIG and OIG work plans, as well as other compliance sources, and develop an audit and review schedule based on identified risk areas that could impact VNSNY Providers. The review and audit schedule is updated during the year to the extent that VP of Compliance and VNSNY Director of Compliance identify new risk areas. Results of these reviews and audits are reported to the VP of Compliance, the VNSNY Director of Compliance, and the SVP of Internal Audit, and if appropriate to the President of Provider Services, Audit

Committee and/or VNSNY Boards. In addition, relevant findings are also reported to the VNSNY ERC through the VP of Compliance.

- CHOICE Compliance Specialist Group. CHOICE Compliance Specialists are assigned to assist in the prevention and detection of issues related to regulatory non-compliance, fraud and abuse for all VNSNY CHOICE business lines. Responsibilities include, but are not limited to, reviewing, auditing, and analyzing the accuracy and effectiveness of VNSNY CHOICE operational systems, including those delegated to subcontractors; preparing audit reports, recommending corrective action, and following-up to ensure that appropriate corrective actions are implemented; and facilitating external audits and regulatory survey visits. Results of such reviews and audits are reported to the VP of Compliance and, if appropriate, to the President of VNSNY CHOICE, the Audit Committee, VNSNY Boards and/or VNSNY CHOICE Board.
- CHOICE Special Investigation Unit (“SIU”). The SIU is staffed with full-time VNSNY CHOICE employees whose function is to detect and investigate allegations of fraud and abusive billing practices. The SIU is chiefly responsible for accepting referrals related to alleged fraudulent and/or abusive practices from both outside and within VNSNY CHOICE and for performing targeted audits related to detecting fraudulent and/or abusive practices. Results of investigations and audits are reported to the VNSNY CHOICE Director of Compliance and the VNSNY CHOICE Compliance Committee.
- Quality Care Management Departments. Each VNSNY Provider performs quality management activities and develops quality scorecards and measures and provides supports in achievement of such targets. These measures are created based on, among other things, known areas of needed improvement, agency strategic objectives or industry initiatives, areas of risk identified by the VNSNY ERC, chart reviews, analysis of trends in complaints and incidents, etc. In addition, the quality management program ensures that ongoing clinical and operational training and education is provided to VNSNY Provider staff. Pertinent findings are reported to the VNSNY Provider Boards of Directors. To the extent that a compliance issue arises through an audit or issuance of new laws, rules regulations or otherwise, the VP of Compliance and/or the VNSNY Director of Compliance works with the Quality Management programs and departments to ensure an appropriate response.
- Contract Administration. On an annual basis, through its Contract Administration Department, VNSNY performs on-site audits of all contracted licensed home care services agencies to confirm they are in compliance with VNSNY policies and procedures and all applicable federal and state laws and regulations. The contracted agencies are

contractually required to implement corrective action to remediate deficiencies identified in such audits.

- VNSNY CHOICE Delegated Oversight Program. This program ensures that functions which have been delegated to a FDR are carried out in a manner that meets regulatory requirements and are consistent with VNSNY CHOICE policies. On an annual basis, the Director of Delegated Operations will develop a monitoring work plan and present the work plan to the VNSNY CHOICE Compliance Committee. In addition, the credentials and performance of subcontracted providers are monitored and updated on an ongoing basis by the VNSNY CHOICE Credentialing Committee, with support from the VNSNY CHOICE Provider Relations and Quality Management Departments. When a compliance issue is identified through these activities, the VNSNY CHOICE Director of Compliance will be notified and will work with the appropriate personnel to ensure an appropriate response. The Delegated Oversight Program document is incorporated herein by reference.

(3) Coordination of Activities. The General Counsel & CRO, the SVP of Internal Audit and the VP of Compliance collaborate to ensure that internal auditing and monitoring activity is both effective and is not duplicated throughout the organization, and arrange for appropriate coordination of both internal and external auditing and monitoring activities. Reports of pertinent findings are reported to the Compliance Working Group, the ERC and, as appropriate, the Audit Committee, the CEO, the VNSNY Boards and the other Boards. Corrective actions are implemented and monitored as set forth in Element Seven below.

(4) Tracking New Developments. On a continuing basis, the VP of Compliance, the VNSNY Director of Compliance, VNSNY CHOICE Director of Compliance, the Legal Department, the Government Affairs Department, and other compliance personnel will ensure that new regulatory or legal requirements issued by federal and state governments are reviewed by appropriate personnel. This includes, but is not limited to:

- reviewing new rules governing the provision and billing of services;
- receiving and reviewing applicable Medicare bulletins, Medicaid updates, and other relevant announcements;
- receiving and reviewing the CMS Quarterly Medicare Provider Compliance Newsletter for guidance to address billing or other issues;
- receiving and reviewing Health Plan Management System (“HPMS”) memos and guidance;
- communicating with the appropriate professional societies as to recent initiatives or developments that might affect VNSNY;
- reviewing newly issued OIG Special Fraud Alerts and Advisory Opinions;

- reviewing OMIG’s compliance alerts and related issuances from;
- reviewing Model Compliance Guidelines and OMIG and OIG Work Plans.

Based on any relevant new developments, the VP of Compliance, the VNSNY Director of Compliance and/or the VNSNY CHOICE Director of Compliance, in conjunction with the appropriate members of senior management and the Legal Department, will review existing policies, procedures and practices to ensure that VNSNY is in compliance with the requirements of federal and state law.

G. Element 7: Responding to Compliance Issues

(1) Responding to and Investigating Compliance Issues. VNSNY has a robust system for responding to compliance issues identified in the course of VNSNY’s ongoing monitoring and auditing, as described in Element Six above, and to compliance inquiries received by the VP of Compliance, the VNSNY Director of Compliance, the VNSNY CHOICE Director of Compliance, the General Counsel & CRO, and any other VNSNY individuals who receive reports of compliance issues. When an issue of possible improper conduct is identified, including, without limitation, improper billing, documentation, marketing, contracting, governance, credentialing, reporting or other practices, the VP of Compliance, the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance, as appropriate, promptly investigate the matter, and as appropriate, shall inform senior management, the Human Resources Department, the Legal Department, and/or outside compliance counsel. The VP of Compliance, with the assistance of the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance, as appropriate, shall conduct a full investigation of the report, including determining whether a compliance issue exists or there has been a violation of the VNSNY Code of Conduct or applicable legal rules, regulations or guidance, or other applicable policies and procedures. If an issue or violation does exist, the investigation will attempt to determine its cause so that appropriate and effective corrective action may be instituted. The VP of Compliance, with the assistance of the VNSNY Director of Compliance or the VNSNY CHOICE Director of Compliance, shall take all necessary and appropriate follow-up actions. All Personnel are expected to cooperate in such inquiries.

(2) Reporting of Improper Conduct. All substantiated reports of improper conduct shall be reported to the ERC, the Compliance Working Group, senior management, the Legal Department, and the appropriate Board(s) of Directors.

(3) Corrective Action and Responses to Suspected Violations. When a compliance problem is substantiated, the VP of Compliance will ensure that appropriate and effective corrective action is implemented in a timely manner. In discharging this responsibility, the VP of Compliance will work in conjunction with other Compliance personnel, the Legal Department, senior management, the Compliance Working Group and/or outside counsel, as appropriate.

Any corrective action or response implemented must be designed to ensure that the violation or problem does not reoccur, or reduce the likelihood that it will reoccur, and be based

on a root cause analysis. In addition, the corrective action plan should include, whenever possible, a follow-up review of the effectiveness of the corrective action following its implementation. If a follow-up review establishes that the corrective action plan has not been effective, then additional or new corrective actions must be implemented. Corrective actions are always documented and may include, but are not limited to, the following:

- Creating new compliance, business or billing procedures, or modifying and improving existing procedures, to ensure that similar errors will not reoccur;
- Informing and discussing with the offending personnel both the violation and how it should be avoided in the future;
- Providing remedial education to ensure that personnel understand the applicable rules and regulations, existing procedures or policies, and any new or modified policies and procedures that may have been instituted;
- Conducting a follow-up review to ensure that any corrective action instituted has been effective and that the problem is not recurring;
- Refunding to the proper payor any and all overpayments that have been identified;
- Disciplining the offending personnel, as appropriate; and
- Making a voluntary disclosure to an appropriate governmental agency, as appropriate.

H. Element 8: Policy of Non-Intimidation and Non-Retaliation

Every employee has an affirmative duty to report issues or concerns that come to his/her attention through the appropriate channels described above. Failure to do so can result in disciplinary action up to and including termination of employment. As such, a key element of the VNSNY Compliance Program is the ability of employees to express problems, concerns or opinions without fear of retaliation or intimidation. **VNSNY will not tolerate any retaliation or intimidation against any employee for complying with any aspect of the VNSNY Compliance Program.**

VNSNY will not take disciplinary or retaliatory action against an employee who in good faith raises a compliance concern or otherwise participates in the VNSNY Compliance Program. Retaliation or intimidation in any form by any individual associated with VNSNY is strictly prohibited and is itself a serious violation of the VNSNY Code of Conduct. Managers have the responsibility to maintain an environment whereby employees feel comfortable raising issues or asking questions. Managers should also take appropriate steps to address concerns that are raised and communicate the results of corrective action whenever possible or appropriate. If any employee feels that he or she is being intimidated or retaliated against, that individual should contact the VP of Compliance immediately. Any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

APPROVED ON: APRIL 23, 2013

REVIEWED:

REVISED: APRIL 29, 2013; MAY 7, 2013

ADDENDUM A
CODE OF CONDUCT

ADDENDUM B

REPORTING STRUCTURE CHART