Compliance Plan

August 2011

(Updated May 2013)
Affiliated Medical Groups

Affiliated Doctors of Orange County
Bakersfield Family Medical Center
Coastal Communities Physician Network
Desert Oasis Health Care
Greater Covina Medical Group
High Desert Medical Group
Heritage Victor Valley Medical Group
Lakeside Medical Group
Regal Medical Group
Sierra Medical Group
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Message from HPN President and CEO

Dear Heritage Team;

Heritage Provider Network (HPN) has a tradition of caring for our patients and communities. We must demonstrate consistently that we have a commitment to act with absolute integrity. Unwritten, but certainly understood in our mission statement, is our continual pledge to comply with all federal, state and local regulations.

In further demonstration of our commitment, HPN has published a Compliance Plan, which reflects our tradition of caring and provides guidance to ensure that our business is done in an ethical and legal manner. Your adherence to its spirit, as well as its specific provisions, is absolutely critical to our future. We have a rich heritage of integrity and ethics, which are reflected in our Mission, Vision and Values as well as in our Compliance Plan. No Compliance Plan can substitute for our own internal sense of fairness, honesty, and integrity. Let us commit to demonstrating the highest degree of integrity in everything we do.

Richard Merkin, M.D.
President and CEO of HPN
Introduction

Statement of Values

We strive to meet our mission and perform all of our work with our operating principles in mind. We facilitate continuous compliance with legal, ethical, and accreditation standards applicable to our business operations. Our primary values are:

- Communication: We drive our ability to win through direct, open and timely communications.
- Development: We are committed to providing our employees a dynamic and stimulating work environment that provides personal and professional growth opportunities aligned with the growth of our company.
- Collaboration: Our focus on results blended with a team approach will ensure that we provide a place where fresh thinking and innovation are encouraged and rewarded.
- Integrity: We strengthen all of the above with our beliefs of keeping our customers first, mutual respect, and unfailing integrity.

Objective of the Program

The objectives of the Compliance Plan are to ensure that we meet our ethical standards and comply with applicable laws and regulations. Towards achieving that goal, we have set the following plan:

- Assist in carrying out our daily activities within appropriate ethical and legal standards
- Provide oversight for compliance with laws, regulations, and special conditions imposed upon it by any licensing or regulatory authorities
- Avoid irregularities in payment, reimbursement and other transactions
- Assist in maintaining our obligations to patients, affiliated physicians, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another according to regulatory requirements
- Provide excellent patient care

Confidentiality Agreement

In consideration of my employment, I hereby acknowledge and agree to the following:

Proprietary Information
Any and all confidential, proprietary or trade secret knowledge, data or information of the Company and its affiliated entities, including but are not limited to the Company’s strategic plans, new product plans,
consumer marketing research and information, business results and financial information, ideas, processes, formulas, source and object codes, data, programs, database developments; research and development; customer lists and information; specialized training; the compensation of contractors, vendors, suppliers, and consultants; and any other confidential, proprietary or trade secret knowledge, data or information, in whatever form, produced by or for the Company.

I agree that, during my employment and thereafter, pursuant to this agreement (“Agreement”), I will hold in strictest confidence and will not disclose, discuss, transmit, use, lecture upon, or publish any Proprietary Information, unless such disclosure (i) is required in connection with my work for the Company, or (ii) is expressly authorized in writing by a senior manager of the Company.

Third Party Information
The Company has an obligation to maintain the confidentiality of any information including trade secret information that the Company receives from third parties, and to use it only for limited purposes that it is intended for.

During the term of my employment and thereafter, I will hold such Third Party Information in the strictest confidence and will not disclose to anyone other than Company personnel who need to know such information in connection with their work or my work for the Company or disclose such information to a third party if expressly authorized by a senior manager of the Company in writing.

Limitation
Notwithstanding anything to the contrary in this Agreement, Employee shall not be obligated to preserve the confidentiality of any Proprietary Information or Third Party Information that:

- Known by Employee prior to commencement of Employment
- Publicly available by other than unauthorized disclosure by Employee
- Verifiably shown to have been developed by employee outside the scope of Employment
- Employee is requested to disclose pursuant to a valid order issued by a court or governmental agency, provided that Employee provides Company with: (i) a prior written notice of such obligation; and (ii) opportunity to oppose such disclosure or obtain a protective order or similar relief.

Improper Use of Materials
During my employment by the Company, I will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality. I will not bring onto Company premises any materials belonging to any former employer or any other person to whom I have an obligation of confidentiality without the consent of the former employer or person and the approval of my direct supervisor.

Conflicting Obligations
I represent that my performance of all the terms of this Agreement, and as an employee of the Company, does not and will not breach any agreement to keep information acquired by me in confidence or in trust.
prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict herewith.

Return of Company Documents and Other Company Property
When I leave the Company, I will immediately deliver to the Company any and all notes, memoranda, specifications, devices, formulas, and documents together with all copies thereof; and any other material containing Proprietary Information of the Company. I will also immediately return all Company property, including but are not limited to laptops, pagers, cell phones, corporate credit cards, keys, and/or access cards.

Successors and Assigns
This Agreement will be for the benefit of the Company, its successors and assigns. I expressly agree that the Company has the right to assign this Agreement.

Governing Law and Exclusive Forum
This Agreement will be governed according to the laws of the State of California. I hereby irrevocably agree that the exclusive forum for any suit, action, or other proceeding arising out of or in any way related to this Agreement shall be in the state or federal courts in California, and I agree to the exclusive personal jurisdiction and venue of any court only in California.

Entire Agreement
This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by both parties. Any subsequent change in my duties or compensation will not affect the validity or scope of this Agreement. As used in this Agreement, the period of my employment includes any time during which I subsequently may be retained by the Company as a consultant.

Severability
If one or more of the provisions in this Agreement are deemed unenforceable by law, then the remaining provisions will continue in full force and effect. Moreover, it is intended by the parties that this Agreement is to be enforced to the fullest extent permitted by law. Accordingly, if a court of competent jurisdiction determines that the scope and/or operation of any provision of this Agreement is too broad to be enforced as written, the Company and I intend that the court should reform such provision to such narrower scope and/or operation as it determines to be enforceable.

Survival
The provisions of this Agreement shall survive the termination of my employment and shall inure to the benefit of any successor in interest of the Company or other assignee.

I agree and understand that nothing in this Agreement shall confer any right with respect to continuation of employment by the Company, nor shall it interfere in any way with my right or the Company’s right to terminate my employment at any time, with or without cause. This Agreement shall be effective as of the first day of my employment with the company. I understand that this Agreement restricts the disclosure and/or use of the Company’s proprietary and confidential information during or subsequent to my employment with the Company.
I have read this Agreement carefully and understand its terms.

________________________________  ______________________
Employee’s Signature          Date

ACCEPTED AND AGREED TO:
Heritage Provider Network
By: ______________________________
Date: ______________________________
Compliance Plan

Written Standards of Conduct

Heritage Provider Network (“HPN”) has developed this Compliance Plan to ensure compliance with Federal, State and local laws and regulations. HPN provides a copy of this Compliance Plan to all of its employees. All employees including the management team must sign the Confidentiality Agreement ensuring their understanding and agreement to abide by this Plan.

If an employee is aware of any violation of the Plan, that employee should report the problem promptly to a supervisor or the Compliance Officer. The employee has the right to report any violations anonymously. If the employee is in doubt as to how a specific ethical or other situation covered by this Compliance Plan should be handled, he or she should contact their supervisor or the Compliance Officer. All employees should report promptly if they believe they may have been requested to engage in illegal or unethical conduct.

The Compliance Plan is intended to define the appropriate workplace conduct and it is not meant to substitute other policies and procedures of HPN and its affiliates. The intent of the Compliance Plan is to serve as a guide for workplace conduct, but it cannot address every situation that HPN employees may encounter. HPN expects all of its employees at all times to use good judgment and to exercise personal integrity whether it is addressed in the Compliance Plan or not.

Role of Corporate Compliance Officer (CCO)

HPN has appointed a Corporate Compliance Officer (CCO) to implement and monitor HPN Compliance Plan. The duties of the CCO include but are not limited to:

- Coordinate an annual review and update the Compliance Plan as required.
- Design and coordinate regular audits to ensure that the Compliance Plan is being adhered to by all.
- Report on a bi-annual basis to HPN’s Corporate Chief Financial Officer (CFO) and HPN’s affiliated medical group’s Chief Executive Officer (CEO) the results of the audits, the status of any investigation and any non-compliant violations to the provisions of HPN’s Compliance Plan.
- Ensure that each new employee receives a copy of HPN’s Compliance Plan immediately after being hired. The employee is required to read the Compliance Plan and acknowledge receipt and understanding of the Compliance Plan.
- Schedule, conduct and/or oversee annual training programs to ensure that all employees understand and adhere to the Plan.
- Familiarize with Federal and State regulation and laws as they pertain to the Compliance Plan.
- Maintains all records related to the Compliance Plan.
- Ensures that HPN and HPN’s affiliated medical groups’ third party agents are provided a copy of the Compliance Plan.
- Provides a process and a procedure to appropriately screen potential employees who have engaged in illegal activities and prevent the hiring of such employees.
- Performs any other activities to ensure the success of the Compliance Plan.
- Maintain a centralized source of information for compliance related to Federal and State regulations.
- Create and maintain a system at the local and corporate level for reporting potential violations of the compliance plan.

**Corporate Compliance Committee**

**Composition**
The Compliance Committee shall consist of HPN’s CCO, HPN’s affiliated medical groups’ Compliance Officers, and HPN’s affiliated medical groups’ Human Resources Directors and HPN’s Corporate Human Resources Director. The Compliance Officers and the HR Directors of HPN’s affiliated groups directly report to the CEOs of the affiliated medical groups. The Compliance Officers of HPN’s affiliated medical groups have a dotted line responsibility to the CCO. The members of the committee serve at the discretion of the Corporate CFO and the Corporate Compliance Officer and may be removed without cause. Members may be added to the Committee by the Corporate CFO or Corporate Compliance Officer at any time.

**Duties**
The duties of the Compliance Committee include but are not limited to investigate, evaluate and report facts and make appropriate recommendations regarding their investigations. The Committee members are accessible to the CCO to address compliance issues or address possible violations of the Compliance Program and/or Standards of Conduct. The Committee is responsible for HPN’s affiliated medical groups’ compliance with applicable laws and regulations and must ensure that an effective Compliance Plan exists and is adhered to. The Committee ensures that policies and procedures are appropriately communicated to all employees and such policies are monitored and enforced on an ongoing basis.

**Quorum**
The Committee Quorum is made up of the following: At least two thirds of the Committee members. All decisions made by the Committee require a majority vote of the members present. The CCO communicates all of the Committees actions to HPN’s Corporate CFO, HPN affiliated group Compliance Officers and all employees.
Meetings
The Committee meets quarterly. The Compliance Officer of the respective affiliated medical groups conducts a real-time investigation of any and all inquiries and violations and appropriate corrective actions are addressed. The Committee reviews and considers any inquiries or violations and corrective actions reported during the quarter, to evaluate any revision to the Compliance Plan. The Committee reviews the integrity and effectiveness of the Compliance Plan. All meetings are conducted in person. The Corporate Compliance Officer provides an agenda to each of the Committee members prior to each meeting. The CFO or the CCO at their discretion may request meetings of the Committee.

Minutes
All Committee meeting minutes and agenda items are prepared and maintained at the office of the CCO, including all records of recommendations made by the Committee.

Reporting and Confidentiality

The Committee, through the CCO, submits to the Corporate CFO and HPN’s affiliated medical group Compliance Officers, HR Directors and CEOs a written annual report of all its activities. All documents submitted by the Committee are marked “Privileged and Confidential.”

All employees are expected to comply with all regulatory requirements and HPN’s policies and procedures. All employees, without fear of retaliation, are required to report any identified issues or concerns regarding HPN’s policies and procedures, Standards of Conduct or practices that the employee believes is a violation of any regulatory code. The employee reports any possible issues or concerns by:

- Sending a confidential email to the Compliance Officer.
- Leaving a confidential voice mail to the Compliance Officer.
- Reports any concerns via email or telephone to his/her immediate supervisor and/or HR Director.

Each issue and/or concern addressed is reviewed by HPN’s affiliated medical group Compliance Officer or his/her designee who investigates the issue and/or concern and refers to the appropriate department manager for review and appropriate corrective action plan.

HPN is, ethically and legally, committed to correcting any wrongdoing wherever in the organization it may occur. Each person has the responsibility for reporting any activity by any team member, physician, affiliate, subcontractor or vendor that appears to violate applicable laws, rules and regulations or any part of HPN’s Compliance Plan.

The CCO and the Committee respects the confidentiality laws and ethical standards while conducting any investigation. All critical documents will be marked “Privileged and Confidential” and are maintained by the Compliance Officers and CCO.

Documents should only be disclosed to:
• Members of the Committee and CEOs of the affiliated groups.
• Management or those individuals who have a need to know.
• Those individuals required by law or order of a court of competent jurisdiction.

All individuals who make a report are assured that any and all documents related to the report are only shared on a need-to-know basis. HPN takes no adverse action on any person who makes a good-faith report, whether the report is found to have any basis or not.

If an employee willfully and knowingly does not report a violation of HPN’s policies and procedures and this Compliance Plan, the employee may be subject to disciplinary action up to and including termination.

**Investigating Compliance Issues**

When a violation is reported to be inconsistent with HPN Compliance policies, the Compliance Officer will determine whether there is a reasonable cause to believe that a risk issue may exist. If this preliminary review indicates that a problem may exist, the Compliance Officer reports the risk issue to the CEO and inquiry into the matter will be undertaken. HPN employees, providers, affiliated providers and/or external providers will be expected to cooperate fully with any inquiries undertaken.

Responsibility for conducting the investigation will be decided on a case-by-case basis by the Compliance Officer of the affiliated medical group and HR Director. The person(s) responsible for the review use(s) the monitoring tools associated with identifying compliance issue. Applications such as PCG Software and iCode are utilized for identifying compliance issues for patient related services. HR tools for identifying employee violations include but are not limited to surveillance cameras, internet usage reports, witnesses and phone records.

The investigative process will adhere to any applicable HPN Compliance and Human Resources policies regarding personnel action to be taken. To the extent required by law, efforts will be made to maintain the confidentiality of such inquiries and the information gathered. Consequences for conduct inconsistent with HPN’s Compliance Plan will be addressed according to the provisions identified in the applicable HPN’s policies. The findings will be reviewed by the Compliance Officer to ensure consistency in the review process.

**Corrective Action Plan**

Violations of HPN’s Compliance Plan and failure to comply with Federal and State regulations or any other types of misconduct are considered a violation of the company policy. A reported violation that is substantiated during an investigation puts at risk the reputation of the organization. Any violations that
have been identified but not corrected can seriously jeopardize the mission, reputation and legal status of HPN and HPN’s affiliated groups.

Upon knowledge of suspected non-compliance or breach of the Compliance Plan or any other Federal or State regulation, the Compliance Officer and other designated management will initiate an investigation of the alleged violation. If during an investigation it is determined that a violation has occurred, it is the policy of HPN and HPN’s affiliated groups to initiate corrective action, including but not limited to making restitution to any government agency and instituting disciplinary action as necessary. Implement system changes to ensure that a similar violation does not occur in the future. Also, violations will be reported to the appropriate risk managers of the affiliated groups and insurance carriers as needed.

All violators of HPN’s Compliance Plan will be subject to disciplinary action up to and including termination. The disciplinary action of the violation will be determined upon the nature, severity and frequency of the violation and may result in any or all of the following:

- Verbal Warning
- Written Warning
- Suspension
- Termination
- Restitution

Violations which are grossly not consistent with the Compliance Plan will be reported to the appropriate law enforcement agency.

**Sanctioned/Excluded Individuals and Entities**

Federal law prohibits government reimbursement to individuals or entities that are excluded or ineligible to participate in federally funded healthcare programs. Violation of this law may result in substantial fines for the organization. HPN does not knowingly arrange, contract with or bill for services rendered or arranged for by an individual or entity that is excluded or ineligible to participate in a federally funded health care program. HPN, upon a new hire and monthly thereafter, searches the Office of Inspector General (OIG), the General Services Administration (GSA) or the Excluded Parties List System (EPLS) or the System for Award Management (SAM) and the Department of Treasury lists for excluded or ineligible persons and entities including, but are not limited to, Team Members, contractors and vendors. If a HPN employee is found to be ineligible for employment due to government sanctions, such employees will be terminated immediately according to HR policies. Any provider who is excluded from participation in programs offered by the Centers for Medicare & Medicaid Services (CMS) or any other government program does not meet HPN’s credentialing requirements and will be excluded from HPN and its affiliated medical groups’ provider network.
Annual Compliance Review and Reporting

In conjunction with HPN’s established reporting requirements, the Compliance Officer will ensure a review of HPN’s status with current compliance and regulatory operations. The purpose of the review is to evaluate whether the compliance operations of HPN are within substantial compliance with the policy and regulatory requirements. A review of the compliance reports, action plans and resolutions will be conducted and summarized by compliance category. The Compliance Officer, with review and comments provided by the Compliance Committee, will prepare the annual compliance report. The resulting report will be included with the documented conclusions of HPN’s internal investigation.

A comparative report of the results of HPN’s investigation and actions taken for the current year, along with the compliance efforts during the preceding year will be reported to the Corporate CFO and HPN’s affiliated medical groups’ CEOs. A work plan addressing plans for maintaining and improving HPN’s compliance efforts will be developed by the Compliance Officer with the Compliance Committee. Recommendations within the work plan will be considered in the:

- Development of the goals within HPN Strategic Plan;
- Development of ongoing monitoring mechanisms within HPN Quality Management Plans; and
- Development of expected outcomes within HPN Utilization Management Plan.

Annual Certification and Agreement of Compliance Form

CORPORATE COMPLIANCE

ANNUAL CERTIFICATION AND AGREEMENT OF COMPLIANCE FORM

I certify that I have read the Compliance Plan, which includes the required information and the Deficit Reduction Act involving False Claims Act and Qui Tam provisions, and fully understand the requirements in the document. I agree specifically to act in accordance with HPN’s policies set forth in that document and understand that I may be subject to disciplinary action up to and including termination for violating those policies or failing to report violations of those policies.

Employee Name: ______________________

Signature: ______________________

Date: ______________________
Education and Training

Compliance Education

The Committee makes available and ensures that proper education and training of Corporate Officers, directors, employees and medical staff are conducted annually. The Compliance Plan requires that all individuals complete training that addresses HPN’s Compliance Plan. Such training includes HIPAA Compliance, Sexual Harassment, Fraud, Waste and Abuse, Standard of Conduct and Injury and Illness Prevention Program. HPN also requires training of all contractors, subcontractors, agents and other persons who provide patient care or who perform billing, coding, or claims submission functions on behalf of HPN. HPN and HPN’s affiliated medical groups have developed and implemented policies and procedures specific to the training responsibilities and requirements. The training frequencies are as follows:

- Training of all of the above during New Hire Orientation
- Annually
- As deemed appropriate by job functionality

The participation and attendance to comply with training and any educational programs is necessary and failure to comply with any of the training requirements will result in disciplinary action. HPN’s affiliated medical group Compliance Officer or HR Director retains records of all the training and educational programs including the following: dates of the training, attendance logs and the topics discussed during the training sessions.

Training will consist of various formats including but not limited to video, PowerPoint, on-line presentations, classroom, etc. Participants will be expected to exhibit a demonstrated level of understanding and receive an attestation of completion, maintained by the Compliance Officer and Human Resources. All education materials will be developed by HPN with input from its affiliated medical groups and will be reviewed and updated on an annual basis by the Compliance Committee.
Employee Code of Conduct

Standards of Conduct

HPN is dedicated to the highest ethical and business standards and is committed to upholding all Federal and State Laws and Regulations related to our business practices. The company and its employees will at all times strive to achieve the utmost ethical and professional business standards in order to meet or exceed our commitment to the community, our patients, members and business partners.

The Code of Conduct and Compliance Plan is an integral part of our business operations and they are our guide to excellence in the performance of our jobs.

Employees will ensure to attend and complete all mandatory training in order to be compliant with Federal and State regulations.

Areas of concern and of particular risk that require special attention include but are not limited to:

- Accurate financial and accounting record keeping
- Accurate and ethical billing and collection processes that focus on current Fraud, Waste and Abuse laws
- The protection of protected healthcare information under HIPAA

Should an employee have any questions or wish to report any compliance or ethical standards that he or she believes have been violated, the employee may contact Human Resources or the Compliance Officer.

Evaluation of Employee Performance

Employees are expected to comply with the Code of Conduct and HPN Compliance Plan by completing necessary training. Employees are required to complete additional training as needed by individual job responsibilities. Annual evaluations will be based on several elements, including job performance, professionalism, Code of Conduct, and Compliance Plan criteria.

Employee’s Obligation to Report

HPN employees and contracted affiliates have the responsibility to comply with the Code of Conduct and Compliance Plan. It is their duty to immediately report any potential or suspected violations to Human Resources or the Compliance Officer without fear of retaliation or reprisal. The HPN team
remains committed to maintaining the highest level of accountability and all occurrences will be thoroughly investigated.

**Controlled Substance**

In accordance with State and Federal laws, HPN maintains strict guidelines regulating the dispensing of narcotics, controlled substances and other medical supplies. Only licensed personnel are authorized to handle controlled substances in accordance with HPN policies and procedures and within their scope of practice.

Practitioners dispensing medications are required to maintain meticulous record keeping procedures to ensure regulatory protocols are achieved. Employees in violation of improper documentation, distribution, use, possession, and/or handling will be prosecuted according to company policy and State and Federal laws.

**Copyrights**

HPN employees must respect and follow all copyright rules and regulations. Under no circumstance does the Company condone unauthorized use or reproduction of materials pursuant to copyright laws.

**Harassment and Workplace Violence**

HPN is committed to providing a work environment free of discrimination and harassment. The Company’s anti-harassment and discrimination policy applies to all persons involved in the operations of the Company and prohibits harassment or discrimination based on a protected characteristic by any employee of the Company, including supervisors and managers, as well as vendors, independent contractors, customers, and any other persons. It also prohibits harassment and discrimination based on the perception that anyone has any of the protected characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Harassment covers a range of behaviors, including subtle and not-so-subtle verbal and non-verbal behavior. It can be engaged in or experienced by both males and females. Harassment may include, but is not limited to, any of the following:

- epithets, derogatory jokes, comments, slurs, or verbal or physical innuendoes;
- making verbal or physical conduct of a sexual nature, or the refusal to engage in such conduct, the basis of any employment decision or a condition of an employee’s continued employment;
- subjecting others to obscenity or offensive language;
- commentary about an individual’s body or sexual matters; and
• retaliation for reporting or threatening to report harassment.

All employees must promptly report any incidents of harassment or discrimination to Human Resources or the Compliance Officer to ensure complaints are resolved quickly and fairly. Employees should also be aware that the federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of harassment, retaliation, and discrimination in employment.

Harassment also includes incidents of workplace violence. It is the intent of HPN to provide a safe workplace for employees and to provide a comfortable and secure atmosphere for customers and others with whom we do business. HPN has zero tolerance for violent acts or threats of violence.

All employees are expected to conduct themselves in a non-threatening, non-abusive manner at all times. No direct, conditional, or veiled threat of harm to any employee or to HPN property is acceptable. Acts of violence or intimidation of others will not be tolerated. Any employee who commits or threatens to commit a violent act against any person while on Company premises will be subject to immediate termination.

Employees share the responsibility in identification and alleviation of threatening or violent behavior in the workplace. Any employee who is subjected to or threatened with violence, or who is aware of another individual who has been subjected to or threatened with violence, should immediately report this information to his or her supervisor, a member of management, or Human Resources. All reports of violence or threats of violence will be investigated and communicated to law enforcement.

**Treat All Employees with Respect, Dignity and Fairness**

To maintain an environment that is respectful and fair, HPN encourages employees to utilize the company’s open-door policy to voice concerns of possible inequitable or unfair conduct. HPN values diversity as an asset and encourages equal opportunity, development and advancement for all employees. Should an employee feel an issue remains unresolved, they may contact Human Resources or the Compliance Officer.

**Health & Safety**

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to Human Resources. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, who do not remedy such situation appropriately, may be subject to disciplinary action, up to and including termination.

To assist in providing a safe and healthful work environment for employees, patients and members, and visitors, and in compliance with California law, the Company maintains an Injury and Illness Prevention
Program. The Injury and Illness Prevention Program is provided during New Hire Orientation and available for review by employees in the Human Resources office.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the supervisor on site. Such notifications are necessary to comply with laws and initiate insurance and workers’ compensation benefits procedures.

Such work injuries or other occurrences may include, but are not limited to any injury, loss of personal property, medication error, serious complaints regarding patient care, failure to carry out a physician’s order, questionable medical practice, unexpected cardiac arrest, equipment failure, robbery, vandalism, threats of violence.

Human Resources, the Compliance Officer and/or the Safety Committee will be responsible for investigating all health and safety matters.

Personal Use of Resources

HPN resources must be maintained and utilized according to company rules and regulations. The Company reserves the right to inspect all property to ensure compliance with its rules and regulations, without notice to the employee or consent and/or in the employees’ absence at any time consistent with applicable law. Prior written authorization must be obtained from Human Resources or Administration before any HPN property may be removed from the premises.

Employees are prohibited from using Company facilities or equipment including Company computers, copiers, facsimile machines, and other equipment for personal use without prior authorization from their supervisor.

Company equipment purchased for employee use is the property of HPN. All equipment must be returned upon termination or at any time upon the request of the Company.

Relationships with Healthcare Constituents

Patient
The goal of each HPN organization is to provide excellent service and quality medical care to all our patients. Patients are consistently treated with respect and dignity, and care is provided only for both medically necessary and appropriate healthcare services. HPN makes no distinction in the high quality care it provides based on age, color, handicap, marital status, national origin, race, religion, sex, sexual orientation or payment source. Moreover, medical treatment is not based on patient or organization economics, but rather on identified patient healthcare needs. HPN ensures that patients are involved in all aspects of their care and have the necessary information to make informed decisions regarding their health care decisions.
Furthermore, in accordance with HIPAA rules and regulations, the Company maintains strict privacy and confidentiality guidelines to protect our patients’ privacy.

Employee
HPN promotes camaraderie, teamwork and professional relationships. In an effort to maintain a positive work environment, gift giving and fundraising campaigns among team members should be reasonable and moderate. Under no circumstance should an employee feel compelled or coerced to participate and violations of this directive should be reported to his or her immediate supervisor, Human Resources or the Compliance Officer.

Subcontractors and Suppliers
HPN is committed to the highest ethical and business standards in the selection of our subcontractors and suppliers. Selection criteria will be objectively based upon quality, service, price, technical excellence and the overall ability to meet our business needs and will not be determined by personal relationships and friendships.

Substance Abuse and Mental Acuity

To protect the interests of all individuals working on behalf of HPN, we are committed to providing a drug and alcohol free work environment. The use of alcohol, illegal drugs, or controlled substances, whether on or off the job, can adversely affect an employee’s work performance, efficiency, safety, and health. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes the Company to the risks of property loss or damage, or injury to other persons.

These Drug and Alcohol Free Workplace rules and standards of conduct apply to all employees either on Company property or during the workday (including meal and rest periods). Behavior that violates this policy includes but not limited to:

- Possession or use of alcohol, or being under the influence of alcohol while on the job.
- Driving on Company business while under the influence of alcohol, drugs, or controlled substances.
- Distribution, sale, or purchase of an illegal drug or controlled substance, or being under the influence of an illegal drug or controlled substance, while on the job.
- Illegally manufacturing, dispensing, selling or buying alcohol or drugs on the Company premises.
- If an employee is taking a legal drug or other substance, whether prescribed or not, which could affect job safety or performance, the employee must notify Human Resources and provide a physician’s statement that the substance does not adversely affect the employee’s ability to safely and efficiently perform his or her duties and/or provide any work restrictions.
Every HPN employee is expected to report to work fit for duty. Violation of these rules and standards of conduct will not be tolerated and will be subject to disciplinary action, up to and including termination. HPN may also bring the matter to the attention of appropriate law enforcement authorities.

Payments, Discounts and Gifts

General
As part of our continued compliance regarding “fraud, waste, and abuse” and “anti-kickback” laws, HPN prohibits any of its employees, physicians, or other business affiliates from receiving or providing “remuneration” in exchange for referrals of patients. Furthermore, HPN prohibits the payment or receipt of such remuneration in return for directly purchasing, leasing, ordering, or recommending the purchase, lease, or ordering of any goods, facilities, services, or items. Employees involved with finance functions, purchasing and facilities operation, laboratory, pharmacy, medical staff administration, and any activity that includes entering into a personal service contract are expected to be vigilant in identifying potential anti-kickback violations and bringing them or any related questions to the attention of the Compliance Officer.

Entertainment and Gifts
This Compliance Plan provides detailed information regarding HPN’s compliance with State and Federal regulations as it pertains to accepting and receiving entertainment and gifts.

Employees of HPN are prohibited from accepting or asking for bribes, kickbacks, gratuity, or other forms of payment made to influence a business decision. Additionally, employees or other business affiliates of HPN may not offer anything of value to a government official or other third party in an effort to influence business or to gain special treatment as an individual or an organization. HPN maintains a strict “gift” policy and all gifts of significance or of monetary value are forbidden. For further clarification on receiving/providing gifts, please consult with the Compliance Officer.

Receiving Gifts from Patients
Employees of the Company should not accept gifts from patients or patient’s family members and under no circumstances should HPN employees solicit gifts from patients. The Company acknowledges that there are certain circumstances that arise regarding the receipt of gifts; however, employees are strictly forbidden from accepting any individual gift of gratuity valued in excess of twenty-five dollars ($25.00) from any patient, vendor, supplier, or other person doing business with the Company. Gifts include, but are not limited to, acceptance of cash, gift certificates, or lavish entertainment and free travel and lodging. Violations of this policy will not be tolerated, and may lead to disciplinary action, up to and including termination.

Receiving Business Courtesies
HPN is a professional healthcare organization that is dedicated to rendering quality medical service to patients and families. Employees and other business affiliates of HPN are expected to follow the Compliance Plan guidelines as they pertain to receiving business courtesies. Under no circumstance should an employee receive or solicit events, travel, overnight accommodations, or other business courtesies that would adversely affect an ethical business decision or relationship. Prior to accepting such invitations, employees should confirm that doing so is consistent with the HPN Compliance Plan and is approved by the Compliance Officer.

**Extending Business Courtesies**

It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with HPN. The corporate policy on business courtesies may from time to time provide modest flexibility in order to permit appropriate recognition of the efforts of those who have spent meaningful amounts of time on behalf of HPN.

HPN’s policy is to not provide any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch of the federal government, except for minor refreshments in connection with business discussions or promotional items with the HPN logo valued at no more than permitted by Federal or State law.

**Fair Dealing**

HPN is dedicated to providing quality healthcare services to our community by maintaining the utmost ethical, legal, and business standards. We are committed to maintaining the highest levels of integrity and fairness within our Company and industry. Employees are expected to conduct business honestly and fairly without misrepresentation of material facts. Employees are prohibited from manipulation, concealment, and misuse of privileged information, fraud or other unfair business practice.
Conflicts of Interest

Conflicts of Interest

A conflict of interest (COI) occurs when a HPN employee, a supervisor, or someone at the management level exploits professional or official capacity in some way to gain personally, in terms of money or other material advantage, at the expense of the employer or organization. Conflict of interest may include but is not limited to using your position to receive a benefit or to refer a service to a friend or relative, receive a payment, gift or improper entertainment in exchange for a contract.

For example, a conflict of interest may occur if:

- The employee's outside activities influence or appear to influence the employee's ability to make objective decisions in the course of his or her job responsibilities.
- The demands of an outside activity cause the employee to use HPN’s resources for personal purposes.
- An employee or close relative can personally profit from a transaction involving HPN and the employee or a third party.
- The employee does not act solely in the best interest of HPN, whenever acting as an agent of HPN, in dealings with suppliers, customers or government agencies.

HPN expects and requires employees to act honestly and ethically, and to avoid both actual and potential conflicts of interest with HPN. Therefore, the safest course of conduct is to avoid all business relationships, activities, associations or interests in which the employee, his or her family, a close friend, or a business associate benefits materially at the expense of HPN. It is the employee’s obligation to ensure that he or she remains free of conflicts of interest in the performance of his or her responsibilities at HPN. A conflict of interest can have a severe negative impact even though the conflict may not be so obvious. If the employee has any question about whether an activity might constitute a conflict of interest, the employee should consult with the Compliance Officer and refer to the appropriate policies for direction before pursuing the activity.

Outside Employment and Activities

HPN employees will not engage in, directly or indirectly, any conduct that is disloyal, disruptive or damaging to the company. Employees must avoid outside employment or business activities that materially detract from the time or attention they should devote to their duties. Such activities adversely affect the quality of their work performed, and/or adversely affect HPN’s reputation. An employee
should not have a direct or indirect financial interest in competitors of HPN. Outside business activities can only be allowed if they do not directly or indirectly compete with HPN’s business.

**Misuse of Company Resources**

HPN Employees shall not use or access HPN’s property, information, or position to benefit themselves for personal gain. Employees have a duty to always advance the interests of HPN and to act on its behalf with regard to such property, information, or position when the opportunity arises.
Quality of Care and Services

HPN is committed to providing high quality health care to its patients and to delivering health services in an ethical, professional and cost effective manner. HPN treats patients with respect and dignity and provide care that is necessary and appropriate. HPN provides equal access to care for all patients regardless of gender, gender identity or expression, color, age, sexual orientation, disability status, ancestry, race, religious or cultural beliefs, source of payment, or any other classification protected by law. HPN maintains complete and thorough records of patient information. HPN recognizes the rights of patients to formulate an advance directive and HPN complies with that directive. All individuals employed to care for HPN’s patients are properly licensed and credentialed, and have the necessary experience and expertise.

HPN believes that assistance with the provision of high-quality patient care by its physician partners and its hospital service partners is its core function; therefore, patient care decisions will be made by HPN’s patients in consultation with their physicians and caregivers. Only qualified personnel with proper licensure or certification will be permitted to make clinical assessments or to develop plans of treatment. HPN operates an ongoing quality assurance program which includes tracking, review, and feedback regarding its services to further promote the provision of quality care. HPN recognizes the importance of Continuing Medical Education (CME) to ensure that physicians have timely access to the information and techniques necessary to insure quality care.

Patient Information
In order to provide quality patient care, HPN collects information regarding patients’ medical condition and medical history. HPN realizes the sensitive nature of this information and are committed to maintaining its confidentiality. HPN complies with all Federal and State laws protecting the confidentiality of these records. Employees are prohibited from disclosing confidential information in violation of the privacy rights of our patients. Patient-specific information will be released only to persons authorized by law or by the patient’s written consent. The HIPAA requirements are broad and dictate that such information may be used, in general, only for specific authorized purposes. The regulations further dictate that security standards be maintained to ensure no unauthorized access to electronically stored health information. HPN will maintain necessary electronic security to ensure the confidentiality and integrity of patient information. HPN has established HIPAA Policies and Procedures which govern its treatment of patient information. Every employee, particularly those who deal with identifiable patient information, is expected to abide by the HPN HIPAA Policies and Procedures.
Federal, State and Legal Regulatory Compliance

Fraud, Waste and Abuse

It is the intent of HPN to comply with all laws governing its activities, including those, which address fraud and abuse in the health care industry. Under the law, no one may offer, give, solicit or receive anything of value as an inducement for referrals to HPN. “Anything of value” is a broad term that encompasses payments, gifts, discounts and rebates.

HPN has the responsibility to report possible provider fraud, waste, and abuse to the appropriate Federal and State regulatory entities.

Federal False Claims Act, Program Fraud Civil Remedies Act, State False Medicaid Claims Act

The Federal False Claims Act makes it a crime for any person or organization to knowingly make a false record or file a false claim with the government for payment. “Knowing” can include deliberate or reckless ignorance of facts that make the claim false. Additionally, the PFCRA creates administrative remedies for making false claims separate from and in addition to, the judicial or court remedy for false claims provided by the False Claims Act.

Under both Federal and State laws, a person who knows a false claim was filed for payment can file a lawsuit on behalf of either the state or federal government and, in some cases, receive a reward for bringing original information about a violation to the government’s attention. Penalties for violating either the federal False Claims Act or can be up to three times the value of the false claim, plus a fine of $5,500 to $11,000, per claim and in certain situations, potential exclusion from participation in federally funded healthcare programs.

This statute has both criminal and civil penalties which may be applied by prosecution depending on the proof of intent to commit the violation.

HPN supports compliance with these laws by:

- Monitoring and auditing to prevent and detect errors in coding or billing.
- Informing Team Members that they are personally obligated to report to HPN any concern about a possible false claim.
- Investigating all reported concerns and correcting any billing errors discovered.
- Protecting Team Members from adverse action when they report any genuine concern.
• Establishing policies and procedures which detail the manner in which HPN detects and prevents fraud, waste and abuse.

Anti-Kickback Statute and Stark Law

Anti-Kickback
Physicians affiliated with HPN are frequently in a position to order therapeutic services using HPN equipment, facilities and personnel. Since HPN physicians may receive cash distributions from their ownership interests, these relationships could potentially come under scrutiny under the Anti-Kickback Statute.

Over-utilization of Services
HPN looks at compliance in the context of the type of services provided. The fraud, waste and abuse provisions of federal law have been interpreted by federal enforcement agencies as of greatest importance to prevent improper incentives that lead to overutilization of health care services and program abuse. The Centers for Medicare & Medicaid Services (CMS) recognizes that overutilization is more likely in referrals for diagnostic services than in referrals for therapeutic services, because the need for therapeutic services can, in most cases, be objectively determined.

Under-provision of Services
Failure to provide appropriate services, or provision of an inappropriate lower level of services than required is considered underutilization. HPN’s Utilization Management Program monitors any underutilization.

Any denial for a requested service is determined by an HPN’s affiliated medical group’s Medical Director. A formal appeal process is in place and available for all physicians who work with the Company and for patients. This process and all aspects of the utilization management and authorization program are monitored and tracked on a regular basis.

In addition to the utilization management program in place, HPN has implemented a comprehensive Quality Management Program for monitoring under-provision of care and service. The QI program includes monitoring of preventative measures, disease management and high risk patient management programs. HPN maintains the oversight function related to the QI Compliance Program to monitor potential under-provision of services.

Stark Law
The self-referral, or “Stark” law, prohibits providers from making referrals for specific health services to any entity or business in which the provider or a family member has a financial relationship. The Stark Law has exceptions that may apply.
Fee Splitting and Anti-Mark up Laws

Laws prohibit physicians or health care providers from splitting or dividing any patient fee with a referring individual to prohibit fee splitting with anyone, regardless of whether that person is a referral source. To ensure that HPN complies with state law prohibitions on fee splitting, all of HPN’s employees and representatives must submit in writing any proposed business, financial or employment arrangements with physicians to HPN’s affiliated medical group CEO for review and written approval.

Laws and regulations prohibit health care providers from marking up the cost of services or tests purchased from another health care provider. These laws place disclosure obligations on the health care provider who purchases services or tests from other providers or suppliers. To promote compliance with such state anti-markup laws, HPN employees and representatives should submit in writing any proposed arrangement whereby HPN will purchase health care services from an outside supplier to HPN’s affiliated medical groups’ CEO, for review and written approval.

Certificate of Need

HPN and HPN’s affiliated medical groups ensure that all major medical equipments have the appropriate permissions as required by Federal and State regulations prior to acquiring said equipment. Consent is granted through a “Certificate of Need.”

To ensure that HPN and HPN’s affiliated medical groups comply with Federal and State law, all requests for any proposed establishment, construction or acquisition of a health care facility or initiation of a new health care service must be submitted to HPN’s affiliated medical groups’ CEO for review and written approval.

State Registration and Licensure Requirements

All required state and regulatory licenses are maintained by HPN and its affiliated medical groups to conduct day to day business operations as a risk bearing organization. HPN and HPN’s affiliated medical groups ensure that all equipments necessary for specified healthcare services have the appropriate registration and/or licensure as required by Federal and State law.

Insurance Laws Relating to Risk-Bearing Provider Networks

HPN and HPN’s affiliated medical groups review all contracts prior to signing to ensure that all Federal and State regulations relating to Risk-Bearing Provider Networks are being adhered to.
Response to Government Investigations

Various external organizations may contact HPN or individual Team Members to initiate a compliance-related investigation. HPN complies with any lawful and reasonable request or demand made as part of a government investigation. Team Members will cooperate with government investigations and are expected to provide truthful responses to government inquiries. It is imperative, however, that HPN protect the rights of HPN and its personnel. Any Team Member who receives an inquiry, visit, subpoena, or other legal document, at work or at home, regarding HPN business from a governmental agency shall notify his or her supervisor, HR Director and the CEO of the affiliated medical group immediately.
Environmental Compliance

Health care facilities produce waste of various types. HPN is committed to safe and responsible disposal of biomedical waste and other waste products and the compliance with all applicable environmental laws and regulations. Effective compliance requires ongoing monitoring. HPN will operate each of its facilities with the necessary permits, approvals and controls. HPN facilities use a medical waste tracking system, biohazard labels, and biohazard containers for the disposal of infectious or physically dangerous medical or biological waste. Individuals who come into contact with biological waste should be familiar with HPN’s medical waste policy and procedures, and should report any deviations from the policy to their supervisor or the Compliance Officer. The director of clinical services and HR director for each of HPN’s affiliated medical groups are responsible for training all staff regarding environmental compliance.
Marketing, Fundraising and Political Activities

Antitrust Laws

Federal and State Antitrust laws protect the integrity of our free enterprise system. These laws address agreements and practices resulting in the restraint of competition including boycotting suppliers, discussing pricing or patients with competitors, implementing unfair or deceptive business practices and misrepresenting services. These laws may affect dealings with patients, doctors, payers, suppliers, and competitors of HPN.

For purposes of the antitrust laws, member facilities of HPN are not competitors of one another. However, hospital and healthcare providers not controlled by HPN should be considered competitors.

At trade association meetings, be alert to potential situations where it may not be appropriate to participate in discussions regarding prohibited subjects with competitors. Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notify the Compliance Officer and the CEO of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice of the Compliance Officer or CEO. You must also not provide any information in response to oral or written inquiry concerning an antitrust matter without first consulting the Compliance Officer or CEO.

Marketing of Healthcare Services

HPN and its affiliated medical groups present themselves to the community through their marketing activities in a manner true to its mission and capabilities. HPN does not make, and does not permit any Team Member to make unethical or illegal payments to anyone to induce the use of HPN health care services. Specific claims about the quality of HPN services are supported by evidence to substantiate the claims made. HPN does not use advertisements or marketing programs that might cause confusion between HPN services and those of the competitors. HPN does not disparage the service or business of a competitor.

Fundraising and Contributions

HPN Team Members are prohibited from undertaking fundraising activities or accepting contributions or other things of value that in any way influence the decision-making process with any purchaser,
supplier, customer, government official or other person. HPN preserves and protects its reputation for sound business practices and avoids the appearance of impropriety in all fundraising activities and acceptance of contributions.

**Political Activities**

HPN complies with all federal and state laws regarding political contributions and gifts to government officials. HPN does not offer, make payments or give anything of value to a government official or government agency representative with which HPN has or is seeking to obtain a contractual, business or financial relationship, or that regulates any activities or obligations of HPN. HPN also does not offer, make, accept or receive payments or anything of value in order to obtain a competitive advantage for contracts that involve the provision of health care services to beneficiaries of any federal, state or local government health care program.

**Solicitation of Unrelated Business Activities**

Solicitation by employees, physicians and patients on Company property for self-interest is prohibited. Unauthorized sales and solicitations of orders for any type of product or service to anyone on Company property is prohibited as stated below. Solicitation of employees by other employees and the distribution of associated literature between employees are prohibited during working hours. The term “working hours” means the time when the person doing the solicitation or the person being solicited should be working. Distribution of literature, pamphlets, and other materials between employees is prohibited in work areas at all times. For this purpose, the term “work area” includes all places where employees regularly work, confer or conduct business. Any notices or other materials to be posted in or on Company premises must have prior approval of the Company supervisor ultimately responsible for that area.

**Media Relations**

All media requests for reports or the general public for information regarding HPN or any affiliated groups’ activities are to be referred to the Marketing department of the HPN or HPN affiliated group. Employees should never release information without the consent of HPN or HPN affiliated group’s marketing department.

**Gathering Information about Competitors**

It is not unusual to obtain information about other organizations including HPN’s competitors, through legal and ethical means such as public documents, presentations, journal and magazine articles, and
other published and spoken information. However, it is not acceptable for you to obtain proprietary or
confidential information about a competitor through illegal means. It is also not acceptable to seek
proprietary or confidential information when doing so would require anyone to violate a contractual
agreement, such as a confidentiality agreement with a prior employer.
Fiscal Responsibility/Cost Effectiveness

Accuracy of Financial Records

Accurate and complete financial records are essential to HPN’s business. All documents, financial reports or records, which include the patient’s medical record, are to be completed in a clear and accurate manner. HPN have established and maintained a high standard of accuracy and completeness in our financial records. These records serve as the basis for managing the business for measuring and fulfilling our obligations to patients, employees, suppliers and others and for compliance with tax regulatory and financial reporting requirements.

It is HPN’s policy to comply with the reporting requirements of applicable law, established financial standards, and generally accepted accounting principles. HPN duties regarding financial matters include the following:

- HPN follows accounting and control procedures when preparing purchase requisitions and exercises for completion of budgets and financial statements (as well as other financial functions not mentioned here).
- HPN and its affiliated medical groups provide full access to all the financial records, supporting documents and files requested by auditors.
- Under no circumstances will records be falsified, backdated, intentionally destroyed or otherwise tampered with to gain a real or perceived advantage for HPN and its affiliated medical groups. However, appropriate purging of unnecessary documents in accordance with proper written procedures is acceptable.
- HPN and its affiliated medical groups hold all financial information confidential. Release of financial information will be made only after consideration of HPN’s and its affiliated medical groups’ business interest and with express consent and authorization by appropriate management staff.
- Accounting controls should be sufficient to provide reasonable assurance that:
  a. Financial contracts are carried out with management’s approval.
  b. All transactions are recorded to help HPN prepare its financial statements and account for assets.
  c. Access to assets is permitted only with management’s approval.
  d. Recorded assets are periodically compared with assets at hand. Any differences should be reported to management.
  e. No undisclosed or unrecorded funds or assets should be held by the company. All items of income and expense and all assets, allowances and liabilities are reported in HPN financial records and are accurately and adequately described. All payments are for the purpose stated.
Each employee must assist in ensuring the accuracy and integrity of these records. If an employee has a reason to believe that any of HPN’s books and records is not being maintained in an accurate or complete manner, the employee is expected to report this immediately to his or her supervisor or the Compliance Officer.

**Billing, Charging & Coding for Services**

All staff must be careful to properly charge, code and bill for services provided. Billing for services not documented or provided could be considered a “false claim” and could result in financial penalties. Employees should never charge, code or bill solely to be paid if the service was not provided or documented. An individual who has concerns or questions should notify their supervisor or the Compliance Officer.

HPN will comply with all laws governing the submission and review of its bills, and will deal with any billing inquiries in a forthright manner. Requests for information will be answered with complete and accurate information, and we will cooperate fully with payor requests. To insure that its payment arrangements comply with the law, fees paid to HPN for its services under arrangement are consistent with fair market value; the methodology for the fees, whether flat fee, per procedure or percentage of Medicare fee schedule, is determined in advance by written agreement between the parties under standard contracts.

HPN physicians and staff will take great care to insure that all of its billings to payors and patients are truthful, accurate and complete. Toward that end, HPN will seek diligently to:

- Properly and timely document services prior to billing.
- Only bill for claims for which appropriate documentation supports the claim.
- Only bill for diagnosis and reimbursement claims for which medical records and documentation are available to billing staff.
- Not compensate billing consultants in any way to improperly upcode claims.

**Financial Disclosure**

It is of critical importance that HPN complies with the laws and regulations through full, fair, accurate, timely and understandable disclosure in reports and documents. Depending on his/her position, an employee may be called upon to provide information to assure that HPN’s financial reports are accurate and meet all legal, regulatory, and accounting requirements. HPN expects all employees to take these responsibilities very seriously and to provide prompt and accurate information related to disclosure requirements. All employees with supervisory duties should maintain appropriate internal accounting controls over all areas of their responsibility to safeguard HPN’s assets and the accuracy of its financial records and reports. HPN expects all directors, officers and employees to adhere to HPN’s procedures and practices for maintaining controls over financial matters in accordance with internal needs and the requirements of applicable laws and regulations.
Loans

Unlawful extensions of credit by HPN in the form of personal loans to HPN executive officers and directors are prohibited. All other loans by the Company to, or guarantees by the Company of obligations of, officers must be made in accordance with established Company policies approved by the CEO.

Civil Monetary Penalties

Federal law imposes civil monetary penalties against any person or entity that knowingly submits or files:

- A claim that the person knows or should know is false or fraudulent.
- A claim for an item or service that person knows or should know was not provided as claimed (this includes the practice of up-coding).
- A claim for services that the person knows or should know was furnished by someone not properly licensed or excluded under the program under which the claim was made.
- A request for payment in violation of the terms of certain agreements with State and Federal authorities.
- A claim that is for an item or service that a person knows or should know is not medically necessary.

HPN will not knowingly file any false or fraudulent claim. HPN will also comply with similar Federal and State laws that apply to claims HPN submits.

Credit Balance

If a credit balance remains in a patient’s account, HPN is committed to accurately tracking, reporting, and refunding the balance. HPN will maintain an information system that allows for accurate tracking of such balances and the Fee-for-Service department supervisor will be responsible to refund any credit balance to the appropriate payor or patient.
Information Security, Confidentiality and Retention

Information Security

HPN protects its information and information systems from accidental or unauthorized access, disclosure, modification or destruction. Every employee should be familiar with HPN’s policies regarding the use of electronic mail, the internet, and other forms of electronic information technology and communications. Every employee must comply with the following rules to ensure information security:

- Always comply with the federal and state regulatory requirements, accreditation standards and organizational policy for the creation, management, retention and destruction of data records.
- Use passwords, encryption and other information security methods to protect computers, handheld devices, and other computing equipment.
- Prevent unauthorized access to HPN’s information databases and do not use unauthorized equipment to do business.
- Log off your workstations after every work day, never share your passwords with anyone, and always double check fax numbers before sending patient information.
- Do not install, share or copy non-licensed software programs, or perform any other acts that would violate a vendor’s software license agreement or organizational policies.
- All email, voicemail and personal files stored on HPN’s computers are company property. Therefore, employees should have no expectation of personal privacy in connection with information stored on HPN’s computers or servers.

Please report information security weaknesses and suspected or actual instances of computer and information theft or abuse to HPN and its affiliated medical groups’ IT directors & CEOs and Corporate VP of Information Systems. Such information can also be reported through the Compliance Officer.

HIPAA Privacy and Security Compliance

HPN is committed to the integrity, accuracy and confidentiality of information for the benefit of those it serves. HPN complies with federal and state laws and regulations, including HIPAA, regarding the confidentiality of patients’ medical, financial, personal and other information. Confidential patient information is not reviewed or disclosed without a legitimate business purpose, written authorization in accordance with HPN policies and procedures, or as otherwise required by applicable federal or state law. Breaches of unsecured patient information will be reported to the Office of Civil Rights in accordance with the Health Information Technology for Clinical and Economic Health (HITECH) Act. Violations of privacy and security regulations may be punishable by substantial fines.
HPN’s confidential business information must remain confidential. Such information, which includes personnel, medical, financial and other business-related information must be used only for job-related purposes and may not be disclosed to individuals outside the Company. Furthermore, disclosures to individuals inside the Company should only be made if the individual has a need to know the information for the purpose of such individual’s job duties.

HPN is committed to the integrity and accuracy of its documents and records. No HPN employee may alter or falsify information on any record or document. Medical records and business documents are retained in accordance with law and HPN’s record retention policy and HIPAA Policies and Procedures. HPN’s employees may not tamper with, remove, or destroy records or documents except according to HPN record retention policy.

Record Retention

In the normal course of our business, records are created and maintained to comply with legal, regulatory and accreditation requirements. HPN record retention policies are reviewed periodically to ensure continued compliance with applicable Federal, State and local laws and regulations. Certain records are required to be maintained for specific periods of time. HPN requires adherence to the following guidelines on record retention:

- Records are prepared accurately, completely and in a timely manner.
- Medical and other patient records are properly safeguarded and accessibility is permitted only to authorized personnel.
- Records are maintained in a logical, systematic order to facilitate prompt recovery.
- Information is maintained for the time periods prescribed by federal, state or local laws or HPN record retention policies.
- Destruction of HPN records prior to expiration of the prescribed time period for record retention is prohibited.

Electronic records are never destroyed in anticipation of a request from any government agency, or in anticipation of, or in connection with, any judicial proceeding or lawsuit.

Use of Proprietary Information

HPN business affairs are only discussed as required in the normal course of conducting business. Team Members are required to safeguard confidential information regarding HPN business affairs and are responsible for information security. Team Members are prohibited from attempting to obtain confidential information for which they have not received access authorization. Copyrighted information is used in accordance with applicable laws.
Electronic Media

All electronic systems including email, intranet, internet, telephones and voice mail are the property of HPN and are used for business purposes in accordance with our information system policies and procedures. Individuals who abuse this privilege are subject to disciplinary action and/or termination.