



CRAIG HOMECARE

COMPLIANCE PROGRAM

Adopted by the Board of Directors

Date: _____

CRAIG HOMECARE COMPLIANCE PROGRAM

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CRAIG HOMECARE COMPLIANCE PROGRAM

OVERVIEW

Craig HomeCare (the “Company”) is dedicated to providing services in compliance with all State and Federal laws governing its operations and consistent with the highest standards of business and professional ethics. This Compliance Program documents the Company’s commitment to comply with all health care laws, regulations, guidelines, and procedures applicable to the services the Company provides to its clients.

The Company’s Compliance Program, as described in this document and related policies and procedures, has been developed in accordance with applicable law, with guidance from State and Federal authorities, including the Federal Sentencing Guidelines; The Office of Inspector General’s Program Guidance for Home Health Agencies (Aug. 7, 1998); The Office of Inspector General Practical Guidance for Health Care Governing Boards on Compliance Oversight (April 2015); Section 6402 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, 124 Stat. 119, enacted March 23, 2010.

The Compliance Program consists of a Code of Conduct and related policies and procedures which are designed to:

- A. Promote honest and responsible corporate conduct;
- B. Prevent, identify, and correct unethical or unlawful behavior;
- C. Encourage the Company’s employees, directors, officers, affiliates and subsidiaries, and other individuals affiliated with the Company (collectively referred to as “Workforce Members”) to report potential problems so the Company can investigate and take appropriate action to correct and avoid activities which are not in accord with the goals of this Compliance Program;
- D. Minimize financial loss to governmental entities and the Company by early detection and reporting; and
- E. Enhance client satisfaction and safety through the delivery of improved and efficient quality of care.

The Compliance Officer

The Company’s Compliance Program is facilitated by the Compliance Officer. The Human Resources Director shall serve as the Compliance Officer and shall report directly to the Craig HomeCare Board of Directors (the “Board of Directors”). The Compliance Officer shall assume the managerial and administrative tasks involved in the development, implementation,

monitoring, and refinement of the Compliance Program. In fulfilling these tasks, the Compliance Officer will have direct access to the Company's legal counsel and the Board of Directors.

The Compliance Officer shall have the authority to review all documents and other information relevant to compliance activities, including, but not limited to contracts, consulting agreements, and records concerning the Company's marketing efforts and its arrangements with other parties, including employees, independent contractors, suppliers, and agents.

The responsibilities of the Compliance Officer shall include, but not be limited to, the following:

A. Promoting, implementing, and monitoring all aspects of compliance-related activities to ensure corporate compliance throughout the organization;

B. Reviewing the Compliance Program periodically to ensure that it accurately reflects current regulatory laws and guidelines, the Company's current needs, any weaknesses in the Compliance Program, or identified systemic patterns of non-compliance, and making recommendations to the Board of Directors for changes to the Compliance Program, when indicated;

C. In conjunction with Human Resources and the appropriate supervisor(s), ensuring that appropriate disciplinary procedures are taken against those who fail to adhere to the directives of the Code of Conduct or otherwise violate the Compliance Program;

D. In conjunction with Human Resources, ensuring that each employee, officer, director, independent contractor, or agent of the Company is provided with a copy of this Compliance Program, and provides a certification that the individual has received, read, understood, and will abide by the Code of Conduct and Compliance Program;

E. Overseeing internal monitoring and auditing procedures;

F. Developing, coordinating, and participating in education and training activities concerning compliance-related issues;

G. Overseeing and/or auditing Compliance Program and Code of Conduct training for all employees and others affiliated with the Company, including, without limitation, any independent contractors and agents, particularly those contractors and agents who are involved in service delivery, billing and coding, and marketing activities;

H. Reviewing of contracts with independent contractors and other agents, as applicable;

I. Providing timely responses to inquiries from all the Company Workforce Members concerning compliance matters, and properly documenting such inquiries and responses;

- J. Identifying areas of risk and actively monitoring risk areas;
- K. Conducting an initial investigation of all reports of suspected incidents of non-compliance to determine whether further investigation is warranted;
- L. Communicating and coordinating with legal counsel to further investigate suspected incidents of non-compliance when deemed necessary;
- M. Developing and implementing appropriate proactive measures to ensure incidents of non-compliance are not repeated;
- N. Reporting violations of the law (in consultation with legal counsel) to the appropriate law enforcement agency, when mandated to do so by law;
- O. Establishing and overseeing an effective communication process for the reporting of, known or suspected, illegal conduct or violation(s) of this Compliance Program;
- P. In conjunction with Human Resources, implementing and overseeing screening mechanisms for employees, officers, directors, independent contractors, and agents to ensure that individuals and/or entities are not listed on the System for Award Management's (SAM) excluded parties or HHS/OIG's List of Excluded Individuals/Entities (LEIE); and
- Q. Reporting on a regular basis to the Board of Directors on compliance matters and assisting the Board to establish methods to reduce the organization's vulnerability to fraud and abuse.

The Compliance Committee

The Compliance Program shall be implemented under the guidance and supervision of the Compliance Committee. The Compliance Committee shall be responsible for the coordination and oversight of the Company's compliance efforts on an ongoing basis.

The Compliance Committee shall be chaired by the Compliance Officer and shall consist, of individuals identified by the Compliance Officer and Board of Directors as individuals that can assist with the Company's compliance efforts. An owner or member of the Board of Directors will sit on the Compliance Committee. The membership of the Compliance Committee will be reviewed annually by the Compliance Officer and the Board of Directors and additional members may be added as deemed necessary.

The Compliance Committee shall meet on a quarterly basis, or more often when deemed necessary, at a date and time to be determined by the Compliance Officer.

The Compliance Committee shall be responsible for the following:

- A. Developing, modifying, monitoring, and implementing the Compliance Program;

B. Developing and implementing a strategy to promote the Compliance Program to all Company Workforce Members;

C. Assisting the Compliance Officer in responding to compliance issues as they arise on an ongoing basis;

D. Developing, improving, and modifying the communication process for the reporting of compliance violations;

E. Monitoring the performance of the Compliance Officer;

F. Monitoring internal and external audits and investigations for the purpose of identifying deficiencies and assisting the Compliance Officer with implementing corrective action;

G. Recommending and monitoring, in conjunction with appropriate departments, the development of internal systems and controls to carry out the organization's policies and procedures; and

H. Analyzing the organization's regulatory environment, the legal requirements with which it must comply, and specific risk areas.

The Compliance Committee may appoint and utilize ad-hoc committees as necessary to carry out special projects.

Administrative, Management, and Supervisory Workforce Members

Administrative, management, and supervisory Workforce Members play a key role in organization-wide compliance. All such individuals are expected to set an example for other Workforce Members by promoting compliance, and conducting their duties in accordance with the Compliance Program, the Code of Conduct, and related policies and procedures. The administrative, management, and supervisory Workforce Members shall be responsible for the following, as applicable to their respective departments:

A. Discussing with all supervised Workforce Members the compliance-related policies and procedures and legal requirements applicable to the department and the Workforce Members' job responsibilities;

B. Informing all supervised Workforce Members periodically that strict compliance with these policies and procedures and legal requirements is a condition of employment, and, in the case of non-compliance, the Company may take disciplinary action up to and including termination of employment for violation of these policies and procedures and/or legal requirements;

C. Reporting all violations or suspected violations of their supervised Workforce Members to the President and COO or his/her designee; and

D. Assisting the Compliance Officer and the Compliance Committee with implementation of policies and procedures or corrective action.

Board of Directors/Owners

The Board of Directors and Owners oversee the Company's overall compliance, and are responsible for:

- A. Setting the Company's overall mission for corporate compliance organization-wide;
- B. Completing all required compliance training;
- C. Receiving reports from the Compliance Officer concerning the development and implementation of the Compliance Program;
- D. Providing the necessary resources required to maintain a viable Compliance Program to address the Company's needs organization-wide; and
- E. Seeking and acting upon advice from the Compliance Officer and Company Management, and responding to compliance-related deficiencies, as necessary.

Dedication of Resources

The Company will dedicate sufficient resources so the Compliance Officer can effectively manage the Compliance Program through education and training, publication of guidelines, reporting mechanisms, investigations, auditing, remedial action, and monitoring. On an annual basis, the Compliance Officer in consultation with the Board of Directors will review the effectiveness of the Compliance Program and revise the Compliance Program, as appropriate, to respond to changes in the Company's needs or regulatory requirements.

CRAIG HOMECARE
COMPLIANCE PROGRAM
Code of Conduct

CRAIG HOMECARE COMPLIANCE POLICY

CODE OF CONDUCT

As part of the Craig HomeCare's (the "Company") Compliance Program, this Code of Conduct has been adopted by the Board of Directors to provide standards by which all Company Workforce Members (including employees, members of the Board of Directors, Owners, officers, directors, independent contractors, volunteers, students, trainees, and others performing services on behalf of the organization) shall conduct themselves to protect and promote organization-wide integrity and enhance the Company's ability to achieve its mission.

Adherence to this Code of Conduct is a condition of continued employment for all employees. Failure to abide by this Code of Conduct may lead to disciplinary or other remedial action. For alleged violations of the Code of Conduct, the Company shall weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the Compliance Program and Code of Conduct, the egregiousness of the behavior, the employee's history with the organization, and other factors which the Company deems relevant.

Discipline or other remedial action for failure to abide by the Code of Conduct may, in the Company's sole discretion, range from oral correction to termination of employment. The employee's supervisor may also be subject to discipline or remedial action for failure to exercise appropriate supervision, directing or approving the individual's improper actions, or not reporting the improper actions to the Compliance Officer.

The Company has developed policies and procedures implementing the principles and standards contained in this Code of Conduct, and the Company Workforce Members are expected to be knowledgeable of and comply with those policies and procedures. To the extent that any policy or procedure is inconsistent with the principles and standards contained herein, that policy or procedure is superseded by this Code of Conduct.

Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to any employee, independent contractor, or other person.

This Code of Conduct is a living document, and shall be reviewed and when necessary, revised, on an annual basis to coincide with annual workforce training.

The activities of the Company, and of each Company Workforce Member with regard to the Company's affairs, are conducted in a complex world of laws and regulations. It is the responsibility of each Company Workforce Member to ensure that his/her behavior complies with all applicable laws, regulations, this Code of Conduct, and related policies and procedures. If an individual encounters a situation that is not clearly defined in this Code of Conduct, that individual should review the particular circumstances with his/her supervisor, the Compliance

Officer, or a member of the Compliance Committee. All Workforce Members should review this Code of Conduct and the Compliance Program from time to time to make sure that these policies and procedures guide their actions on behalf of the Company.

The following is a summary of certain laws, rules, and regulations and the related policies and procedures of the Company that are of particular importance to the Company's business and preservation of its good name and reputation.

PRINCIPLE 1 – CLIENT CARE AND TREATMENT

The Company shall treat all clients with respect and dignity and provide care and treatment that is both necessary and appropriate. It is the responsibility of every Company Workforce Member to always act in the best interest of the client.

Standard 1.1 – Professional Decision Making.

The Company shall use appropriate clinical criteria to determine whether to treat a client with specific interventions. Any services will only be provided after careful evaluation of the client's condition and consideration of the client's physical, mental, social, emotional, occupational, and/or lifestyle needs and with a valid physician order. Clinical decisions shall be based on medical necessity and identified client needs. The medical necessity of all treatments and procedures recommended by Company Workforce Members will be adequately documented in the client medical record.

Standard 1.2 – Client Rights.

All Workforce Members shall respect clients in the performance of their job duties. Clients and their representatives shall be accorded appropriate confidentiality, privacy, security, protective services, and opportunity for resolution of complaints.

PRINCIPLE 2 -- LEGAL COMPLIANCE

The Company shall comply with all laws and regulations applicable to its operations. The Company Workforce Members shall be knowledgeable about and comply with such legal requirements in the performance of their duties. The Company Workforce Members shall promptly report any suspected incident of non-compliance, and cooperate fully with any internal investigation concerning alleged non-compliance.

The Company expects all of its Workforce Members to take an active role in detecting and correcting activities that potentially violate applicable laws and regulations. The Company Workforce Members are obligated to do the following: (a) participate fully in all educational programs concerning legal compliance issues; (b) seek assistance from an appropriate member of the Company's Management team with any questions concerning legal compliance issues; (c) report any suspected incident of non-compliance; and (d) cooperate fully in any internal

investigation concerning alleged non-compliance. Workforce Members shall be evaluated for compliance with these obligations, and shall be disciplined for failure to fulfill these obligations.

The Company shall not tolerate retaliation against any Workforce Member who, in good faith, raises questions concerning legal compliance and/or reports any suspected incident of non-compliance. All such information reported by a Workforce Member shall be kept confidential to the extent confidentiality is possible throughout any resulting investigation.

There are several means by which a Workforce Member may seek answers to questions concerning legal compliance or report suspected incidents of non-compliance. A Workforce Member may contact:

- A. His/her supervisor.
- B. Craig HomeCare's Compliance Officer – by telephone (**316-264-9988**) or mail – Compliance Officer, Craig HomeCare, (**P.O. Box 2241, Wichita, Kansas 67201-2241**), or email at emilyb@craighomecare.com.
- C. Compliance Hotline at (316) 266-8716.

All such reports shall be treated as confidential to the fullest extent possible. Craig HomeCare shall make reasonable efforts to protect the anonymity of the person making such a report.

The following Legal Compliance Standards are intended to provide guidance to Workforce Members with respect to their obligation to comply with all applicable laws and regulations. These Standards are neither exclusive nor complete. Workforce Members are required to comply with all applicable laws and regulations, whether or not specifically addressed in this Code of Conduct.

Standard 2.1 – Fraud and Abuse/Anti-Kickback Statute/the Stark Law

The fraud and abuse laws prohibit the submission of false, fraudulent, or misleading claims to any government entity (e.g., Medicare, Medicaid, CHAMPUS, Tricare) or private insurance company, including, but not limited to, the following: (1) claims for services not rendered; (2) claims which characterize the service differently than the service actually rendered; and (3) claims which do not otherwise comply with applicable program or contractual arrangements.

All Workforce Members involved in the delivery of client care shall be responsible for producing and maintaining complete and accurate documentation in the appropriate client record and submitting complete and accurate charges for all medical goods and services provided to clients. All Workforce Members involved in coding and billing will be trained, qualified, and knowledgeable in coding and billing and will perform these duties accurately. Workforce Members performing coding and billing functions will remain aware of areas of risk.

No Workforce Member shall make any misrepresentation to any person or entity to continue participation in a State or Federal health care program or to obtain payment for any service.

The Company does not provide remuneration (in the form of payment, gift, contribution, or otherwise) as an inducement for referrals or reward for the referral or recommendation of business payable in whole or in part by a State or Federal health care program. The Company accepts client referrals and admissions based solely on the client's needs and the Company's ability to render the needed services. The Company does not pay any individual or entity for referral of clients.

The Company does not accept payments for referrals that it makes or receives. No Workforce Member shall solicit or receive anything of value, directly or indirectly, in exchange for the referral of business payable under a State or Federal health care program. Similarly, when making client referrals to another health care provider, the Company shall not take into account the volume or value of referrals that the provider has made (or may make) to the Company.

Given the complexity of State and Federal Anti-Kickback Statutes, the Company requires that any proposed business relationship between the Company and any other health care provider be reviewed and approved in writing by the President and COO prior to the commencement of such relationship. The President and COO may consult with legal counsel as necessary.

Any transaction between the Company and any other health care provider shall be based on fair market value for the goods or services being provided. For example, rentals of space and equipment must be at fair market value without regard to the volume or value of referrals that may be received by the Company. Fair market value will be determined through independent appraisals, when necessary.

No Workforce Member shall provide any item or service to any health care provider not employed by the Company free of charge or at a reduced rate, nor will the Company bill substantially in excess of its usual charges.

The fraud and abuse laws also prohibit the Company from offering or transferring anything of value to any person eligible for federally funded health care benefits if the Company knows or should know such inducement would cause the eligible person to choose to receive federally reimbursable items or services from the Company except as specifically permitted by law. In light of this prohibition, no Workforce Member shall give anything of more than a nominal value to any beneficiary of a State or Federal health care program unless such gift has been reviewed and approved by the Compliance Officer.

The Company shall not provide transportation, gifts, and services or waive deductibles, co-payments, or otherwise provide financial benefits to clients in return for business. The Company acknowledges that the routine practice of writing off co-pays and co-insurance may be considered a violation of the contract between the client and the insurer. Also, forgiving all co-pays may constitute fraud because the charge has been changed after it was billed to the insurance company. Under certain circumstances, the Company may provide appropriate

financial accommodations to clients (e.g., permitting monthly payments over time) and based solely on the financial needs of the client or his/her representative in accordance with Company's **Collection Policy**. All client account balances shall be resolved using the Company's documented collection policies and procedures.

Standard 2.2 -- Health Insurance Portability and Accountability Act ("HIPAA")

The Company shall devote necessary resources to ensure compliance with State and Federal regulations concerning the privacy and security of protected health information. Workforce Members shall receive appropriate training to enable them to perform their job duties in compliance with these legal requirements. The Company will strive to utilize electronic health information in a secure and reliable manner. For further information and specific policies and procedures related to HIPAA, please refer to the Company's **HIPAA & Release of Information Policies and Procedures**.

Standard 2.3 – Health, Safety, and Environmental

Workforce Members shall be familiar with all applicable health and safety laws and regulations, and shall act in compliance with the letter and spirit of those requirements at all times. It is the policy of the Company to manage and operate its business in the manner which protects the health and safety of all Workforce Members and respects the environment and conserves natural resources. Workforce Members shall strive to utilize resources appropriately and efficiently and otherwise dispose of all waste in accordance with applicable laws and regulations.

Standard 2.4 – Discrimination and Inappropriate Conduct in the Workplace

The Company believes that the fair and equitable treatment of its workforce and other persons is critical to fulfilling its vision and goals.

No form of harassment or discrimination on the basis of sex, race, color, age, pregnancy, religion, creed, national origin, disability, veteran status, sexual orientation, genetic information, or any other classification prohibited by law shall be permitted. No workforce member will be subjected to offensive conduct whether it may take a verbal, physical, or visual form relating to the workforce member's sex, race, color, age, pregnancy, religion, creed, national origin, disability, veteran status, sexual orientation, genetic information, or any other protected status. Workforce Members shall not engage in inappropriate conduct or disruptive conduct in the workplace. Workforce Members shall report any harassment, discrimination, inappropriate conduct, or disruptive conduct in the workplace. Allegations of harassment, discrimination, inappropriate conduct, or disruptive conduct shall be investigated promptly pursuant to applicable policies and procedures.

Standard 2.5 – Record Retention

The Company is required by law to maintain certain types of business records, usually for a specified period of time. The Company has established a policy to assure retention for required

periods and timely destruction of records. Workforce Members shall comply with the records retention and destruction schedule for the area in which they work.

Standard 2.6 – Antitrust.

State and Federal antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. Discussions with competitors concerning the Company's business can violate these laws. Prohibited subjects of conversation include any aspect of pricing, terms of supplier relationships, the Company's services in the market, key costs such as labor costs, and marketing plans. Such information also constitutes trade secrets which are entitled to statutory protection. No Workforce Member shall discuss with any competitor market allocation or refusals to deal with certain suppliers.

In general, Workforce Members shall avoid discussing sensitive topics with competitors or suppliers, unless proceeding with the advice of the Compliance Officer. Workforce Members shall not provide any information in response to oral or written inquiries concerning antitrust matters without first consulting the Compliance Officer.

Standard 2.7 – Illegal Drugs and Alcohol.

The Company prohibits the use, sale, dispensing, or possession of illegal drugs by its Workforce Members, whether on or off the Company's premises. Illegal drugs include prescription drugs not dispensed or used pursuant to a properly authorized prescription. All Workforce Members shall report for work free of the influence of illegal drugs or alcohol. A Workforce Member may be asked to submit to a drug test at any time deemed appropriate by the Company and as permitted by law. For further information and specific policies and procedures related to illegal drugs and alcohol usage, please refer to Company's **Professionalism in the Workplace Policies and Procedures**.

Standard 2.8 – Controlled Substances.

Some Workforce Members have access to prescription drugs, controlled substances, and other medical supplies. Under Company policy, access to controlled substances is limited to Workforce Members who are properly licensed and who have express authority to handle them. The use of these items is governed by government regulations and must be administered pursuant to physician order. It is extremely important that these items be handled properly by authorized individuals to minimize risk to clients and the Company. Workforce Members should carefully follow the recordkeeping procedures established by the Company. If a Workforce Member becomes aware of the diversion of drugs, the Workforce Member shall report the matter immediately. For further information and specific policies and procedures related to controlled substances, please refer to Company's **Medication Administration Policies and Procedures**.

PRINCIPLE 3 -- BUSINESS ETHICS

In furtherance of the Company's commitment to the highest standards of business ethics and integrity, Workforce Members shall accurately and honestly represent the Company and

shall not engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

Standard 3.1 – Honest Communication.

The Company requires candor and honesty from Workforce Members in the performance of their responsibilities. No Workforce Member shall make false or misleading statements to any person or entity, including other Workforce Members, concerning any aspect of the operations of Craig HomeCare.

Standard 3.2 – Fraud and Abuse.

(See Principle 2, Legal Compliance above).

Standard 3.3 – Client Billings.

The Company shall strive to comply with all requirements for government-sponsored programs and other payors. Services shall be billed using billing codes that accurately describe the services that were provided and will be based upon appropriate documentation. Workforce Members shall provide complete and accurate responses to all reasonable inquiries concerning client bills. Workforce Members shall utilize established policies and procedures to resolve any dispute concerning such bills.

The Company will strive to submit accurate claims and information. All documentation, including medical records, will be organized in a legible form so that they can be audited and reviewed. The Company Workforce Members will determine the applicable ICD-10 code (or successor version) to support a procedure or service. The Company will provide each client with the appropriate level of treatment regardless of the payment source or level of reimbursement the Company receives.

Integral to this process is the qualification and training of individuals performing coding and billing functions. To this end, only persons with sufficient education, training, and experience will perform coding and billing functions.

Specific Risk Areas for Home Health Services

The Company will strive to accurately code and bill all home health services provided to clients and will be aware of the following areas of risk: (1) billing for items or services not actually rendered; (2) billing for items or services that do not satisfy medical necessity requirements; (3) duplicate billing; (4) failing to identify and refund credit balances; (5) billing for visits to clients who do not require a qualifying service (i.e., valid physician order and insurance authorization); (6) knowingly billing for inadequate or substandard care; (7) insufficient documentation to evidence that services were performed and to support reimbursement; (8) billing for unallowable costs; (9) billing for services provided by unqualified or unlicensed clinical personnel; (10) improper client solicitation activities and high pressure marketing of uncovered or unnecessary services; (11) inadequate management and oversight of

subcontracted services, which results in improper billing; (12) knowing misuse of provider certification numbers, which results in improper billing; and (13) duplication of services provided by other entities.

The Company expects payment of all co-insurance, co-pays, and deductibles from its clients. Clients who assert an inability to pay will be required to demonstrate that their payment for services rendered by the Company would place an undue financial hardship on the clients in accordance with Company's **Collection Policy**.

The Insurance Department has the responsibility of tracking, recording, reporting, and initiating repayment on accounts owed refunds. The Insurance Department will run Accounts Receivable reports monthly to determine which accounts are owed refunds. The amount of refund will be verified to ensure accuracy. If it is determined that the Company owes a refund to a client or third-party payor, repayment will be initiated immediately. *See Investigation of Non-Compliance and Government Notification infra* concerning overpayments.

The Company shall make a reasonable collection effort on all unpaid client accounts in accordance with Company's **Collection Policy** unless the clients demonstrate an undue financial hardship. Those accounts that cannot be collected after such efforts have been exhausted shall be presented to the President and COO for write-off approval.

The Company shall cooperate fully with any duly authorized third-party audit of client accounts. The Company shall respond promptly to any reasonable request for information from any such auditor in compliance with established policies and procedures.

PRINCIPLE 4 -- CONFIDENTIALITY

All Workforce Members shall execute and abide by the Craig HomeCare Confidentiality Agreement.

PRINCIPLE 5 -- BUSINESS RELATIONSHIPS

Business transactions with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction. Business courtesies, which include gifts, meals, entertainment, social events, and similar items of value extended without charge, when accepted, are for the purpose of fostering a collaborative business relationship and never as compensation or inducement for referrals of patients, residents, or health care business.

Standard 5.1 – Gifts and Gratuities.

1. Gifts from/to Clients/Client Representatives.

Workforce Members shall not *solicit* monetary tips, personal gratuities, or gifts from clients or their family members and representatives, and are prohibited from accepting monetary tips or gratuities. Workforce Members may accept gifts of a *nominal* value from clients or their

family members and representatives. Likewise, it may be appropriate in certain circumstances to provide a gift of a *nominal* value to a client. The Company expects Workforce Members to exercise good judgment and discretion in accepting gifts from or giving gifts to clients or their family members and representatives. If a Workforce Member has a question about whether a particular gift is appropriate, he/she shall ask the Compliance Officer.

2. Gifts Influencing Decision-Making.

Workforce Members shall not accept gifts, favors, services, entertainment, or other things of value to the extent that decision-making or actions affecting the Company might be influenced. Similarly, the offer or giving of money, services, or other things of value with the expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer, government official, or other person by the Company is absolutely prohibited.

3. Gifts From Existing Vendors.

Workforce Members may retain gifts from vendors which have a nominal value (*e.g.*, a total value of \$100 or less in any one year) and such gifts should primarily benefit the Company's clients and/or serve an educational purpose. Individual gifts of a nominal value are permissible as long as the gifts are related to the Workforce Member's responsibilities (*e.g.*, pens, paper). If a Workforce Member has any concern whether a gift should be accepted, the Workforce Member shall consult with the Compliance Officer. To the extent possible, these gifts should be shared with the Workforce Member's co-workers. Workforce Members shall not accept excessive gifts, meals, expensive entertainment, or other offers of goods or services which have more than a nominal value (*e.g.*, a total value of \$100 or less) nor shall they solicit gifts from vendors, suppliers, contractors, or other persons.

4. Cash or Cash Equivalents.

Cash or cash equivalents (*e.g.*, gift cards) may *not* be accepted.

5. Entertainment and Recreation.

The Company recognizes that business dealings may include a shared meal or other similar social occasion, which may constitute proper business expenses and activities. More expensive entertainment (*e.g.*, entertainment exceeding \$100 per person per year) rarely will be consistent with Company policy and should be reviewed and approved in advance by the Compliance Officer. Offering or accepting entertainment which is not a reasonable adjunct to a business relationship, but is primarily intended to gain favor or influence, must be avoided.

Standard 5.2 – Business Inducements.

Workforce Members shall not seek to gain any advantage through the improper use of payments, business courtesies, or other inducements. Offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited. Furthermore, the Company shall not offer to provide gifts, free services, or other incentives to clients, relatives of clients, physicians,

hospitals, contractors, or other potential referral sources for the purpose of inducing referrals in violation of the Federal Anti-Kickback Statute, or other State or Federal statutes or regulations. Business inducements, which are intended to generate referrals may violate the law and are prohibited under this Compliance Program.

Appropriate commissions, rebates, discounts, and allowances are customary and acceptable business inducements provided that they are approved by Company Management and that they do not constitute illegal or unethical payments. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to who the original agreement or invoice was made or issued. Such payments shall not be made to Workforce Members or agents of business entities.

In addition, Workforce Members may provide gifts, entertainment, and meals of nominal value to the Company's current and prospective business associates other than health care providers when such activities have a legitimate business purpose, are reasonable, and are consistent with all applicable laws. With respect to health care providers and prospective and current patients or residents, refer to Principle 2, Legal Compliance (pages 8-9).

PRINCIPLE 6 -- PROTECTION OF ASSETS

Workforce Members shall strive to preserve and protect the organization's assets by making prudent and effective use of the Company's resources and properly and accurately reporting its financial condition.

Standard 6.1 – Accuracy of Records.

All Workforce Members are responsible for the integrity and accuracy of the Company's documents and records (including paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about the Company or its activities), not only to comply with regulatory and legal requirements but also to ensure that records are available to defend business practices and actions. No Workforce Member shall alter, falsify, or purposefully omit information on any record or document. Corrections to any record or document shall be made pursuant to established policies and procedures.

Standard 6.2 – Internal Controls and Financial Reporting.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets may be established. The Company shall maintain a Company of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets. Workforce Members shall comply with these controls.

Standard 6.3 – Personal Use of Corporate Assets.

All Workforce Members are expected to refrain from converting assets of the organization to personal use. All operations of the organization shall be conducted in the manner designed to further the Company's interests rather than the personal interests of an individual Workforce Member. Workforce Members are prohibited from the unauthorized use or taking of the Company's equipment, supplies, materials, or services. Prior to engaging in any activity on Company time which will result in remuneration to the Workforce Member or the use of the Company's equipment, supplies, materials or services for personal or non-work related purposes, Workforce Members shall obtain the approval of his/her supervisor unit or management of the Company.

Standard 6.4 – Use of Computers, Communication Systems, and Related Equipment.

E-mail and voice-mail messages reflect the image of the Company. Workforce Members should compose and deliver such messages in a professional manner that is similar to messages sent on the Company letterhead. *Workforce Members should keep in mind that electronic files and even voice-mail may be subject to discovery and may subsequently be used in litigation or investigations involving the Company or a Workforce Member.*

All computers, communications systems, and related equipment (including, but not limited to, computer files and drives, electronic mail, intranet service, internet access, and voice mail) are the property of the Company and are to be primarily used for business purposes. Highly limited reasonable personal use of computers, communication systems, and related equipment is permitted; however, a Workforce Member should assume that such communications are not private.

The Company reserves the right to periodically access, monitor, print, copy, and disclose the contents of computer files and drives, and e-mail and voice-mail messages. Such action taken may only be done with the prior approval of the President and COO or his/her designee.

Workforce Members shall not use the Company computers, communication systems, or related equipment to send or receive any message or download or retrieve any materials (video or audio) that could be considered inappropriate or illegal under State or Federal law. The Company computers, communication systems, or related equipment shall not be used to store, transmit, or receive messages or materials (video or audio) having language or images that may reasonably be considered offensive, harassing, demeaning, or disruptive to any Workforce Member. Such prohibited conduct includes, but is not limited to, sexually explicit or derogatory comments or images, gender-specific comments, racial epithets and slurs, or any comments, jokes, or images that would offend someone or create a hostile work environment based on his/her race, color, sex, religion, creed, national origin, age, or disability. It is further prohibited to send or receive messages or materials on the Company's computers, communication systems, or related equipment in a way which includes the use of profane or offensive language or, in the judgment of management, is determined to be profane, demeaning, insulting, disruptive, threatening, intimidating, violent, defamatory, harassing, embarrassing, insubordinate, or otherwise inappropriate or unprofessional.

Workforce Members who abuse the Company's computers, communications systems, or related equipment or use them excessively for non-business purposes may lose these privileges, and may be subject to disciplinary action up to and including termination.

PRINCIPLE 7 -- CONFLICTS OF INTEREST

The Company recognizes that there is a potential for conflicts of interest. In conducting its business activities, employees, owners, directors, officers, affiliates and subsidiaries, and other individuals affiliated with the Company owe a duty of undivided and unqualified loyalty to Craig HomeCare. Workforce Members holding such positions shall not use their position to profit personally or to assist others in profiting in any manner at the expense of the organization.

Standard 7.1 – Disclosure Statement

Members of the Board of Directors, the Owners, the President and COO, and other Workforce Members holding senior management positions shall complete a conflict of interest disclosure statement. Any Workforce Member having a direct or indirect ownership interest in companies doing business with the Company must complete a conflict of interest disclosure statement identifying the nature of their business interest.

Standard 7.2 -- Outside Financial Interests.

While not all inclusive, the following shall serve as a guide to the types of activities by a Workforce Member, or household member of such person, which might cause conflicts of interest:

1. Ownership in or employment by any individual or entity that either provides services or supplies equipment or materials to the Company, or with which the Company competes, or to which the Company provides products or services. This does not apply to stock or other investments held in a publicly held corporation, *provided* the value of the stock or other investments does not exceed 5 percent (5%) of the corporation's stock. The Company may, following a review of the relevant facts, permit ownership interests which exceed this amount if management concludes such ownership interests will not adversely impact the Company's business interest or the judgment of the covered person.
2. Conduct of any business not on behalf of the Company with any vendor, supplier, contractor, or agency, or any of their officers or workforce members.
3. Representation of the Company by a Workforce Member in any transaction in which he/she or a household member has a substantial personal interest.
4. Disclosure or use of confidential, special, or inside information about the Company, particularly for personal profit or advantage of the Workplace Member or a household member.

5. Competition with the Company by a Workforce Member, directly or indirectly, in the purchase, sale, or ownership of property or property rights or interests or business investment opportunities.

6. Serving as a director, officer, or trustee of any organization who is in direct competition with the Company. The Company directors, officers, and other Workforce Members must obtain approval from the President and COO prior to serving as a director, officer, or trustee of an organization who is in direct competition with the Company.

Standard 7.3 – Services for Competitors/Vendors.

No Management or Administrative Workforce Members shall perform work, consult with, or render services for any competitor of the Company or for any organization with which the Company does business or which seeks to do business with the Company outside of the normal course of his/her relationship with the Company without the approval of the President and COO. Nor shall any such Management or Administrative Workforce Member be a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization. Workforce Members engaged in direct patient care services may gain outside employment within the confines of their respective noncompete agreements. Workforce Members are prohibited from discussing the business affairs of the Company during their secondary employment. At no time shall a Workforce Member have secondary employment which interferes in his/her satisfactory performance at Craig HomeCare.

CRAIG HOMECARE
COMPLIANCE PROGRAM
Policies and Procedures

CRAIG HOMECARE COMPLIANCE PROGRAM

EDUCATION AND DISTRIBUTION OF CODE OF CONDUCT

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure all Workforce Members receive training with respect to the Company's Code of Conduct to ensure compliance with its provisions. The Company shall communicate to its employees, directors, officers, affiliates and subsidiaries, and other individuals affiliated with the Company its expectations concerning such persons' compliance with the Code of Conduct and the Compliance Program.

Policy Statement:

All employees shall receive training concerning the Company's Compliance Program and Code of Conduct as part of the orientation process and in accordance with their respective job duties. All employees shall complete an annual training session relating to the Company's Code of Conduct, fraud and abuse laws, marketing, and other matters pertinent to compliance conduct as appropriate to their duties. All employees shall be required to attest to their completion of training sessions, a review of the Code of Conduct's contents, an understanding of its provisions, and an agreement to adhere to the Code of Conduct. All employees shall be provided with instructions on how to locate the Code of Conduct on the Company's network on an annual basis and shall be informed concerning the Company's expectations with respect to adherence to its provisions. Training is mandatory and is a condition of employment. Appropriate action will be taken by Human Resources for failure to attend training.

Members of the Board of Directors shall receive a copy of the Board Compliance Toolkit and training relating to the Company's Code of Conduct, fraud and abuse laws, marketing, and other matters pertinent to the organization's conduct. New members will receive the Toolkit before exercising their duties.

Independent contractors and agents will receive training in accordance with their agreements and when applicable. Failure by any independent contractor or agent to attend training may lead to termination of his/her agreement.

Scope:

This policy is applicable to all Workforce Members.

Procedure:

A. The Compliance Officer, or his/her designee, shall distribute instructions on how to locate the Code of Conduct on the Company's network, introduce, explain, and answer any questions concerning the Company's Code of Conduct as part of the regular orientation session for new employee hires or other orientation processes for Workforce Members who are not employed by the Company, *e.g.*, Board members and independent contractors. At the conclusion of the session, the Workforce Members shall be required to attest to their attendance at the training session, a review of the Code of Conduct's contents, an understanding of its provisions, and an agreement to adhere to the Code of Conduct. The original version of this verification shall be maintained in each Workforce Member's personnel or other file (use Compliance Pledge). Human Resources shall be responsible for ensuring all Workforce Members receive such training and execute such verifications at the commencement of employment.

B. On an annual basis, the Compliance Officer, or his/her designee, shall distribute instructions on how to locate the Code of Conduct on the Company's network and the employees will complete all required training. Employees shall be required to attest to their completion of the training session, a review of the Code of Conduct's contents, an understanding of its provisions, and an agreement to adhere to the Code of Conduct. The original version of this verification shall be maintained in each employee's personnel or other file (use Compliance Pledge).

C. On an annual basis, the Compliance Officer, or his/her designee, shall distribute instructions on how to locate the Code of Conduct on the Company's network and answer any questions concerning the Company's Compliance Program and Code of Conduct to the Company's Board of Directors. Each member shall be required to attest to his/her a review of the Code of Conduct's contents, an understanding of its provisions, and an agreement to adhere to the Code of Conduct (use Compliance Pledge). The Compliance Officer, or his/her designee, shall provide ongoing training concerning the Company' Compliance Program and Code of Conduct to the Board of Directors as needed.

D. Training content and methodology shall be appropriate to Workforce Members' responsibilities.

E. The Compliance Officer shall document and maintain records of training, including training announcements and communications; content outlines, handout materials, or other resources used; and attendance logs containing the course name, date, times, and names of individual attendees.

F. Individual or team education will be mandatory for anyone found to be non-compliant with this Compliance Program. Close monitoring and supervision will be implemented until continued adherence to this Compliance Program has been demonstrated.

G. The adequacy of education and training will be evaluated on an annual basis by the Compliance Officer and the Board of Directors. The Compliance Officer will make

proposed modifications to compliance education and training programs as necessary to ensure an acceptable level of compliance education within Craig HomeCare.

CRAIG HOMECARE COMPLIANCE PROGRAM
EMPLOYMENT/BOARD OF DIRECTORS/OWNERS
SCREENING POLICY

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998); Office of Inspector General Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs (May 8, 2013).

Purpose:

The purpose of this policy is to ensure that the Company does not employ any person who has been convicted of any criminal offense as set forth in 42 U.S.C. 1320a-7, or who has been listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program.

All employee, Board of Director, and owner screenings will be completed in accordance with Human Resources Policy: Background Checks.

CRAIG HOMECARE COMPLIANCE PROGRAM

INDEPENDENT CONTRACTOR SCREENING POLICY

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998); Office of Inspector General Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs (May 8, 2013).

Purpose:

The purpose of this policy is to ensure that the Company does not contract with any individual or entity that will be involved in direct client care or the Company's business operations relating to or impacting State or Federal health care programs who has been convicted of any criminal offense relating to the health care industry, or who has been listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program.

Policy Statement:

Prior to entering into an independent contractor relationship with any individual or entity that will be involved in direct client care or the Company's direct healthcare operations relating to or impacting State or Federal health care programs (*e.g.*, marketing personnel, health care providers, coders, billers, transcriptionists), Human Resources shall undertake a reasonable investigation to determine whether such individual or entity has been convicted of any criminal offense relating to the health care industry, or who has been listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program.

Scope:

This policy shall apply to all departments contemplating independent contractor relationships with any individual or entity that will be involved in direct patient care or the Company's business operations relating to or impacting State or Federal health care programs.

Procedure:

Any department seeking to enter into an independent contractor relationship with any individual or entity that will be involved in direct client care or the Company's business

operations relating to or impacting State or Federal health care programs shall notify Human Resources. Human Resources shall take the following action to ensure that a reasonable investigation is conducted as stated in the Policy Statement above.

Prior to entering into such a contractual agreement, Human Resources shall:

A. Ensure that the individual or entity that will be involved in direct client care or the Company's business operations relating to or impacting State or Federal health care programs has completed the attached Compliance Verification Form. Such form must be executed prior to the execution of the independent contractor agreement on the part of the Company. The executed Compliance Verification Form shall be forwarded with the final version of the contract for signature by the President and COO. If an individual or entity that will be involved in direct client care or the Company's business operations relating to or impacting State or Federal health care programs refuses or fails to sign the Compliance Verification Form, the Company shall not enter into a contractual relationship with that individual or entity.

B. Ensure that the individual or entity completes the Investigative Background Check Consent Form, a copy of which is attached hereto. If a prospective independent contractor refuses to complete the form, that individual or entity shall receive no further consideration for an independent contractor relationship with the Company.

C. A designated member of Human Resources shall submit the prospective independent contractor's name to appropriate databases maintained by the State and Federal governments to conduct an investigative background check pursuant to Human Resources policies and procedures. Human Resources shall forward the results of the background check to the department as soon as possible. If the background check reveals the prospective independent contractor has been convicted of any criminal offense relative to the health care industry, or has been listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program, that individual or entity should receive no further consideration for an independent contractor relationship with the Company.

D. A designated member of Human Resources shall be responsible for reviewing on an annual basis appropriate databases maintained by the Federal government (e.g., the Company for Award Management's (SAM) excluded parties and HHS/OIG's List of Excluded Individuals/Entities (LEIE)) to determine whether any current independent contractor involved in direct patient care or the Company's business operations relating to or impacting State or Federal health care programs has been debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program, either temporarily or permanently. Documentation of such annual reviews shall be maintained by Human Resources. If this check reveals that a current independent contractor has been debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program, either temporarily or permanently, that contract with Craig HomeCare shall be terminated immediately.

COMPLIANCE VERIFICATION

Name of Independent Contractor

It is the policy of Craig HomeCare not to enter into any contractual relationship with any person or entity who has been convicted of any criminal offense related to the health care industry, or that is listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care programs. As a condition to entering into a contractual relationship with Craig HomeCare, any individual or entity that will be involved in direct patient care or with Craig HomeCare's business operations relating to or impacting State or Federal health care programs, Craig HomeCare requires that an authorized person verify that such individual or entity has not been convicted of a criminal offense related to the health care industry, nor is listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care programs. Craig HomeCare also requires its independent contractors to provide notice of any conviction, debarment, or exclusion subsequent to the date this verification is executed.

In addition to requiring its independent contractors to execute this verification, Craig HomeCare reviews the Company for Award Management's (SAM) excluded parties and the HHS/OIG's List of Excluded Individuals/Entities (LEIE) to identify individuals and entities convicted of criminal offenses related to the health care industry or listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care programs. If you are so identified subsequent to the execution of this verification, Craig HomeCare shall have the right to immediately terminate the parties' relationship without penalty.

Verification

I have read and understand the policy statement. I/The above-named entity have/has never been convicted of a criminal offense related to the health care industry, or listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care programs. I/The above-named entity agree(s) to provide notice of any conviction, debarment, or exclusion subsequent to the date this verification is executed. I/The above-named entity agree(s) that Craig HomeCare shall have the right to immediately terminate the parties' relationship without penalty if Craig HomeCare learns subsequent to the date this verification is executed that I/the above-named entity have/has been convicted of a criminal offense related to the health care industry, or is listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care programs.

Signature

Date

Printed Name

**INVESTIGATIVE BACKGROUND CHECK
CONSENT FORM**

In connection with my proposed contract to provide services for Craig HomeCare, I, _____, agree to participate in an investigative background check which may include a criminal background inquiry, an abuse registry inquiry, licensure registry inquiry, National Practitioner Data Bank inquiry, the Company for Award Management's (SAM) excluded parties and/or HHS/OIG's List of Excluded Individuals/Entities (LEIE) inquiry, previous employment verification, a motor vehicle records inquiry, and/or a personal reference inquiry.

I authorize any person, company, corporation, public/private institution, and/or government agency to release any information requested by Craig HomeCare (or any of its affiliates and subsidiaries) and its agents or workforce members and to accept a photocopy or facsimile of this authorization as the original. I hereby release Craig HomeCare and its agents or workforce members and any person, company, corporation, public/private institution, and/or government agency from any and all claims that I may have arising from or relating to the providing, reporting, or gathering of information in relation to the aforementioned investigative background check. I also authorize all references (personal and professional), former employers, public agencies, licensing authorities, and educational institutions to release any and all information concerning my background, previous employment, education, or any other information they might have, personal or otherwise, with regard to any of the subjects covered by this application, and I release all such parties from any liability for any damages whatsoever that may result from their furnishing such information.

I understand that all information received through this investigative background check will remain the property of Craig HomeCare and will not be released to me.

IMPORTANT: I have read and understand the above and do hereby grant authorization to conduct the investigative background check.

I further understand and authorize Craig HomeCare to perform all necessary ongoing and continuing background checks related to Craig HomeCare's compliance with State and Federal laws, including, but not limited to, checks of the Company for Award Management's (SAM) excluded parties and/or HHS/OIG's List of Excluded Individuals/Entities (LEIE) inquiry.
_____ (Initials)

Signature

Signature of Witness

Date

CRAIG HOMECARE COMPLIANCE PROGRAM CONTRACTING POLICY

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to promote compliance with statutes and regulations governing contractual relationships among employees, Workforce Members, health care providers, independent contractors, and agents, and in particular, to ensure those relationships comply with State and Federal fraud and abuse rules.

Policy Statement:

The Company requires central review of contracts and agreements, in consultation with legal counsel, as necessary, in order to avoid violations of statutes and regulations governing relationships among health care providers and between health care providers and other individuals and entities and to assure that contracts are properly authorized and are consistent with the Company's policies and goals.

Scope:

This policy is applicable to all departments.

Procedure:

A. Unless drafted by the Company's legal counsel, all contracts and agreements proposed for execution by a Workforce Member shall be forwarded to the President and COO for review before such contract or agreement is executed (signed).

B. Letters of intent, memoranda of understanding, and letters of agreement are all alternate names for documents which may be legally binding contracts. This does not include purchase orders, which should be approved according to Company policy. Although often considered preliminary documents, followed by execution of a contract, such "letters" and memoranda should be considered contracts for purposes of this policy and should be forwarded to the President and COO for review before execution or delivery to another party.

C. Changes or revisions recommended by the President and COO or legal counsel shall be considered mandatory, unless the Company Management determines otherwise.

D. Contract renewals, subsequent renegotiations, or amendments of a contract prior to execution or later amendment of a contract or agreement are subject to the same review as other contracts or agreements.

E. Preliminary negotiations, or exchange of draft documents, must be done with the understanding that no binding offer is made, and no binding contract is entered into, prior to final execution by an authorized individual.

F. No contract shall be signed on behalf of the Company by anyone other than a designee of the Board of Directors.

G. The Compliance Officer or his/her designee will be responsible for tracking the expiration of all contracts to ensure that contracts are timely renewed.

CRAIG HOMECARE COMPLIANCE PROGRAM

RISK ASSESSMENT

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to establish a program to assess organizational risk as an aid to achieving compliance with applicable laws and regulations.

Policy Statement:

The Compliance Officer will periodically conduct an assessment of areas of risk as identified in the Code of Conduct and through compliance reporting and auditing mechanisms.

Scope:

This policy is applicable to the Compliance Department.

Procedure:

The Compliance Officer will conduct an annual assessment to ascertain whether the Company is at risk of non-compliance with State and Federal laws and current interpretations of laws. This risk assessment will be completed on an organization-wide basis. Based on the risk assessment, the Compliance Officer will consider and determine the need for Compliance Policies (or updated Policies). The risk assessment is subject to the Compliance Officer's discretion and may include, but is not limited to, following areas:

- A. Medicare, Medicaid, and Fraud and Abuse issues.
- B. Claims Development and Submission Processes.
- C. Medical Necessity.
- D. Documentation.
- E. State and Federal Anti-Kickback Statute.
- F. Relationships with State and Federal Health Care Beneficiaries.

- G. Compliance with State and Federal Confidentiality, Privacy, and Security Requirements for Client Information.
- H. Quality of Care.
- I. Physician Certification of the Plan of Care for Home Health Services.
- J. Completion and submission of OASIS data.
- K. Marketing.
- L. Record Retention.
- M. Standards of Conduct Related to the Organization's Mission, Goals, and Ethical Commitments to Delineate a Clear Commitment to Compliance.
- N. Compliance as an Element of Performance Expectations.
- O. Effectiveness of and Compliance with Compliance Program.
- P. Areas identified on the OIG Annual Work Plan for Home Health Services.
- Q. Accounting practices

The Compliance Officer will report the results of the Risk Assessment to the Board of Directors and develop appropriate policies and procedures.

CRAIG HOMECARE COMPLIANCE PROGRAM

INTERNAL AUDITING

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to establish a program of internal auditing to ensure compliance with all applicable laws and regulations and the Company's policies and procedures relating to service delivery, coding, and submitting of claims to State and Federal health care programs.

Policy Statement:

The Compliance Officer will periodically conduct an internal audit to include a review of compliance with fraud and abuse laws and regulations, anti-kickback arrangements, CPT/HCPCS ICD-10 (or successor) coding, claims development and submission, reimbursement, medical necessity, documentation, and identified risk areas.

Scope:

This policy is applicable to the Compliance Department.

Procedure:

A. The Compliance Officer oversees all internal monitoring and auditing procedures. The extent and frequency of the compliance audits will vary depending on the Company's available resources and identified risk areas. The nature of the reviews may also vary and can include a prospective systemic review of the Company's processes or a retrospective review of actual practices in a particular area.

B. The Compliance Officer may delegate monitoring and auditing responsibilities, and all Workforce Members are expected to cooperate with the Compliance Officer in the development and implementation of internal monitoring and auditing procedures to ensure the Company's compliance with all requirements applicable to its business.

C. Auditing techniques may include sampling and review of variations from baseline, document review, interviews, trend analysis, or any other methodology approved by the Compliance Officer.

D. The Compliance Officer's reviews will focus on those areas that have substantive involvement with or impact on State or Federal health care programs, risk areas identified by the Office of Inspector General (OIG), or other risk areas identified in past audits.

E. The Compliance Officer's review will also focus on the Company's policies and procedures. He/she will evaluate whether policies and procedures were implemented and communicated to the appropriate Workforce Members and followed.

F. The Compliance Officer will generate written reports and when appropriate, identify areas of concern to be addressed through additional investigation, disciplinary action, Workforce Member education, and/or refinements to this Compliance Program. If such issues need to be addressed, the Compliance Officer will implement and monitor corrective action.

G. Results of internal audit reports will be included in the Compliance Officer's Annual Report to Board of Directors.

H. The Compliance Officer will maintain adequate records of audits and audit reports.

I. Craig HomeCare shall devote necessary resources to ensure that the audits are adequately staffed by persons with appropriate knowledge and experience utilizing audit tools and protocol, which are periodically updated to reflect changes in applicable laws and regulations.

J. External experts and/or legal counsel will be utilized as necessary.

CRAIG HOMECARE COMPLIANCE PROGRAM

RETENTION OF OUTSIDE CONSULTANTS

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure the Compliance Officer coordinates the retention and management of any outside consultant hired for the following purposes: (1) to audit, investigate, evaluate, and/or provide training concerning documentation, coding, and billing for goods and services furnished by the Company; and (2) to evaluate any business practice of the Company for compliance with State and Federal laws and regulations.

Policy Statement:

The Compliance Officer shall be responsible for the retention and management of any outside consultant for the following purposes: (1) to audit, investigate, evaluate, and/or provide training concerning documentation, coding, and billing for goods and services furnished by the Company; and (2) to evaluate any business practice of the Company for compliance with State and Federal laws and regulations.

Scope:

This policy is applicable to all Workforce Members.

Procedure:

A. The Compliance Officer and the Compliance Committee shall be responsible for formulating an annual audit work schedule for purposes of ensuring compliance with laws, regulations, and rules relating to State and Federal health care programs. Such audits shall address the following: Medicare and Medicaid billing compliance; coding; and any previously identified risk areas. The Company shall devote necessary resources to ensure that such audits are adequately staffed by persons with appropriate knowledge and experience utilizing audit tools and protocols periodically updated to reflect changes in applicable laws and regulations.

B. The Compliance Officer and the Compliance Committee shall be responsible for the formulation and implementation of audit work plans for the purpose of addressing any and all issues identified as part of the aforementioned audits. The Compliance Officer may delegate such responsibilities to the person(s) responsible for the area impacted by

the audit. Copies of all such work plans, as well as documentation relating to the implementation of items listed on the work plans, shall be maintained by the Compliance Officer.

C. In cooperation with the Compliance Officer, legal counsel may identify outside consultants to conduct those audits identified in the annual work schedule when applicable. Such consultants shall be retained by legal counsel for purposes of assisting counsel in providing legal advice to the Company relating to its compliance with applicable State and Federal laws and regulations. Reports issued by such consultants shall be addressed to legal counsel, and shall be shared with appropriate Company personnel on a “need-to-know” basis only. Copies of all such reports shall be maintained by legal counsel and the Compliance Officer.

D. Any Workforce Member wishing to retain an outside consultant for the purpose of evaluating and/or providing training concerning documentation, coding, and billing for goods and services furnished by the Company or for the purpose of evaluating any business practice of the Company for compliance with State and Federal laws and regulations shall coordinate the retention of such consultant through the Compliance Officer, as appropriate. If appropriate, such consultant should be retained by outside counsel for purposes of assisting counsel in providing legal advice to the Company relating to its compliance with applicable State and Federal laws and regulations, and reports issued by such consultants shall be addressed to legal counsel with distribution to Company personnel on a “need-to-know” basis only.

E. All outside consultants who provide services on behalf of the Company shall be required to execute appropriate confidentiality statements that shall be maintained by the Compliance Officer. The Company shall require any consultant that will have access to individually identifiable health information to execute an appropriate business associate agreement to comply with the requirements of the federal privacy regulation.

CRAIG HOMECARE COMPLIANCE PROGRAM

REPORTING COMPLIANCE-RELATED CONDUCT

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to institute clear, precise, and detailed guidelines for dissemination of information, clarification of policies, and reporting of known or suspected incidents of non-compliance, either directly or anonymously, without fear of retaliation or retribution.

Policy Statement:

The Company expects its Workforce Members to take an active role in detecting and correcting activities that potentially violate applicable laws and regulations. Any Workforce Member who has a question concerning legal compliance and/or his/her job duties is expected to seek assistance from the Compliance Officer or an appropriate member of the Company's management team. Workforce Members are expected to truthfully report any known or suspected incident of non-compliance on the part of any Workforce Member. All Workforce Members are expected to cooperate fully with the Compliance Officer in implementation of the Compliance Program. Workforce Members are expected to cooperate fully in any internal investigations conducted under the Compliance Program. The Company shall not tolerate retaliation against any person who, in good faith, raises questions concerning legal compliance and/or reports any known or suspected incident of non-compliance.

Scope:

This policy is applicable to all Workforce Members.

Procedure:

A. As part of the Code of Conduct training, the Compliance Officer, or his/her designee, shall explain the Company's expectation that all Workforce Members will abide by applicable laws and regulations and support the Company's compliance efforts; that all Workforce Members will take an active role in detecting and correcting activities that potentially violate applicable laws and regulations; that any Workforce Member who has a question concerning legal compliance issues will seek assistance from an appropriate member of the Company's management team; that any Workforce Member who knows or suspects an incident of non-compliance on the part of any Workforce Member will report such matter promptly; and that all Workforce Members will cooperate fully in any internal investigation concerning

suspected non-compliance. The Compliance Officer, or his/her designee, also shall identify the methods by which a Workforce Member may obtain assistance with compliance-related questions or report suspected incidents of non-compliance.

B. A Workforce Member may obtain assistance with compliance-related questions or report known or suspected incidents of non-compliance by contacting one of the following:

1. The individual's supervisor.
2. Craig HomeCare's Compliance Officer – by telephone (**316-264-9988**) or mail – Compliance Officer, Craig HomeCare, (**P.O. Box 2241, Wichita, Kansas 67201-2241**), or email at emilyb@craighomecare.com
3. Compliance Hotline at (316) 266-8716.
4. Verbally or in writing to any member of the Board of Directors if the complaint involves Compliance Officer.

All inquiries and reports shall be treated as confidential to the fullest extent reasonably possible and reasonable efforts shall be made to protect the identity of the individual making such a report, whenever possible, during the internal reporting process.

C. A supervisor who receives a compliance-related inquiry or a report of suspected incident of non-compliance from a Workforce Member shall report such matters to the Compliance Officer as soon as possible.

D. The Compliance Officer shall be responsible for maintaining and monitoring e-mail, voice-mail messages, and the compliance hotline to ensure that Workforce Members have the opportunity to communicate compliance-related concerns in an anonymous manner. The Compliance Officer will keep records of the reports to track the progress of each investigation.

E. The Compliance Officer shall develop and implement a strategy for publicizing and promoting the aforementioned reporting mechanisms to Workforce Members on an ongoing basis.

F. The Compliance Officer shall be responsible for responding to compliance-related inquiries in a timely manner. The Compliance Officer may, in his/her discretion, seek assistance from legal counsel in formulating a response to such inquiries. The Compliance Officer shall maintain records concerning such inquiries and responses.

The Compliance Officer shall be responsible for recording, investigating, and formulating a response to all reports of suspected incidents of non-compliance and formulating an organizational response pursuant to the Investigation of Non-Compliance and Response Policy.

G. A Workforce Member may be subject to discipline up to and including termination for failure to make appropriate inquiries concerning compliance-related matters,

failure to report known or suspected incidents of non-compliance of which he/she has knowledge, or failure to cooperate fully with any internal investigation concerning a suspected incident of non-compliance.

H. No Workforce Member shall be punished solely on the basis that he/she reported what was reasonably believed to be a suspected incident of non-compliance. However, disciplinary action may be taken if a false report and/or accusation has been made.

I. A Workforce Member whose report of misconduct contains admissions of personal wrongdoing will not be guaranteed protection from disciplinary action. The weight to be given the self-reporting will depend on all the facts known at the time disciplinary action is taken.

J. The Compliance Officer will maintain a log of all calls, and records of compliance inquiries and responses, including applicable dates. These records will be analyzed for pertinent trends which will be reported to the Board of Directors and utilized to make appropriate changes to policies and procedures.

CRAIG HOMECARE COMPLIANCE PROGRAM

INVESTIGATION OF NON-COMPLIANCE AND RESPONSE

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure all reports of known or suspected incidents of non-compliance are properly investigated and the findings are acted upon properly and in a timely manner.

Policy Statement:

The Company shall investigate all reports of known or suspected incidents of non-compliance for the purpose of identifying those situations in which the laws, rules, and standards of State and Federal health care programs may not have been followed; identifying individuals who may have knowingly or inadvertently caused or assisted the filing or processing of claims in a manner which violates such laws, rules, or standards; facilitating the correction of any practices not in compliance with such laws, rules, or standards; implementing those procedures necessary to ensure future compliance; protecting the Company in the event of civil or criminal enforcement actions; and preserving and protecting the Company's assets.

Scope:

This policy is applicable to the Compliance Officer and all Workforce Members.

Procedure:

It shall be the responsibility of all Workforce Members to cooperate fully in the investigation of any report of a known or suspected incident of non-compliance and the implementation of any corrective action in response to the results of such an investigation. Any Workforce Member who fails to cooperate in such matters shall be subject to disciplinary action up to and including termination of employment or relationship with the Company.

A. Initial Investigation. Any report of a known or suspected incident of non-compliance shall be reviewed by the Compliance Officer who shall assure the following steps are taken whenever possible:

1. A preliminary report shall be prepared containing all available information relating to the suspected incident of non-compliance. Such written report shall be treated as a confidential document at all times.

2. Upon completion of the written report, the Compliance Officer and/or the Compliance Committee shall undertake an initial investigation as soon as reasonably possible to determine whether there is credible evidence of an incident of non-compliance. Investigation may consist of any appropriate method to ascertain whether there have been violations of law, policies, or procedures including but not limited to document review, interviews, and/or utilization of outside consultants.

3. If the Compliance Officer and/or the Compliance Committee determine no credible evidence exists, the Compliance Officer shall prepare a written report of the investigation, findings, and conclusions. As appropriate, the Compliance Officer shall provide such information to the person(s) who reported the matter.

4. The Compliance Officer and/or the Compliance Committee may seek the assistance of legal counsel in conducting the initial investigation and/or making the determination whether there is credible evidence of an incident of non-compliance.

5. If the Compliance Officer and/or the Compliance Committee determine there is credible evidence of a significant incident of non-compliance, he/she/it may refer the matter to legal counsel.

6. If the Compliance Officer and/or the Compliance Committee determine there is credible evidence of an incident of non-compliance, but concludes it is not necessary to involve legal counsel in the matter, the Compliance Officer and/or the Compliance Committee shall take appropriate action to make a conclusive determination with respect to the incident and take any and all appropriate corrective and remedial actions. The Compliance Officer will appropriately and adequately document such actions.

B. Investigation By Counsel. Legal counsel shall be responsible for directing the investigation of the alleged problem or incident following a referral by the Compliance Officer and/or the Compliance Committee. In undertaking this investigation, legal counsel may solicit the support of internal audit, external counsel and auditors, and internal and external resources with knowledge of the applicable laws and regulations and required policies, procedures, or standards that relate to the specific problem in question. These persons shall function under the direction of legal counsel and shall be required to submit relevant evidence, notes, findings, and conclusions to legal counsel. Counsel's investigation shall be commenced as soon as reasonably possible following the receipt of the complaint or report from the Compliance Officer and/or the Compliance Committee. The investigation shall include, as applicable, but need not be limited to:

1. An interview of the complainant and other persons who may have knowledge of the alleged problem or process and a review of the applicable laws and regulations to determine whether a problem actually exists.
2. The identification and review of any relevant documentation (*e.g.*, contracts, marketing materials, e-mails, claims) to determine the nature of the problem, the scope of the problem, the frequency of the problem, the duration of the problem, and the potential financial magnitude of the problem.
3. Interviews of the persons who appear to play a role in the process in which the problem exists. The purpose of the interview shall be to determine the facts related to the subject activity, and may include, but shall not be limited to:
 - a) the individual's understanding of laws, rules, regulations, and standards applicable to Federal health care programs;
 - b) the identification of persons with supervisory or managerial responsibility in the process;
 - c) the adequacy of the training of the individuals performing the functions within the process;
 - d) the extent to which any person knowingly or with reckless disregard or intentional indifference acted contrary to laws, rules, regulations and standards applicable to State and Federal health care programs; and
 - e) the nature and extent of potential civil or criminal liability for the Company and/or individual members of the workforce.
4. Legal counsel shall prepare and submit to the Compliance Officer and/or the Compliance Committee a summary report which (a) defines the nature of the problem, (b) summarizes the investigation process, (c) identifies any person whom the investigator believes to have either acted deliberately or with reckless disregard or intentional indifference toward the laws, rules, regulations, and standards applicable to Federal health care programs, (d) if possible, estimate the nature and extent of the resulting overpayment by the government, if any, and (5) makes recommendations concerning corrective action to be taken.

C. Organizational Response. It shall be the responsibility of the Compliance Officer in conjunction with the Compliance Committee and/or the Board of Directors, with the assistance of legal counsel, to formulate and implement an appropriate organizational response to each incident of non-compliance supported by credible evidence in a manner consistent with the following guidelines. It shall be the responsibility of all Workforce Members to cooperate fully in the implementation of such measures. Appropriate responses may include education, training,

monitoring, discipline, reporting and repayment, among other things. All departments involved in responding to incidents of non-compliance will retain appropriate documentation.

D. In the event the Company uncovers what appears to be criminal activity on the part of any director, officer, employee, owner, contractor, business associate, or business unit, it shall undertake the following steps:

1. It shall immediately stop all billing related to the problem until such time as the offending practices are corrected (if applicable), or terminate any improper contractual relationship.
2. It shall initiate appropriate disciplinary action against the person or persons whose conduct appears to have been intentional, willfully indifferent, or with reckless disregard for laws, rules, regulations, and standards relating to State or Federal health care programs. Appropriate disciplinary action may include suspension, demotion, and discharge, or termination of the contractual relationship.
3. In consultation with legal counsel, it shall make appropriate notifications to the proper government officials, if applicable.
4. Promptly undertake a program of education and other corrective action at the appropriate business unit to prevent future similar problems.
5. It shall take any other action deemed appropriate in the circumstances.

E. In the event the investigation reveals other problems which do not appear to be the result of conduct which is intentional, willfully indifferent, or with reckless disregard for the laws, rules, regulations, and standards relating to State or Federal health care programs, the Company shall nevertheless undertake the following steps:

1. Correct the defective practice or procedure as quickly as possible.
2. In consultation with legal counsel, calculate, report, and repay to the appropriate governmental entity duplicate payments or improper payments resulting from the act or omission within sixty (60) days of identifying the overpayment or the date a corresponding cost report is due, whichever is later, if applicable.
3. Initiate such disciplinary action, if any, as may be appropriate given the facts and circumstances. Appropriate disciplinary action may include, but is not limited to, reprimand, demotion, suspension, and discharge, or termination of the contractual relationship.
4. Promptly undertake a program of education and other corrective action at the appropriate business unit to prevent future similar problems.

F. The Compliance Officer will maintain appropriate documentation of all investigations including alleged, violation, description of investigative process, interview notes, key documents, log of witnesses, log of documents, and results of investigation. Documents should not be destroyed.

G. Any issue for which a corrective action plan is implemented shall be specifically targeted for monitoring and review in all future audits of the affected department or area.

H. The Compliance Officer shall regularly report to the Board of Directors and the President and COO concerning the status of all matters subject to the aforementioned investigatory processes, including the organizational response to such matters.

I. The Compliance Officer will review the results of all investigations to ascertain whether there are trends or patterns. Appropriate remedial action should be developed when necessary based upon investigative findings including reporting to the appropriate agency as applicable.

CRAIG HOMECARE COMPLIANCE PROGRAM

COMMUNICATION WITH GOVERNMENTAL ENTITIES

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure that all information supplied by the Company to any local, state, or federal governmental entity is complete and accurate, and that all communications with governmental entities are properly documented.

Policy Statement:

In submitting information relating to any claim for payment by any State or Federal health care program or responding to an inquiry from any government representative, Workforce Members shall provide all relevant information in a complete, accurate, and timely manner. For the protection of the Company, all communications with any government representative shall be properly documented.

Scope:

This policy is applicable to any communication with any government representative other than the routine electronic submission of claims.

Procedure:

A. All Workforce Members shall make every effort to ensure that all information, whether oral or written, submitted to a governmental entity with respect to any claim for payment or in response to specific inquiry is submitted in a complete, accurate, and timely manner. If necessary, corrections or supplemental information shall be submitted to ensure accuracy and completeness.

B. All communications between any Workforce Member and any governmental entity concerning compliance with applicable statutes, regulations, and program requirements should be properly documented. A record of any such request on the part of the Company, any written or oral response received from the entity, and a summary of any action taken to conform to such response shall be forwarded to the Compliance Officer. Legal counsel will be consulted as necessary.

C. If any Workforce Member receives a subpoena, inquiry, or other legal document relating to the Company's business, whether at home or in the workplace, from any government entity, the Workforce Member should notify the Compliance Officer immediately. If a Workforce Member is contacted at home by a government agent for the purpose of discussing information relating to the Company, the Workforce Member may request that the government agent schedule an appointment at such time when legal counsel may be present. A Workforce Member may obtain his/her own counsel, or if he/she prefers, the Company can provide legal counsel for him/her. If the Workforce Member desires to be represented by legal counsel furnished by the Company, he/she should contact the Compliance Officer to make such arrangements.

D. If a legal search warrant is presented to a Workforce Member at the Company's place of business, the following procedure should be followed:

1. Notify the Compliance Officer, or if unavailable, a member of the Company Management, immediately.
2. The officers are required to provide the Workforce Member with a copy of the search warrant. If they do not, the Workforce Member should ask them if he/she could make a copy of the search warrant.
3. Ask the officers to delay the search while waiting for the Compliance Officer or Management to arrive. If they proceed without waiting, be sure that someone accompanies the officers until either the Compliance Officer or Management arrives. The officers do not have to agree to wait.
4. The officers may only search the areas listed on the search warrant. However, if they choose to go into areas not listed on the search warrant, no one should interfere with them. It is important for the Workforce Member to document the areas that they do go into and provide this information to the Compliance Officer.
5. Make sure that any verbal statement made to officers is accurate. Avoid making broad statements that are technically incorrect and could be construed as misrepresentations, such as, "No, we never billed under that CPT under those circumstances."
6. Maintain an attitude of respect and cooperation with the officers. Such an attitude will avoid unnecessarily creating ill will which could have an adverse effect on the Company's position, but will also result in a greater likelihood of preserving rights and property during the search.
7. The Compliance Officer should notify legal counsel immediately and fax him/her a copy of the search warrant. Legal counsel will determine whether to come to the search site and be present throughout the search.

8. The Workforce Member in consultation with the Compliance Officer shall document all areas searched, documents seized, and the name of any person interviewed by officers.
9. The officers should provide the Workforce Member with a written inventory of any seized items.
10. All Workforce Members are encouraged to cooperate fully with officers executing the warrant. However, Workforce Members are expected to know their rights and the rights of the Company.

CRAIG HOMECARE COMPLIANCE PROGRAM

GOVERNMENT NOTIFICATION

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998); Section 6402 of the Patient Protection and Affordable Health Care Act, H.R. 3590, enacted March 23, 2010.

Purpose:

The purpose of this policy is to facilitate appropriate government notification.

Policy Statement:

When a completed investigation reveals conduct that in the Company's reasonable assessment violates State or Federal criminal, civil or administrative law governing State or Federal health care programs the Compliance Officer, Board of Directors, and legal counsel will determine notification obligations and a notification plan.

Scope:

This policy applies to the Compliance Department.

Procedure:

When the Compliance Officer, after investigation, has credible evidence of misconduct which violates criminal law or constitutes a material violation of the civil law governing Federal or State health care programs, then the Compliance Officer shall consult with the Board of Directors, and legal counsel to determine the appropriate government notification process within sixty (60) days after conclusion of the investigation.

The Compliance Officer should provide all relevant evidence with the report. When appropriate, identification and restitution of overpayments should proceed concurrently with notification. All overpayments must be reported and returned within sixty (60) days of identifying the overpayment or the date a corresponding cost report is due, whichever is later.

CRAIG HOMECARE COMPLIANCE PROGRAM

COMPLIANCE COMMITTEE MEETING AGENDAS AND MINUTES

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure that the activities of the Compliance Committee are properly documented.

Policy:

All activities of the Compliance Committee shall be properly documented, and such documents shall be maintained in a retrievable format.

Scope:

This policy applies to all activities of the Compliance Committee.

Procedure:

A. The Compliance Officer shall be responsible for preparing the agenda for the quarterly meetings of the Compliance Committee. The agenda and related materials for each meeting shall be distributed to members at the beginning of the meeting.

B. The agenda for each Compliance Committee meeting shall include a discussion of all compliance reports received by the Compliance Department since the Committee's last meeting, as well as a discussion of all ongoing compliance-related internal investigations, internal audit reports, and remedial actions.

C. The Compliance Officer shall be responsible for maintaining copies of all agendas and related materials for the Compliance Committee.

D. An attendance sheet shall be circulated at each meeting of the Compliance Committee. The Compliance Officer shall be responsible for maintaining such attendance sheets.

E. The Compliance Officer or his/her designee shall be responsible for preparing, submitting, amending, and maintaining minutes of the meetings of the Compliance Committee.

F. The Compliance Officer shall make appropriate designations on such minutes to identify the information contained therein that is confidential and/or subject to the privilege for

peer review and/or attorney-client communications, and shall take such action as necessary to protect the status of such information.

CRAIG HOMECARE COMPLIANCE PROGRAM

COMPLIANCE ANNUAL REPORT

Reference:

The Office of Inspector General's Program Guidance for Home Health Agencies (Aug. 7, 1998).

Purpose:

The purpose of this policy is to ensure the Board of Directors is regularly provided information concerning the status of the Company's Compliance Program.

Policy Statements:

On an annual basis, the Compliance Officer shall prepare and present a written report to the Board of Directors concerning the status of the Company's Compliance Program.

Scope:

This policy is applicable to the Compliance Department.

Procedure:

On an annual basis, the Compliance Officer shall prepare and present a written report to the Board of Directors concerning the status of the Company's Compliance Program. The report may cover, at the discretion of the Compliance Officer and the Compliance Committee, the following matters:

- A. Code of Conduct Education and Distribution.
- B. Compliance Reporting.
- C. Compliance Investigation and Response.
- D. Internal Auditing.
- E. Contracting Process.
- F. Compliance with State and Federal Anti-Kickback Statutes and other fraud and abuse laws.
- G. Compliance with the Anti-Inducement Provision of the Civil Money Penalties Act.

- H. Employment Screening.
- I. Independent Contractor Screening.
- J. Remedial Actions.
- K. Marketing.
- K. Review of Risk Assessment.

CRAIG HOMECARE
COMPLIANCE PROGRAM
Compliance Pledge

CRAIG HOMECARE COMPLIANCE PROGRAM

COMPLIANCE PLEDGE

I hereby acknowledge that I have been given a copy of the Craig HomeCare Compliance Program (the “Compliance Program”) and the Code of Conduct (or provided with instructions on how to access the Compliance Program and the Code of Conduct electronically) and completed an education session concerning the Compliance Program as part of my new employee orientation or annual training.

I have read, understand, and am currently in compliance with the Compliance Program and the Code of Conduct. I further understand that I must also comply with all applicable compliance-related policies and procedures and acknowledge that I am currently in compliance with such policies and procedures.

I agree to seek the advice of my supervisor, the Compliance Officer, or other appropriate individuals identified in the Compliance Program concerning appropriate actions that I may need to take in order to comply with the Compliance Program and the Code of Conduct.

I agree that, if I manage others, I will make all of my direct reports aware of their responsibilities and obligations under the Compliance Program and the Code of Conduct.

I certify that I am not currently aware of any non-compliance issues with respect to the Compliance Program, the Code of Conduct, Craig HomeCare’s policies and procedures, or Craig HomeCare’s business operations. I agree to promptly report any suspected or known violation of the Compliance Program to the Compliance Officer or other appropriate individuals identified in the Compliance Program.

I agree that, as a condition of my employment or relationship with Craig HomeCare, to comply with the Compliance Program, the Code of Conduct, the policies and procedures as amended from time-to-time, and any additional policies and procedures that may be applicable to me. I further acknowledge that I understand the laws and regulations applicable to my job responsibilities.

I further understand that violations of the Compliance Program, the Code of Conduct, or the policies and procedures may result in disciplinary action, including the termination of my employment with Craig HomeCare, or termination of my relationship with Craig HomeCare.

I certify that have never been convicted of any criminal offense relating to health care, nor been listed by a State or Federal agency as debarred, excluded, or otherwise ineligible for participation in any State or Federal health care program or otherwise conducting business with a state or the federal government.

Signature

Date

Printed Name