

POLICY MANUAL Hawthorne Foundation Inc.	Page 1 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By: JSM		Date:1/26/2022

Purpose:

The Hawthorne Foundation (sometimes referred to as "Agency" or "the Agency") is committed to prompt, complete, and accurate billing of all services provided to individuals. The Agency and its employees, contractors, and agents shall not make or submit any false or misleading entries on any claim forms. No employee, contractor, or agent shall engage in any arrangement or participate in such arrangement at the direction of another person, including any supervisor or manager, which results in the submission of a false or misleading entry on claims forms or documentation of services that result in the submission of a false claim.

It is the policy of the Agency to detect and prevent fraud, waste, and abuse in federal healthcare programs. This Policy explains the Federal False Claims Act (31 U.S.C. §§ 3729 - 3733), the Administrative Remedies For False Claims (31 USC Chapter 38 §§3801-3812), the New York State False Claims Act (State Finance Law §§187-194), and other New York State laws concerning false statements or claims and employee protections against retaliation. This policy also sets forth the procedures Hawthorne Foundation has put into place to prevent any violations of federal or New York State laws regarding fraud or abuse in its health care programs.

This policy applies to all current and former employees, including management, contractors, and agents. For purpose of this policy, a contractor or agent is defined as:

- Any contractor, subcontractor, agent, or other person which or who, on behalf of the Agency, furnishes, or otherwise authorizes the furnishing of Medicare and/or Medicaid health care items or services, performs billing or coding functions; or
- Is involved in the monitoring of health care provided by the Agency.

Overview of Relevant Laws:

The False Claims Act (31 U.S.C. §§ 3729-3733)

The False Claims Act is a federal law designed to prevent and detect fraud, waste, and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who "knowingly" submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of up to \$50,000 for each false claim submitted.

The law was revised in 1986 to expand the definition of "knowingly" to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

POLICY MANUAL Hawthorne Foundation Inc.	Page 2 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim.

Some examples include:

- Knowingly making false statements;
- Falsifying records;
- Submitting claims for services never performed or items never furnished;
- Double-billing for items or services;
- Using false records or statements to avoid paying the Government;
- Falsifying time records used to bill Medicaid; or
- Otherwise causing a false claim to be submitted.

Whistleblower or "Qui Tam" Provisions

In order to encourage individuals to come forward and report misconduct involving false claims, the False Claims Act contains a "Qui Tam" or whistleblower provision.

The Government, or an individual citizen acting on behalf of the Government, can bring actions under the False Claims Act. An individual citizen, referred to as a whistleblower or "Relater," who has actual knowledge of allegedly false claims may file a lawsuit on behalf of the U.S. Government. If the lawsuit is successful, and provided certain legal requirements are met, the whistleblower may receive an award ranging from 15% - 30% of the amount recovered.

Employee Protections

The False Claims Act prohibits discrimination by the Agency against any current or former employee, including independent contractors who discloses or threatens to disclose to a supervisor or public body an activity, policy, or practice of the employer that:

- (i) The employee reasonably believes is in violation of any law, rule, or regulation; or
- (ii) The employee reasonably believes poses a substantial and specific danger to the public health or safety.

Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in False Claims actions is entitled to all relief necessary to make the employee whole. Such relief may include reinstatement, double back pay, and compensation for any special damages, including litigation costs and reasonable attorney fees.

POLICY MANUAL Hawthorne Foundation Inc.	Page 3 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

Administrative Remedies for False Claims (31 USC Chapter 38. §§3801-3812)

This federal statute allows for administrative recoveries by federal agencies including the Department of Health and Human Services, which operates the Medicare and Medicaid Programs. The law prohibits the submission of a claim or written statement that the person knows or has reason to know is false, contains false information, or omits material information. The agency receiving the claim may impose a monetary penalty of up to \$5,500 per claim and damages of twice the amount of the original claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted, not when it is paid. Also, unlike the False Claims Act, the determination of whether a claim is false, and imposition of fines and penalties is made by the administrative agency, and not by prosecution in the federal court system.

New York State Laws and Regulations

A. Civil and Administrative Laws

New York State False Claims Act (State Finance Law §§187-194)

The New York State False Claims Act closely tracks the federal False Claims Act. It imposes fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. The penalty for filing a false claim is \$6,000 - \$12,000 per claim and the recoverable damages are between two and three times the value of the amount falsely received. In addition, the false claim filer may be responsible for the government's legal fees.

The Government, or an individual citizen acting on behalf of the Government (a "Relator"), can bring actions under the New York State False Claims Act. If the suit eventually concludes with payments back to the government, the party who initiated the case can recover 15% - 30% of the proceeds, depending upon whether the government participated in the suit. The New York State False Claims Act prohibits discrimination against an employee for taking lawful actions in furtherance of an action under the Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in furtherance of an action under the False Claims Act is entitled to all relief necessary to make the employee whole.

Social Service Law §145-b False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate

POLICY MANUAL Hawthorne Foundation Inc.	Page 4 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

concealment, or another fraudulent scheme or device. The State or the local Social Services district may recover up to three times the amount of the incorrectly paid claim. In the case of non-- monetary false statements, the local Social Service district or State may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to \$2,000 per violation. If repeat violations occur within five years, a penalty up to \$7,500 may be imposed if they involve more serious violations of the Medicaid rules, billing for services not rendered, or providing excessive services.

Social Service Law §145-c Sanctions

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the person's and the person's family needs are not taken into account for a period of six months to five years, depending upon the number of offenses.

B. Criminal Laws

Social Service Law §145 Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

Social Service Law § 366-b. Penalties for Fraudulent Practices

Any person who, with intent to defraud, presents for payment any false or fraudulent claim for furnishing services or merchandise, knowingly submits false information for the purpose of obtaining Medicaid compensation greater than that to which he/she is legally entitled to, or knowingly submits false information in order to obtain authorization to provide items or services shall be guilty of a Class A misdemeanor.

Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation, or other fraudulent means is guilty of a Class A misdemeanor.

Penal Law Article 155, Larceny

The crime of larceny applies to a person who, with intent to deprive another of property, obtains, takes or withholds the property by means of a trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. This law has been applied to Medicaid fraud cases.

POLICY MANUAL Hawthorne Foundation Inc.	Page 5 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

Penal Law Article 175. Written False Statements

There are four crimes in this Article that relate to filing false information or claims. Actions include falsifying business records, entering false information, omitting material information, altering an agency's business records, or providing a written instrument (including a claim for payment) knowing that it contains false information. Depending upon the action and the intent, a person may be guilty of a Class A misdemeanor or a Class E felony.

Penal Law Article 176. Insurance Fraud

This Article applies to claims for insurance payment, including Medicaid or other health insurance. The six crimes in this Article involve intentionally filing a false insurance claim. Under this article, a person may be guilty of a felony for false claims in excess of \$1,000.

Penal Law Article 177. Health Care Fraud

This Article establishes the crime of Health Care Fraud. A person commits such a crime when, with the intent to defraud Medicaid (or other health plans, including non-governmental plans), he/she knowingly provides false information or omits material information for the purpose of requesting payment for a health care item or service and, as a result of the false information or omission, receives such a payment in an amount to which he/she is not entitled. Health Care Fraud is punished with fines and jail time based on the amount of payment inappropriately received due to the commission of the crime.

New York Labor Law §740

An employer may not take any retaliatory personnel action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official.

This law offers protection to an employee who:

- discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy, or practice of the employer that is in violation of law, rule, or regulation that presents a substantial and specific danger to the public health or safety, or which constitutes health care fraud (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions);

POLICY MANUAL Hawthorne Foundation Inc.	Page 6 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

- provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any such violation of a law, rule, or regulation by the employer; or
- objects to, or refuses to participate in any such activity, policy or practice in violation of a law, rule, or regulation.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. The law allows employees who are the subject of a retaliatory action to bring a suit in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

New York Labor Law §741

Under this law, a health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement, or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care.

The employee's disclosure is protected under this law only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If the employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health care provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

A. Regulations

Title 18, New York Codes, Rules and Regulations. Part 521

Under this regulation, an employer may not intimidate nor retaliate against an individual to prevent good faith reporting of compliance issues including but not limited to reporting potential issues, investigating issues, self-evaluations, audits and remedial actions, and reporting to appropriate

POLICY MANUAL Hawthorne Foundation Inc.	Page 7 of 9	Policy #: CC-007
	Department: Corporate Compliance	
	Subject: False Claims Act and Whistleblower Provisions	
Approved By:		Date:
Reviewed / Revised By:		Date: 1/26/2022

officials as provided in sections seven hundred forty and seven hundred forty-one of the New York Labor Law.

Policy:

1. The Hawthorne Foundation will provide training in this policy and procedure to all its employees, contractors, and agents. This training will be provided to all new employees as part of the new employee orientation.
2. The Hawthorne Foundation will perform billing activities in a manner consistent with the regulations and requirements of third party payors, including Medicaid and Medicare.
3. The Hawthorne Foundation will conduct regular auditing and monitoring procedures as part of its efforts to assure compliance with applicable regulations.
4. Any employee, contractor, or agent who has any reason to believe that anyone is engaging in false billing practices or false documentation of services is expected to report the practice according to the Agency's Reporting of Compliance Concerns and Non-Retaliation Policy and Procedure.
5. Any form of intimidation of, or retaliation against, any employee who reports or threatens to report a perceived problem or concern in good faith is strictly prohibited.
6. Any employee who commits or condones any form of intimidation or retaliation will be subject to discipline up to, and including, termination.

Procedures:

1. The Compliance Officer will ensure that all employees and agents receive training related to the contents of this policy and the False Claims Act. The Compliance Officer will ensure that records are maintained to document the receipt of training.
2. The Compliance Officer will assure that this policy and procedure is attached to any contract with outside contractors or agents (as defined by this policy).

Attachment: HFI Whistleblower Policy (CC-007A)



HAWTHORNE FOUNDATION, INC. WHISTLEBLOWER POLICY

General

Hawthorne Foundation, Inc. requires its directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of Hawthorne Foundation, Inc., we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

This policy is not a vehicle for reporting violations of Hawthorne Foundation, Inc.'s applicable human resources policies, problems with co-workers or managers, or for reporting issues related to alleged employment discrimination or sexual or any other form of unlawful harassment, all of which should be dealt with in accordance with the "Personnel Policies and Procedures" of Hawthorne Foundation, as it is those Policies and Procedures that are applicable to such matters.

The matters which should be reported under this policy include suspected fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, misuse of Hawthorne Foundation, Inc. assets or suspected regulatory, compliance, or ethics-related issues, concerns or violations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to report violations or suspected violations of high business and personal ethical standards and/or applicable legal requirements (Violations) in accordance with this Whistleblower Policy.

No Retaliation

No director, officer, current or former employee, contractors or vendors who in good faith reports a Violation shall suffer harassment, retaliation or adverse employment consequence. An employee or officer who retaliates against someone who has reported a Violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within Hawthorne Foundation, Inc. prior to seeking resolution outside Hawthorne Foundation, Inc.

Reporting Violations

Questions, concerns, suggestions or complaints regarding the ethical and legal standards noted above should be addressed directly to the Chair of Hawthorne Foundation, Inc. Audit Committee. The Chair of Hawthorne Foundation, Inc. Audit Committee is Mr. John Shaw, Board President, Hawthorne Foundation, Inc., 5 Bradhurst Avenue, Hawthorne, NY 10532.

Chair of Hawthorne Foundation, Inc. Audit Committee

The Chair of Hawthorne Foundation, Inc Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning the ethical and legal standards noted above and shall advise the Audit Committee and, if the Chair deems it appropriate, the Executive Director, of all such complaints and allegations. The Chair of the Audit Committee is required to report to the full Board of Directors at least annually regarding such complaints and allegations.

Accounting and Auditing Matters

The Audit Committee shall address all reported concerns regarding corporate accounting practices, internal controls or auditing brought to its attention. The Chair of the Audit Committee shall immediately notify the Audit Committee of any such complaint and work with the Committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the ethical and legal standards noted above must act in good faith and have reasonable grounds for believing the information disclosed may indicate a violation of such standards. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will result in discipline, up to and including termination.

Handling of Reported Violations

The Chair of the Audit Committee will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

If the Chair does not get back to the sender within five business days, the individual should immediately contact the Chairperson of the Board, Human Resources or Quality Assurance Coordinator, who in turn will ensure follow-up of the reported violation.

POLICY MANUAL Hawthorne Foundation Inc.	Page 1 of 3	Policy #: CC-008
	Department: Corporate Compliance	
	Subject: Internal Auditing and Monitoring	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

Purpose:

The Hawthorne Foundation (sometimes referred to as “Agency” or “the Agency”) developed and implemented a compliance program in an effort to establish, in part, effective internal controls that promote adherence to applicable federal and state laws and requirements. An important component of the compliance program is the use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.

The Hawthorne Foundation recognizes the need for internal controls, but also realizes that resources are limited. Therefore, this policy focuses on the Agency’s resources to effectively and efficiently audit and monitor risk areas.

Policy:

1. The Hawthorne Foundation will conduct ongoing auditing and monitoring of identified risk areas related to compliance including but not limited to billing, fiscal management, clinical operations, and service provision.
2. The senior management team will ensure that ongoing auditing and monitoring is properly conducted, documented, and reported.
3. The Compliance Officer will be responsible for oversight of the Agency’s internal auditing system and is authorized to delegate auditing duties to other Agency personnel, accountants, consultants, and attorneys, as necessary and appropriate.

Procedures:

1. On an annual basis, the Compliance Officer, in conjunction with the Executive Director, senior management, and Corporate Compliance Committee, will determine the scope and format of routine audits of the Agency’s operations. The Compliance Officer will include all scheduled audits on a work plan that is shared with the Corporate Compliance Committee and the Board of Directors.
2. The Compliance Officer will recommend and facilitate auditing and monitoring of the identified risk areas related to compliance with laws and regulations, as well as Agency policies, procedures, and standards of conduct. Such risk areas may be identified through the regular course of business, external alerts, or internal reporting channels.
3. The Corporate Compliance Officer will facilitate all audits of financial processes or systems with the Chief Financial Officer. The audits will serve to ensure that internal controls are in place so that:
 - Generally Accepted Accounting Principles (GAAP) are followed; and
 - Federal, state, and local laws, regulations, and requirements are met.

POLICY MANUAL Hawthorne Foundation Inc.	Page 2 of 3	Policy #: CC-008
	Department: Corporate Compliance	
	Subject: Internal Auditing and Monitoring	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

4. The Compliance Officer will facilitate all audits of operational and programmatic issues with the Agency's Chief Operations Officer. The audits will serve to evaluate, at minimum, the following:
 - Compliance with laws, regulations, and related policies and procedures governing Agency's programs and operations;
 - Fraud and abuse issues;
 - Third party billing practices;
 - Service delivery and documentation practices;
 - Employment practices;
 - Conflict of Interest;
 - Contract review;
 - Employee, independent contractor, and Board compliance training and education; and
 - Corporate Compliance Plan and related policies.
5. The audits and reviews will examine the Agency's compliance with specific rules and policies through on-site visits, personnel interviews, general questionnaires (submitted to employees and contractors), clinical record reviews to support claims for reimbursement, and documentation reviews. The Compliance Officer will conduct and/or oversee compliance reviews with assistance from management staff and/or quality assurance/internal audit staff with the requisite skills to carry out the audit. Whenever feasible, the Compliance Officer will seek to have audits conducted by Agency employees who are not involved in the delivery of services subject to the audit.
6. The Compliance Officer will determine the sample size and sample criteria prior to each audit. All review tools used will be standardized throughout the Agency and approved by the Compliance Officer.
7. Each agency program will conduct a review of its compliance with applicable regulations and quality measures on at least an annual basis. Senior management staff shall be responsible to identify needs for internal auditing of specific issues under their oversight.
8. A written report of audit findings will be forwarded to the Compliance Officer and Program Director within seven days from the completion of the internal audit.
9. Within thirty days of receipt of the written report of findings, the Program Director will submit a written Plan of Corrective Action to the Compliance Officer for review. The Program Director is responsible to ensure that corrective measures are implemented and monitored for effectiveness.

POLICY MANUAL Hawthorne Foundation Inc.	Page 3 of 3	Policy #: CC-008
	Department: Corporate Compliance	
	Subject: Internal Auditing and Monitoring	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

10. The Compliance Officer will ensure that a post-audit review is scheduled to occur within three months of the completion dates specified in the Plan of Corrective Action.
11. The results of all internal auditing and monitoring activities, including records reviewed, audits results, and corrective actions, will be recorded and maintained by the Compliance Officer.
12. Any correspondence from any regulatory agency charged with administering a federally or state-funded program received by any department of the Agency will be copied and promptly forwarded to the Compliance Officer for review and subsequent discussion by the Corporate Compliance Committee.
13. Program management will immediately notify the Compliance Officer of any visits, audits, investigations, or surveys by any regulatory agency or authority. Results (oral or written) of any visits, audits, investigations, or surveys will be forwarded to the Compliance Officer promptly upon receipt by Agency personnel.
14. The Compliance Officer will be responsible to report to the Corporate Compliance Committee on the general status of compliance reviews, the outcome of compliance auditing and monitoring, and the corrective actions taken. The reporting will occur at the first regularly scheduled Corporate Compliance meeting after the conclusion of the audit
15. The Compliance Officer will be responsible to report the results of auditing and monitoring activities and corrective actions at least annually to the Board of Directors. The report will also include an assessment of any compliance risks to the Agency.
16. On a year-to-year basis, the Compliance Officer will benchmark audit results and compare results of similar audits to determine whether improvement is occurring.
17. On an annual basis, the Compliance Officer will monitor the effectiveness of the Corporate Compliance Plan and will update compliance policies and procedures, as necessary, to comply with regulatory changes or industry trends. The Compliance Officer will provide a report of this review to the Corporate Compliance Committee and the Board of Directors.

POLICY MANUAL Hawthorne Foundation Inc.	Page 1 of 5	Policy #: CC-009
	Department: Corporate Compliance	
	Subject: Investigation of Compliance Issues	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

Purpose:

The Hawthorne Foundation Inc. ("Agency") implemented a Corporate Compliance Program in an effort to establish a culture within the organization that promotes prevention, detection, and resolution of misconduct. This is accomplished, in part, by establishing communication channels for employees to report problems and concerns. Employees are encouraged to report issues via the traditional chain of command, Human Resources, Compliance Hotline, or directly to the Compliance Officer. Therefore, the Compliance Officer is responsible for responding to compliance issues that are raised through the various communication channels. This policy is designed to establish a framework for managing and responding to compliance issues that are raised to the Compliance Officer.

Policy:

The Hawthorne Foundation Inc. will respond to reports or reasonable indications of suspected non-compliance by commencing a prompt and thorough investigation of the allegations to determine whether a violation has occurred.

Employees who report non-compliance related issues or concerns to the Compliance Officer or the Compliance Hotline will be politely redirected to the appropriate department or individual. In instances where the employee seeks confidentiality or reports anonymously, the Compliance Officer shall redirect the report to the appropriate department or individual while maintaining the request for confidentiality/anonymity.

Procedures:

1. The Compliance Officer will conduct or oversee the conduction of all internal investigations involving compliance-related issues and shall have the authority to engage outside legal counsel or other consultants, as needed. The Compliance Officer will consider whether the investigation should be conducted under attorney/client privilege.
2. Before conducting an investigation of any compliance-related issue, the Compliance Officer shall ensure a full understanding of the relevant laws, regulations, and government issuances.
3. Upon report or notice of alleged non-compliance, the Compliance Officer will conduct an initial inquiry into the alleged situation. The purpose of the initial inquiry is to determine whether there is sufficient evidence of possible non-compliance to warrant further investigation. The initial inquiry may include documentation review, interviews, audit, or other investigative technique. The Compliance Officer shall:
 - conduct a fair impartial review of all relevant facts;

POLICY MANUAL Hawthorne Foundation Inc.	Page 2 of 5	Policy #: CC-009
	Department: Corporate Compliance	
	Subject: Investigation of Compliance Issues	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

- restrict the inquiry to those necessary to resolve the issues; and
 - conduct the inquiry with as little visibility as possible while gathering pertinent facts relating to the issue.
4. If deemed appropriate, the Compliance Officer will recommend the cessation of internal activities that may be the cause of, or contribute to the alleged non-compliance.
 5. If, during the initial inquiry, the Compliance Officer determines that there is sufficient evidence of possible noncompliance of any criminal, civil, or administrative law to warrant further investigation, the issue should be turned over to legal counsel. A memorandum to this effect should be directed to legal counsel with a copy to the Executive Director. The memorandum should state whether legal counsel or the Compliance Officer will be leading the investigation. All documents produced during the investigation by legal counsel to be possibly protected from disclosure should include the notation: "Privileged and Confidential Document; Subject to Attorney-Client Privileges; Attorney Directed Work Product."
 6. The Compliance Officer, in consultation with legal counsel, the Executive Director, and the Corporate Compliance Committee, will evaluate the violation to determine if a voluntary self-disclosure of the violation is appropriate. In the event voluntary disclosure is appropriate or required, the Compliance Officer will consult with external counsel on the notification of appropriate government officials, private payors, or other entities. Notification shall be made within a reasonable time period from date of discovery and may include restitution of monies paid by the applicable federal or state agency, payor, or other entity.
 7. For investigations that do not involve legal counsel, the Compliance Officer will determine what personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Compliance Officer will also decide whether the Agency has sufficient internal resources to conduct the investigation or whether external resources are necessary.
 8. The Compliance Officer shall work with the investigation team to develop a strategy for reviewing and examining the facts surrounding the possible violation. The Compliance Officer will consider the need for an audit of billing practices and determine the scope of interviews.
 9. The Compliance Officer will maintain all notes of the interviews and review of documents as part of the investigation file.
 10. The Compliance Officer should ensure that the following objectives are accomplished:
 - Fully debrief complainant;
 - Notify appropriate internal parties;
 - Identify cause of problem, desired outcome, affected parties, applicable guidelines, and possible regulatory or financial impact;

POLICY MANUAL Hawthorne Foundation Inc.	Page 3 of 5	Policy #: CC-009
	Department: Corporate Compliance	
	Subject: Investigation of Compliance Issues	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

- Provide a complete list of findings and recommendations;
 - Determine the necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, training/education); and
 - Document the investigation.
11. Upon receipt of the results of the investigation, depending upon the scope and severity of the identified violations, the Compliance Officer may consult with outside legal counsel, the Executive Director, and/or the Corporate Compliance Committee to determine:
 - the results of the investigation and the adequacy of recommendations for corrective actions;
 - the completeness, objectivity, and adequacy of recommendations for corrective actions; and/or
 - further actions to be taken as necessary and appropriate.
 12. Upon conclusion of the investigation, the Compliance Officer will organize the information in a manner that enables the Agency to determine if an infraction did, in fact, occur. The Corporate Compliance Officer will track the investigation, responsible parties, and due dates in a compliance log. The log will include the resolution of the investigation as closed or fully resolved.
 13. The Compliance Officer will be responsible for reporting the results of all investigations to the Executive Director, Corporate Compliance Committee, and the Board.
 14. The Compliance Officer or Program Director will inform the reporter, if known, of the conclusion of the investigation and the outcome, if appropriate.

Attachment: Compliance Issue Report Form (CC-009A)



Hawthorne
Foundation Inc.

HAWTHORNE FOUNDATION, INC.

Compliance Issue Report Form

Today's date (date report filed): ____/____/____

Your name: _____

Title/Position: _____

Department/Program Contacted _____

Mode of Contact:

- | | | |
|---|--|--------------------------------------|
| <input type="checkbox"/> Report to Supervisor | <input type="checkbox"/> Hotline | <input type="checkbox"/> Email |
| <input type="checkbox"/> Compliance Officer | <input type="checkbox"/> Walk-In | <input type="checkbox"/> Agency line |
| <input type="checkbox"/> Letter or Note | <input type="checkbox"/> Staff Meeting | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Letter to Board or CEO | <input type="checkbox"/> Compliance Training | |

Source of Report:

- | | | |
|---|---|---------------------------------------|
| <input type="checkbox"/> Employee, Independent Contractor | <input type="checkbox"/> Vendor/Subcontractor | <input type="checkbox"/> Board Member |
| <input type="checkbox"/> Service Recipient/Family Member | <input type="checkbox"/> Other Provider | <input type="checkbox"/> Other _____ |

Contact Confidentiality Status:

- ☐ Anonymous ☐ Confidential

Name _____
Phone _____

Type of Report:

- ☐ Suspected Violation/Misconduct ☐ Regulatory Inquiry ☐ Agency P&P Inquiry ☐ Ethical Business Practice

Is this a question about the Compliance Program? Yes ____ No ____ If yes, indicate question here:

Is this a suspected violation of the Compliance Program? Yes ____ No ____

If yes, answer the questions below: (Attach additional sheets if necessary.)

Please describe in as much detail as possible, the violation: (Please be specific where the violation may have occurred)

When did this occur? ____/____/____

Were you directly involved? _____

If yes, describe what you did

Who else was directly involved? (Names and positions, if known):

1. _____
2. _____
3. _____
4. _____
5. _____

Compliance Issue Report Form
Page 2 of 2

Is there any documentation or other evidence of the alleged violation? Please describe/list or attach:

Has the reporter discussed this issue with anyone else within Agency? Please list by name and position:

1.

2.

3.

4.

5.

Has the reporter discussed this with others outside the Agency? Please identify by name and relationship:

Completed by:

Date:

 Title:

Forward completed form to Compliance Officer

For Use by Compliance Officer:

Follow Up:

Reported to Compliance Officer by: <hr/>	Date: <hr/>	Time: <hr/>
Reported to Executive Director: <hr/>	Date: <hr/>	Time: <hr/>
Reported to Compliance Committee: <hr/>	Date: <hr/>	
Reported to Board: <hr/>	Date: <hr/>	

Actions Taken:

<input type="checkbox"/> Immediate Response Provided	<input type="checkbox"/> Internal investigation initiated; assigned to: <hr/>	Date: <hr/>
<input type="checkbox"/> Researched regulations	<input type="checkbox"/> External investigation; Entity <hr/>	Date: <hr/>
<input type="checkbox"/> Researched Agency P&P	<input type="checkbox"/> Referred to legal counsel <hr/>	Date: <hr/>
<input type="checkbox"/> Responded to reporter; date <hr/>		

Summary of Action Taken:

Final Disposition by Compliance Officer:

Classification:

Compliance Report Log Number:

Completed by:

<hr/> Compliance Officer Name	<hr/> Signature	<hr/> Date
-------------------------------	-----------------	------------

POLICY MANUAL Hawthorne Foundation Inc.	Page 1 of 4	Policy #: CC-010
	Department: Corporate Compliance	
	Subject: Reimbursement Practices and Billing Errors	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

Purpose:

The Hawthorne Foundation (sometimes referred to as “Agency” or “the Agency”) is committed to accuracy and integrity in all its billing, coding, and other reimbursement operations. To reinforce this commitment, the Compliance Officer is responsible for general oversight of billing, coding, and other reimbursement operations in accordance with this policy.

Policy:

The Hawthorne Foundation is committed to ensuring that its reimbursement practices comply with all federal and state laws, regulations, guidelines, and policies. The Agency prohibits the intentional submission for reimbursement any claim that is false, fraudulent, or fictitious. Furthermore, the Agency is committed to ensuring against the accidental submission of any claim that is false or inaccurate.

This commitment includes a policy of ensuring accurate billing of claims for services that are actually rendered and deemed medically necessary. This policy and the following procedures were adopted to ensure that general guidance is available for all employees.

Procedures:

1. The Compliance Officer is responsible for ensuring that all reimbursement and billing procedures contained in this policy are integrated into the operations of the organization.
2. All employees will receive compliance training that will reinforce the following policies:
 - Anyone who has knowledge of a problem related to reimbursement (e.g., submission of a claim that is false or contains false information) must report that problem to management (employees can report directly to management or use the hotline).
 - Failure to report a known problem related to reimbursement will subject an employee to disciplinary action.
 - Inaccurate claims submission may subject the Hawthorne Foundation, involved employees, and other representatives to civil or criminal penalties.
 - Anyone reporting a problem or concern in good faith will be protected by the non-retaliation policy.
3. The Compliance Officer is responsible for ensuring that the Code of Conduct provides adequate general guidance concerning appropriate reimbursement practices.
4. The Compliance Officer is responsible for making sure that the employee compliance training program includes interactive training on reimbursement practices.