



Code of Ethics & Business Integrity

Through the power of the Holy Spirit and in response to God's love as revealed in the Gospel, the mission of Lutheran Social Ministries of New Jersey is to serve those in New Jersey who hurt, who are in need, or who have limited choices.

Lutheran Social Ministries of New Jersey
3 Manhattan Drive, Burlington, NJ 08016
Phone: 609-386-7171 Fax: 609-386-7191 www.lsmnj.org

February 2017

Table of Contents

| | |
|--|----|
| Scope | 1 |
| Management | 1 |
| Compliance Officer | 1 |
| From the President’s Desk..... | 2 |
| Introduction | 3 |
| A Shared Responsibility | 3 |
| A Personal Obligation..... | 4 |
| Reporting Process..... | 4 |
| Care and Service Excellence | 4 |
| Client Rights | 4 |
| Abuse and Neglect | 5 |
| Client Confidentiality..... | 6 |
| Client Property..... | 6 |
| Providing Quality of Care and Service..... | 6 |
| Medical Services | 7 |
| Professional Excellence..... | 7 |
| Hiring and Employment Practices | 7 |
| Employee Screening | 7 |
| Licensure, Certification and Exclusion Screening | 8 |
| Workplace Relations | 8 |
| Workplace Violence | 8 |
| Workplace Safety | 8 |
| Drug and Alcohol Abuse..... | 8 |
| Organizational Relations | 9 |
| Proprietary Information | 9 |
| Business Courtesies and Gifts | 9 |
| Conflict of Interest..... | 10 |
| Use of Property | 10 |
| Computers and the Internet..... | 10 |
| Vendor Relationships | 11 |
| Marketing and Advertising | 11 |
| Regulatory Excellence..... | 11 |
| Billing and Business Practices | 12 |
| Referrals and Kickbacks..... | 12 |
| Inducements to Prospective Residents | 13 |
| Copyright Laws | 13 |
| Financial Practices and Controls | 13 |
| Fair Dealing | 13 |

| | |
|--|----|
| Protection and Proper Use of Assets | 13 |
| Document Creation, Use and Maintenance | 13 |
| Voluntary Disclosure..... | 14 |
| Government Investigations | 14 |
| Disciplinary Action..... | 14 |
| Compliance Questions | 15 |
| Conclusion | 15 |
| Commitment to Compliance Receipt | 16 |

Scope

The Lutheran Social Ministries of New Jersey (LSMNJ) Code of Ethics & Business Integrity (Code) encompasses the compliance issues, laws and regulations and guidelines that are relevant to a wide range of health and community services. This includes but is not limited to Medicare and Medicaid rules and regulations, guidelines from the Office of Inspector General, Internal Revenue Service and the Office of Civil Rights of the Department of Health and Human Services, Occupational Safety and Health Administration, Housing and Urban Development as well as other regulatory and business issues. The program fosters a culture of compliance that promotes legal and ethical behavior in the workplace by creating processes that detect and prevent fraud, waste, abuse, and policy violations. The Code of Conduct is supported by our compliance policies and procedures and should be read and understood jointly with those policies and procedures.

This Code applies to every person at every level of the organization. This includes employees, officers, trustees, independent contractors and vendors who may provide or are involved with our business and delivery of services. The term Client refers to individuals who receive the various types of healthcare and service, and other social and community services that we provide.

The term team member defines the various individuals who are associated with LSMNJ. All individuals, including employees, vendors, contractors, officers and trustees are members of our team in providing care and service and services to our Clients.

Any questions regarding the policies in the Code or references should be directed to your immediate supervisor, the Compliance Liaison, the Compliance Official, a member of the Compliance Committee, or the Compliance Officer.

Management

The President & CEO, in conjunction with the Board of Trustees, carries the overall responsibility for creating a culture that values and emphasizes compliance and integrity and ensures privacy through the implementation, support and monitoring of the Code.

The following persons have been appointed as the **Compliance Liaison for the areas or programs for which they are accountable:**

CAO and overall corporate responsibilities: Executive Assistant to President & CEO
Crane's Mill: Vice President & Executive Director
Lutheran Crossings at Moorestown: Vice President & Executive Director
Lutheran Senior LIFE at Jersey City: Vice President & Executive Director
The Villa at Florham Park: Executive Director
Housing: Executive Director Housing

Compliance Officer

The Friends Services for the Aging (FSA) Vice President of Compliance, Karla Dreisbach, CHC, CHPC, serves as our Compliance Officer. She has the responsibility to assist the Compliance Official, the CEO, and the Board of Directors in designing and overseeing efforts in establishing, maintaining, and monitoring compliance within our organization.

The Compliance Officer works with our President & CEO and our Compliance Official and has direct reporting responsibility to the Board of Trustees. The Compliance Officer is responsible for continued coordination with the Compliance Official for the development, implementation, training, monitoring, and enforcement activities related to the overall compliance program. The Compliance Officer is assisted by Peace Church Compliance Program (PCCP) Compliance Managers and Compliance Specialists in providing services to our organization.



FROM THE PRESIDENT'S DESK

Dear Colleagues,

We have a long tradition of social ministry that demonstrates our Christian mission of love and compassion. We strive to follow our mission statement and the Lutheran heritage of ethical and moral decision-making in the care and services that we provide. This mission and heritage enables us to share our values with the Clients and residents we serve.

At the same time, our work is subject to many laws and regulations. We all share accountability for ensuring that we diligently comply with both the letter and the spirit of these laws and regulations. We have a Compliance and Ethics Program at Lutheran Social Ministries of New Jersey to help support this shared accountability to make the right decisions. This Code of Ethics and Business Integrity (Code) is part of our Program. The Code not only reflects our mission statement, heritage and values, but also serves as a bold statement that influences how we enhance the quality of life for our Clients and residents.

The Compliance Program and the Code exist to guide our actions to be both ethical and compliant with applicable laws and regulations. Importantly, our Code does not replace our individual obligations to make wise, fair and honest decisions. It is intended to explain our personal and organizational responsibility and to reflect those areas in which improper or unwise decisions and actions can harm our entire organization and our commitment to those we serve. Each staff member is responsible in helping to protect our work environment in compliance with both the letter and spirit of the laws and regulations under which we operate.

I value your work and appreciate your support in maintaining an ethical work place and commend you for your commitment to honesty and integrity. I thank you for your contribution to LSMNJ's mission, values and most importantly – to our Clients and residents.

Sincerely,

A handwritten signature in black ink that reads "Colleen P. Frankenfield".

Colleen P. Frankenfield
President & Chief Executive Officer

LUTHERAN SOCIAL MINISTRIES OF NEW JERSEY

Code of Ethics & Business Integrity

Introduction

The Code of Ethics & Business Integrity (Code) is part of the foundation of our compliance and ethics program. The Code is a guide to appropriate workplace behavior; it is intended to help you make the right decisions if you are not sure how to respond to a situation. Our team members must comply with both the spirit and the letter of all federal, state and local laws and regulations that apply to the health and community services that we provide, as well as all laws that apply to our business dealings. Violations of these laws and regulations can result in severe penalties for us and the individuals we do work with including financial penalties, exclusion from participation in government programs and in some cases criminal prosecution.

As a team member, you share a commitment to legal, ethical and professional conduct in everything that you do. We support these commitments in our work each day, whether we care and service for Clients, order supplies, prepare meals, keep records, take physician orders, pay invoices or make decisions about the future of our organization.

The success of Lutheran Social Ministries of New Jersey as a provider of health and community services depends on you, your personal and professional integrity, your responsibility to act in good faith and your obligation to do the right things for the right reasons.

This Code supplements the Employee Handbook and the specific Policies and Procedures that apply to departmental job responsibilities. As a business partner or contracted partner it provides guidelines and expectations for our continued relationship. The Code discusses the importance of:

Care and Service Excellence – providing quality, compassionate, respectful and clinically appropriate care and service.

Professional Excellence – maintaining ethical standards of health and community services and business practices.

Regulatory Excellence – complying with federal and state laws, regulations and guidelines that govern health and community services we provide.

A Shared Responsibility

Because we are in the business of caring for and providing community and social services for others, it is critical that each of us adheres to appropriate standards of behavior. As individuals and as an organization we are responsible to many different groups. We must act ethically and responsibly in our relations with:

- Clients and their families;
- Colleagues and coworkers;
- Volunteers and affiliated colleagues;
- Healthcare and service payers, including the federal and state governments;
- Regulators, surveyors and monitoring agencies;
- Physicians, Nurse Practitioners, Physician Assistants;
- Vendors and suppliers;
- Business team members; and
- The communities we serve.

Every team member is responsible for ensuring that they comply with the Code and all policies and procedures. Any team member who violates any of these standards and/or policies and procedures is subject to discipline up to and including termination of employment.

A Personal Obligation

As we are each responsible for following the Code in our daily work, we are also responsible for enforcing it. This means that you have a duty to report any problems you observe or perceive, regardless of your role.

As a team member, you must help ensure that you are doing everything practical to comply with applicable laws. If you observe or suspect a situation that you believe may be unethical, illegal, unprofessional or wrong, or you have a clinical, ethical or financial concern, you must report it. You are expected to satisfy this duty by complying with the reporting process and New Jersey mandatory reporting obligations.

Reporting Process

First, talk to your supervisor. He or she is most familiar with the laws, regulations and policies that relate to your work.

Second, if you are not able to talk to your supervisor, seek out another member of the management team or someone from human resources.

Third, if you still have a concern, contact the Compliance Liaison or other member of management.

If none of the above steps resolve your questions or concerns, or if you prefer, call the toll free Compliance Line at 800-211-2713 for assistance. All calls are confidential and you may call ANONYMOUSLY if you choose.

You can make a report in good faith to the Compliance Line without fear of reprisal, retaliation or punishment for your actions. Anyone, including a supervisor who retaliates against a team member for contacting the Compliance Line or reporting compliance issues in another manner, will be disciplined.

The Compliance Line is staffed by an outside agency and is available 24 hours, 7 days a week. Each call is investigated and kept confidential to the highest degree possible.

CARE AND SERVICE EXCELLENCE

Our most important job is providing quality care and service to our Clients. This means offering compassionate support to our Clients and working toward the best possible outcomes while following all applicable rules and regulations.

Client Rights

Clients receiving health and community services have clearly defined rights. To honor these, we must:

- Make no distinction in the admission, transfer or discharge of a Client, or in the care and service we provide on the basis of race, gender, age, religion, national origin, disability, color, marital status, veteran status, medical condition, sexual orientation or other protected class status, insurance or financial status;

- Treat all Clients in a manner that preserves their dignity, autonomy, self-esteem and civil rights;
- Protect every Client from physical, emotional, verbal or sexual abuse or neglect;
- Protect all aspects of Client privacy and confidentiality;
- Respect Client's personal property and money and protect it from loss, theft, improper use and damage;
- Respect the right of Clients and their legal representatives to be informed of and participate in decision about their care, service and treatment;
- Respect the right of Clients and/or their legal representatives to access their medical records as required by the Health Information Portability and Accountability Act (HIPAA);
- Respect the Clients' right to self-determination and autonomy.

LSMNJ's various programs may have specific resident rights that are defined by regulation. These should be referred to based on your job responsibilities to assure your understanding of the rights of the Clients you serve.

Abuse and Neglect

We will not tolerate any type of Client abuse or neglect – physical, emotional, verbal or sexual. Team members, family members, legal guardians, friends or any other person must protect Clients from abuse. This standard applies to all Clients at all times.

Federal law defines abuse as the willful infliction of injury, unreasonable confinement, intimidation, or punishment with resulting physical harm, pain, or mental anguish. This presumes that instances of abuse of all residents, even those in a coma, cause physical harm, or pain or mental anguish. Neglect means failure to provide goods and services necessary to avoid physical harm, mental anguish, or mental illness. The failure to follow a client's care plan may constitute abuse.

The state of New Jersey defines abuse as the following:

Abuse – the infliction of injury, unreasonable confinement, intimidation or punishment with resulting physical harm or pain or mental anguish, or deprivation by an individual, including a care and service taker of goods or services that are necessary to attain or maintain physical, mental and psychosocial well-being. This presumes that instance of abuse of all Clients, even those in a coma, cause physical harm, or pain or mental anguish. The term includes the following:

- Verbal Abuse - Any use of oral, written, or gestured language that willfully includes disparaging and derogatory terms to Clients or their families, or within their hearing distance, regardless of age, ability to comprehend or disability;
- Sexual Abuse – includes sexual harassment, sexual coercion or sexual assault;
- Physical Abuse – Includes hitting, slapping, pinching, kicking. The term also includes controlling behavior through corporal punishment or deprivation
- Mental Abuse – include humiliation, harassment, threats of punishment or deprivation;
- Involuntary Seclusion – Includes separation of a Client from other Clients from his or her room or confinement to his or her room against the Client's will or the will of the Client's legal representative;
- Neglect – The deprivation by a caretaker of goods or services, which are necessary to maintain physical or mental health.

The Elder Justice Act requires timely reports of any reasonable suspicion of a crime against a resident of a long term care facility. You must report your reasonable suspicion to the Eldercare Hotline at 1-800-792-8820 and local law enforcement within two (2) hours if the suspected crime

involves serious bodily injury or within 24 hours if the suspected crime does not involve serious bodily injury.

Any team member who abuses or neglects a Client is subject to termination. In addition, legal or criminal action may be taken. DO NOT call the Compliance Line for issues of abuse or neglect.
Report abuse or neglect immediately to your supervisor!

Client Confidentiality/HIPAA

Every associate must treat all Client information, including any documents or records that contain Client-identifying information, medical records and charts as confidential. All team members must use and disclose medical, financial, or personal information only in a manner consistent with the HIPAA Privacy policies and procedures and state and federal law. You are responsible for keeping resident protected health information (PHI) confidential. PHI is defined as individually identifiable health information that is transmitted or maintained in any form or medium, including electronic health information.

Any unauthorized exposure of PHI which compromises the security or privacy of information is a potential breach.

If you become aware of a breach of any protected or sensitive information it is important that you report it immediately to your supervisor or the Privacy Officer.

If the disclosure results in a breach, LSMNJ must investigate and comply with all state and federal HIPAA regulations for breach notification.

Client Property

Privacy policies and procedures and state and federal law.

Team members must respect Clients' personal property and protect it from loss, theft, damage or misuse. Team members who have access to property or funds must maintain accurate records and accounts.

Providing Quality of Care and Service

As a provider of health and community services, our primary commitment is to provide the care, services and products necessary to help each Client reach or maintain his or her highest possible level of physical, mental and psychosocial well-being.

Our care and service standards include:

- Accurately assessing the individual needs of each Client and developing interdisciplinary care and service plans that meet those needs;
- Reviewing goals and plans of care and service to ensure that the Clients' ongoing needs are being met;
- Providing only medically necessary, physician prescribed services and products that meet the Clients' clinical needs
- Confirming that services and products (including medications) are within accepted standards of practice for the Client's clinical condition;
- Ensuring that services and products are reasonable in terms of frequency, amount and duration;

- Measuring clinical outcomes and Client satisfaction to confirm that quality of care and service goals are met;
- Providing accurate and timely clinical and financial documentation and record-keeping;
- Ensuring that a Clients' care and service is given by properly licensed and credentialed providers with appropriate background, experience and expertise;
- Reviewing Client care and service policies and procedures and clinical protocols to ensure that they meet current standards of practice; and
- Monitoring and improving clinical outcomes.

Medical Services

We are committed to providing comprehensive, medically necessary services for our Clients. The Medical Director at each location provides oversight to physicians and other medical services as defined by state and federal regulations. The Medical Director is compensated at a fair market value for the services he or she provides. The Medical Director oversees care, service, and treatment policies and is actively involved in the Community Quality Assurance and Performance Improvement Program.

PROFESSIONAL EXCELLENCE

The professional, responsible and ethical behavior of every team member reflects on the reputation of our organization and the services we provide. Whether you work directly with Clients or in other areas that support Client services you are expected to maintain our standards of honesty, integrity and professional excellence, everyday.

Hiring and Employment Practices

LSMNJ is committed to fair employment practices. When hiring and evaluating, we:

- Comply with federal, state and local Equal Employment Opportunity laws, hiring the best qualified individuals regardless of race, creed, national origin, age, ancestry, nationality, marital or domestic partnership, civil union status, sex, gender identity or expression, disability, liability for military service, affectional or sexual orientation, atypical cellular or blood trait, genetic information (including the refusal to submit to genetic testing).
- Conduct employment screenings to protect the integrity of our workforce and welfare of our Clients and team members.
- Require all who need licenses or certifications to maintain their credentials in compliance with state and federal laws; documentation of licenses or certifications must be provided.

Employee Screening

Employees are screened in accordance with federal and state law to ensure the safety of our residents. Screening procedures have been implemented and are conducted prior to hire and at a minimum of (monthly or quarterly) thereafter.

As long as you are employed or affiliated with LSMNJ, you must immediately report to your supervisor:

- If you are arrested or indicted for a criminal offense;
- If you are convicted of an offense that would preclude employment in a healthcare facility
- If action has been taken against your license or certification; or
- If you are excluded from participation in a federal or state healthcare program.

Licensure, Certification and Exclusion Screening

We are committed to ensuring that only qualified professionals provide care and services to residents. Practitioners and other professionals treating residents must abide by all applicable licensing, credentialing and certification requirements. In addition, every effort is made to validate licenses and certification through the appropriate state or federal agency.

LSMNJ is prohibited by federal law from employing, retaining, or contracting with anyone who is excluded from any federal or state funded programs. Screening of all team members through the Office of Inspector General's List of Excluded Individuals and Entities, GSA's System of Award Management, and the NJ Medicaid Excluded Provider List database is conducted prior to hire and at a minimum of quarterly thereafter.

Workplace Relations

To maintain an ethical, comfortable work environment, team members must:

- Refrain from any form of sexual harassment or violence in the workplace;
- Treat all colleagues and coworkers with equal respect, regardless of their national origin, race, color, religion, sexual orientation, age, gender identity or disability;
- Protect the privacy of other team members by keeping personal information confidential and allowing only authorized individuals access to the information; and
- Not supervise or be supervised by an individual with whom they have a close personal relationship.
- Behave professionally and use respectful communication at all times.

Workplace Violence

Every employee has the right to work in a safe environment. Violence, abuse or aggressive behavior will not be tolerated.

Workplace Safety

Maintaining a safe workplace is critical to the wellbeing of our Clients, visitors and coworkers. That is why policies and procedures have been developed that describes the organization's safety requirements. Every team member should become familiar with safety regulations and emergency plans regarding fire and disaster in their work area.

In addition to organizational policies, we must abide by all environmental laws and regulations. You are expected to follow organizational safety guidelines and to take personal responsibility for helping to maintain a secure work environment. If you notice a safety hazard, you must take action to correct it if you can, or report it to your supervisor immediately.

Drug and Alcohol Abuse

We are committed to maintaining a workforce dedicated and capable of providing quality Client services and performing other applicable duties. To that end, team members are prohibited from consuming any substance that impairs their ability to provide quality services or otherwise perform their employment.

Team members may never use, sell or bring on company property illegal drugs and/or narcotics or report to work under the influence of alcohol, illegal drugs and/or narcotics. For a team member who

appears to have work performance problems related to drug or alcohol use, a drug and alcohol screening will be conducted and appropriate action will be taken if necessary.

Illegal, improper or unauthorized use of any controlled substance that is intended for a Client is prohibited. If a team member becomes aware of any improper diversion of drugs or medical supplies, the team member must immediately report the incident to his or her department supervisor, the Compliance Liaison, or the Compliance Line. Failure to report a known instance of noncompliance with this policy may result in disciplinary action against the team member, up to and including termination.

Organizational Relations

In the course of day to day business it is important that team members;

- Complying with federal tax law to maintain tax exempt status under section 501(c)(3) of the Internal Revenue Code;
- Maintain company privacy and keep proprietary information confidential;
- Avoid outside activities or interests that conflict with responsibilities to LSMNJ and reporting such activity or interest prior to and during employment;
- Allow only designated management staff to report to the public or media; and
- Require that LSMNJ comply with the licensing and certification laws that apply to its business.

Propriety Information

In the performance of their duties, team members may have access to, receive or entrusted with confidential and/or proprietary information, that is owned by LSMNJ and that is not presently available to the public. Team members must not disclose internally or externally, either directly or indirectly, confidential information except on a need to know basis and in the performance of their duties. Team members must never disclose confidential information externally unless expressly directed to do so by legal counsel.

Examples of proprietary information that should not be shared include:

- Client and team member data and information;
- Details about clinical programs, procedures and protocols;
- Policies, procedures and forms;
- Training materials;
- Current or future charges or fees or other competitive terms and conditions;
- Current or possible negotiations or bids with payers or other Clients;
- Compensation and benefits information for staff;
- Any kind of financial information; and/or
- Market information, marketing plans or strategic plans.

Business Courtesies and Gifts

Team members may not accept any tip or gratuity from Clients; neither may they receive gifts from nor give gifts to Clients; nor may they borrow money from nor lend money to Clients; nor may they engage with Clients in the purchase or sale of any item. Team members may not accept any gift from a Client under a will or trust instrument except in those cases where the team member and Client are related by blood or marriage.

Team members may not serve as a Client's executor, trustee, administrator, or guardian or provide financial services or act under a power of attorney for a Client except in those cases where the team member and Client are related by blood or marriage.

Under no circumstances will a team member solicit business courtesies, entertainment or gifts that depart from the Gifts/Business Courtesies policy.

Conflict of Interest

A conflict of interest exists any time your loyalty to the organization is, or even appears to be, compromised by a personal interest. There are many types of conflict of interest and these guidelines cannot anticipate them all, however the following provide some examples:

- Financial involvement with vendors or others that would cause you to put their financial interests ahead of ours;
- An immediate family member who works for a vendor or contractor doing business with the organization and who is in a position to influence your decisions affecting the work of the organization;
- Participating in transactions that put your personal interests ahead of LSMNJ or cause loss or embarrassment to the organization.
- Taking a job outside of LSMNJ that overlaps with your normal working hours or interferes with your job performance; or
- Working for LSMNJ and another vendor that provides goods or services at the same time.

All team members must seek guidance and approval from our CEO or Compliance Official before pursuing any business or personal activity that may constitute a conflict of interest.

Use of Property

Property – everything from office supplies and computers to company vehicles – represents a significant expense and should only be used for legitimate business purposes. Everyone must make sure that they:

- Only use property for the organization's business, not personal use;
- Exercise good judgment and care and service when using supplies, equipment, vehicles and other property; and
- Respect copyright and intellectual property laws; or
- If unable to assess the copyright or intellectual property laws, never copy or download software.

Computers and the Internet

LSMNJ's computing, voicemail, E-mail and related technologies have been created to support our operations. Use of these resources for personal gain, including advertising or selling products or services or any illegal purpose, will constitute grounds for disciplinary or legal action including dismissal.

All files, applications and resources on the system network, the E-mail system, the voice mail system and related technology systems are the sole property of LSMNJ. All team members waive any right to privacy and consent to the access and disclosure of documents on these systems by authorized team members. LSMNJ reserves the right to access and disclose the contents of documents for any lawful purpose, including password-protected documents. LSMNJ prohibits the use of discriminatory or other offensive comments through vulgarities, obscenities, jokes, sarcasm or exaggeration when using any aspect of the network.

Vendor Relationships

We take responsibility for being a good Client and dealing with vendors honestly and ethically.

We are committed to fair competition among prospective vendors and contractors for our business. Arrangements between LSMNJ and its vendors must always be approved by management. Certain business arrangements must be detailed in writing, and approved by multiple members of management. Agreements with contractors and vendors who receive Client information, with the exception of care and service providers, will require a Business Associate Agreement with the organization as defined by HIPAA. Contractors and vendors providing Client care and service, reimbursement or other services to Client beneficiaries of federal and/ or state healthcare and service programs are subject to Code and must:

- Maintain defined standards for the products and services they provide to this organization and the Clients.
- Comply with all policies and procedures as well as the laws and regulations that apply to their business or profession.
- Maintain all applicable licenses and certification and provide evidence of current workers compensation and liability insurance as applicable.
- Require that their team members comply with Code and the Compliance Program and related training as appropriate.

Marketing and Advertising

We use marketing and advertising activities to educate the public, increase awareness of our services and recruit new team members. These materials and announcements, whether verbal, printed or electronic will present only truthful, informative, non-deceptive information.

We abide by the HIPAA/HITECH privacy rules in our marketing practices and provide individuals instructions on how to opt out of future communication

Social Media

Use of social media is commonplace. In order to ensure that team members adhere to their ethical and legal obligations, however, team members are required to comply with LSMNJ's Social Media Policy which protects private information that include resident information and images. It is not the intent of this Policy to infringe upon the rights of employees as protected by applicable law. Rather, this Policy is intended to maintain the confidentiality of Company information and to protect LSMNJ, team members, residents, clients, guests and family members from being the subject of offensive, derogatory or otherwise inappropriate electronic communications.

REGULATORY EXCELLANCE

As we provide health and community services, we must follow the many federal, state and local laws that govern our business. Keeping up with the most current rules and regulations is a big job – and an important one. We are all responsible for learning and staying current with the federal, state and local laws, rules and regulations, as well as the policies and procedures that apply to our job responsibilities.

Billing and Business Practices

We are committed to operating with honesty and integrity. Therefore, all team members must ensure that all statements, submissions and other communications with Clients, prospective Clients, the government, suppliers and other third parties are truthful, accurate and complete.

We are committed to ethical, honest billing practices and expect every team member to be vigilant in maintaining these standards at all times. We will not tolerate any deliberately false or inaccurate billing. Any team member who knowingly submits a false claim, or provides information that may contribute to submitting a false claim such as falsified clinical documentation, to any payer – public or private – is subject to termination. In addition, legal or criminal action may be taken.

Team members, consultants and/or contractors are expected to utilize reasonable diligence to identify Medicare overpayments and to report such overpayments or suspected overpayments immediately. Any individual who fails to use reasonable diligence to identify Medicare overpayments or fails to exercise reasonable diligence related to credible information shall be subject to corrective action. The Compliance Officer or designee shall be responsible to assure overpayments are reported and returned timely in accordance with CMS regulations.

Prohibited practices include, but are not limited to:

- Billing for services or items that were not provided or costs that were not incurred
- Duplicate billing - billing for item or services more than once
- Billing for items or services that were not medically necessary
- Assigning an inaccurate code or Client status to increase reimbursement
- Providing false or misleading information about a Client's condition or eligibility
- Failing to identify and refund credit balances
- Submitting bills without supporting documentation
- Soliciting, offering, receiving or paying a kickback, bribe, rebate or any other remuneration in exchange for referrals
- Untimely entries into medical records.

If you observe or suspect that false claims are being submitted or have knowledge of a prohibited practice, you must immediately report the situation to a supervisor, the Compliance Liaison, the Compliance Officer or the Compliance Hotline.

Referrals and Kickbacks

We will maintain the highest standards of integrity and objectivity in dealing with Clients, vendors, service providers, contractors, healthcare and community providers, and physician owned businesses. We are prohibited from accepting or giving gifts or gratuities beyond common business courtesies of nominal value. Gifts or items of value must never be offered to or accepted from government employees. Under no circumstances will we accept or give kickbacks in connection with obtaining or awarding contracts, services, referrals, goods, or business. A kickback means to offer, receive, request or pay anything of value, even nominal value, in order to induce or reward referrals of business including goods or services.

We will not accept or offer gifts, gratuities, discounts, or favors except those associated with common business courtesies of nominal value of \$50 or less. The value of all gifts received or given in one calendar year from any one source must not exceed \$200. Any exception to this policy must be approved in advance and in writing by the President & CEO.

We must not offer or accept gifts of cash or cash equivalents to or from any current, former or potential vendor, Client, customer, contractor, service provider, healthcare and community provider, or physician owned-business. Cash equivalents include checks, honorariums, money orders, stocks and saving bonds. Gift certificates and gift cards are considered cash equivalents and therefore may not be given or received.

Entertainment and meals offered or received by employees as part of legitimate business activity are not included in the \$50 gift limit, but must be within the boundaries of reason and moderation. Generally raffles and prizes that are part of an outside business activity are not considered gifts.

Inducements to Prospective Residents

You may not provide anything of value including goods, services, or money to prospective residents or any beneficiary of a federal or state healthcare program that you know or should know will likely influence that person's selection of a provider of healthcare services.

For the purposes of this policy, anything of value includes but is not limited to any waiver of payment, gift, or free service that exceeds a value of \$10 per item or \$50 annually in total. If you have a question about whether a particular gift or service would be considered "of value," ask your supervisor or the Compliance Official.

Copyright Laws

Print and electronic materials are protected by copyright laws. Team members are expected to respect these laws.

Financial Practices and Controls

Ensuring that financial and operating information is current and accurate is an important means of protecting assets. All team members must make sure that all information provided by bookkeepers, accountants, reimbursement staff, internal and external auditors and compliance staff are accurate and complete. We must also comply with federal and state regulations when maintaining accounting records and financial statements and cooperate fully with internal and external audits.

Fair Dealing

All team members must deal fairly with Clients, suppliers, competitors and other team members. No team member, manager or director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Protection and Proper Use of Assets

All team members must protect the assets of the organization and ensure their authorized and efficient use. Theft, carelessness and waste have a direct impact on the organization's viability. All assets must be used solely for legitimate business purposes.

Document Creation, Use and Maintenance

Every team member is responsible for the integrity and accuracy of documents, records, and e-mails including, but not limited to, Client records, billing records, and financial records. No information in any record or document may ever be falsified or altered. Upon termination of employment a team member must promptly return all confidential information to LSMNJ.

Voluntary Disclosure

It is the policy of LSMNJ to voluntarily report fraudulent conduct it uncovers that affects any federal or state healthcare and service program. Reporting will be completed within the time frames identified under the Patient Protection and Affordable Care Act.

Government Investigations

We are committed to cooperating with reasonable requests from any governmental inquiry, audits or investigations.

Team members are encouraged to cooperate with such requests, conscious of the fact that team member (s) have/has the following rights:

- Team member has the right to speak or decline to speak, as all such conversation is voluntary.
- Team member has the right to speak to an attorney before deciding to be interviewed.
- Team member can insist that an attorney be present if he/she agrees to be interviewed.

In complying with policy you must not:

- Lie or make false or misleading statements to any government investigator or inspector;
- Destroy or alter any records or documents in anticipation of a request from the Government or the court.
- Attempt to persuade another team member or any person to give false or misleading information to a government investigator or inspector.
- Be uncooperative with a government investigation.

If you receive a subpoena or other written request for information from the government or a court, contact your supervisor, the Compliance Liaison or the Compliance Officer before responding.

Disciplinary Action

Disciplinary action will be taken against any associate who fails to act in accordance with Code, our supporting policies and procedures and applicable federal and state laws. Disciplinary action may be warranted in relation to violators of the compliance program and to those who fail to detect violations or who fail to respond appropriately to a violation, whatever their role in the organization.

Disciplinary action will utilize standard disciplinary processes or termination of business relationships and agreements.

Compliance Questions

The laws applicable to our operations are numerous and complicated. When an associate is not sure whether a particular activity or practice violates the law or the Code, the Associate should not guess as to the correct answer. Instead, the associate should immediately seek guidance from his or her department supervisor or the Compliance Liaison. Team members will not be penalized for asking compliance-related questions. Indeed, we are intent on maintaining a culture in which every associate is comfortable asking the questions necessary to ensure that he or she understands the duties imposed on him or her by this Code, the compliance program and other applicable federal and state laws.

Conclusion

The Compliance and Ethics Program is critical to LSMNJ's continued success. You are crucial in ensuring the integrity of LSMNJ. The Code and the Compliance Program set standards for the legal, professional, and ethical conduct of our business. Some key points to remember are:

- LSMNJ and all of our team members are committed to personal and organizational integrity, to acting in good faith, and to being accountable for our actions.
- The Code and the Compliance Program prepare us to deal with the growing complexity of ethical, professional, and legal requirements of delivering health and community services.
- The Compliance Program is an ongoing initiative designed to foster a supportive work environment, provide standards for clinical and business conduct, and offer education and training opportunities for team members.

The success of the LSMNJ's Compliance and Ethics Program depends on our commitment to act with integrity, both personally and as an organization. As a team member, your duty is to ensure that the organization is doing everything practicable to comply with applicable laws. You are expected to satisfy this duty by performing your responsibilities in accordance with professional standards, the regulations guiding our business practices, and our policies and procedures.

Your Compliance Official

Sherry Outten, LNHA
609-699-4152

Your Compliance Officer

Karla Dreisbach, CHC, CHPC
215-646-0720

Toll-Free Compliance Line

1-800-211-2713



Lutheran Social Ministries of New Jersey Commitment to Compliance

I certify that I have read and am familiar with the Compliance program and understand the Code of Ethics and Business Integrity of LSMNJ. I agree to abide by the Code of Ethics and Business Integrity during the entire term of my employment. I acknowledge that I have a duty to report any alleged or suspected violation of the Code of Ethics and Business Integrity to the Compliance Liaison or the Compliance Officer. Unless otherwise noted below, I am not aware of any possible violation of the Code of Ethics and Business Integrity or the compliance program. I also certify that I have not been convicted of, charged with, a criminal offense related to healthcare or other services that LSMNJ provides nor have I been listed by a federal or state agency as debarred, excluded or otherwise ineligible for participation in federally funded programs.

Further, I certify that I am not aware of any additional circumstances, other than those disclosed above, that could represent a potential violation of the Code of Ethics and Business Integrity or the Compliance Program. I will report any potential violation of which I become aware promptly to the Compliance Liaison or Compliance Officer. I understand that any violation of the Code of Ethics and Business Integrity or any other LSMNJ compliance policy or procedure is grounds for disciplinary action.

Please Check the Appropriate Box:

- I certify that this is my initial review of the Code of Ethics and Business Integrity.
- I certify that this is my annual review of the Code of Ethics and Business Integrity.

| | |
|----------|-----------------|
| Date | Signature |
| Position | Print/Type Name |
