westmed medical group

COMPLIANCE **PLAN**

Adopted by the Board of Directors on December 9, 2009

CONTENTS

INTRODUCTION

Westmed Medical Group has a longstanding commitment to conducting its operations in accordance with state and federal laws and high standards of professional conduct. The Compliance Program is intended to provide a framework for establishing, implementing and monitoring policies and procedures for preventing, identifying and correcting fraud, waste, abuse and other non-conformance with regulatory requirements, and to promote compliance with Westmed's Code of Conduct at all levels of the organization. The Compliance Program is tailored to Westmed's practice, size, complexity, resources and culture. The Board intends for the Compliance Program to continuously evolve to meet the changing regulatory landscape.

The Corporate Compliance Officer has the primary day to day responsibility for the Compliance Program and reports to the Medical Director and Board of Directors. Because Westmed and its staff may be subject to legal penalties and other serious consequences as a result of regulatory noncompliance, the Compliance Program provides for education of Westmed staff, protections for staff who make reports in connection with the Compliance Program and sanctions for staff who fail to meet Westmed's Code of Conduct.

ELEMENTS OF THE PROGRAM

In keeping with federal and state guidelines, Westmed's Compliance Program includes the following elements:

1. Written policies and procedures;
2. Appointment of a compliance officer;
3. Effective and ongoing compliance training program;
4. Confidential compliance reporting;
5. Sanctions/discipline for non-complaint conduct;
6. Auditing and monitoring system to identify compliance risk areas;
7. System for responding to compliance issues; and
8. Non-intimidation and non-retaliation for good faith participation in the compliance program.

The Compliance Program applies to (and the term "staff' as used in this document shall mean) Westmed Medical Group's physicians, other licensed professionals, and all non-professional staff.

POLICIES + PROCEDURES

Westmed will define the expected conduct of its staff with respect to regulatory compliance and other appropriate business practices through the establishment of a Code of Conduct. In addition, Westmed will adopt policies and procedures that provide guidance on specific regulatory issues and office practices. These policies and procedures will assist staff in identifying potential compliance issues such as fraud, waste and abuse, describe the proper steps to take when compliance issues arise, and address both protections for staff who make good faith reports regarding regulatory compliance matters and sanctions for staff who are found to have engaged in improper practices.

Compliance policies and procedures, and staff adherence to such policies and procedures, will be reviewed on a periodic basis and in response to compliance issues identified through monitoring activities. In addition, any new areas of regulatory compliance will be addressed as they arise. Policies and procedures will be clearly communicated to Westmed staff in writing in training sessions, as needed.

COMPLIANCE OFFICER/ OVERSIGHT + MANAGEMENT

The CEO and Medical Director shall appoint a Corporate Compliance Officer (CCO) who will be responsible for the day to day operation of the compliance program. The CCO will take responsibility for the continued development, implementation and operation of the program. The CCO will work with staff at every level of the organization in carrying out his or her responsibilities.

The primary responsibilities of the CCO shall include:

- Overseeing and monitoring the implementation of the Compliance Program;
- Reporting on a regular basis to the Board of Managers;
- Assisting Westmed's CEO, Medical Director, CFO, COO, Board of Directors and managers in establishing methods to improve Westmed's quality of service and efficiency and reduce Westmed's vulnerability to fraud, waste and abuse and monitoring the results of such methods;
- Recommending revisions to the Compliance Program, Code of Conduct and/or policies and procedures as required by regulatory changes or requirements of third party payors;
- Developing, coordinating and participating in educational and training programs on compliance issues in order to promote organizational compliance goals;
- Making independent contractors and agents who furnish goods and services to Westmed aware of the requirements of Westmed's Compliance program;
- Coordinating with Westmed's Human Resources and Finance staff to ensure that staff and vendors are checked against the Medicare/ Medicaid exclusion lists;
- Coordinating with Westmed's credentialing staff to ensure that providers are checked against the Medicare/Medicaid exclusion list and National Practitioner Data Bank;
- Coordinating with Westmed's clinical operations staff on regulatory issues of a clinical nature;
- Developing, coordinating and monitoring the results of internal compliance reviews and other audit and monitoring activities on a periodic and as-needed basis;
- Assisting in the development of, and overseeing implementation of appropriate responses to identified compliance issues; and
- Assisting in the development of policies and programs that encourage staff at all levels to report suspected compliance, safety or other issues of importance to Westmed without fear of retaliation.

The Compliance Officer will report on a regular basis to the Medical Director and Board of Managers.

In order to foster Westmed's culture of compliance, department managers shall be responsible for:

- Participating in the identification of risk in their departments;
- Assisting in the development and implementation of departmental compliance policies and procedures in consultation with the CCO;
- Training staff with respect to new compliance-related policies and procedures;
- Taking reasonable measures to ensure compliance with Westmed's policies and procedures and applicable law and regulation by:
    - Monitoring employee adherence to policies and procedures;
    - Reporting and encouraging employees to report compliance issues;
    - Investigating suspected compliance issues in conjunction with the CCO;
    - Taking appropriate disciplinary action in accordance with Westmed policies and procedures; and
    - Implementing post-audit corrective action plans

TRAINING + EDUCATION

Westmed will provide training programs for newly hired staff and on an ongoing basis for all staff, as necessary and appropriate to educate staff about regulatory compliance matters and Westmed's policies and procedures. This training will include information about Westmed's Code of Conduct and the following laws and their implementing regulations:

- Federal False Claims Act;
- New York State False Claims Act;
- HIPAA Privacy and Security; and
- Federal and state whistle-blower protections.

The CCO will work with appropriate Westmed department heads to facilitate staff understanding of and adherence to reimbursement requirements, establish methods to monitor changes to reimbursement rules and disseminate that information to appropriate staff, and develop and implement internal audits and other procedures to promote accurate and appropriate billing for services. The CCO will periodically evaluate Westmed's training and education programs to assess their effectiveness.

COMPLIANCE REPORTING

Westmed encourages open, two-way communication within the organization to promote the effectiveness of its compliance program. Communication increases Westmed's ability to identify and respond to compliance problems and reduces the likelihood that fraud, waste and abuse will occur.

Every staff member who becomes aware of or suspects a compliance issue is responsible for notifying the CCO or other appropriate individual at Westmed. There are several paths for staff to report a compliance issue:

- Notify the supervisor or manager, who will report to the Compliance Officer;
- Notify the Corporate Compliance Officer at (914) 607-4764;
- Call Westmed's Compliance Hotline at (914) 681-5291;
- Email to compliance@westmedgroup.com; or
- Send a written notification by regular or interoffice mail

Employees may communicate anonymously and the CCO, who will treat all reports as confidential to the extent possible. There may be times when an individual's identify may become known or have to be revealed if governmental authorities become involved or in response to a subpoena or other legal proceedings.

The Compliance Office will maintain a log of any compliance concerns that are reported. This log will include a description of the issue and its resolution. The log will be treated as a confidential document and access will be limited to the CCO, legal counsel and the Medical Director.

SANCTIONS + DISCIPLINARY POLICY

The CCO, in conjunction with Westmed's Medical Director and Human Resources Director, will establish policies and procedures for disciplinary action/ sanctions with regard to conduct by staff that violates regulatory requirements, Westmed's Code of Conduct or other compliance-related policies. Depending on the circumstances, staff may be subject to discipline for:

- Failure to report a suspected compliance problem;
- Participating in, encouraging, directing, facilitating or permitting non-compliant conduct; and
- Failure of supervisory or management personnel to detect compliance issues in accordance with Westmed policies and procedures or Compliance Program activities, where reasonable diligence on the part of the manger or supervisor would have led to the identification of such issues.

The CCO will participate in decisions regarding the appropriate disciplinary action to be taken with respect to an individual staff member in response to identified non-compliant conduct.

AUDITING + MONITORING/SCREENING

In order to identify areas of risk and compliance deficiencies in Westmed's business processes, internal and external audits will be conducted, with a focus on adherence to federal and state regulatory requirements and Westmed's policies.

Audits will include the following areas:

- Billing and payment
- Medical necessity and quality of care
- Governance
- Mandatory reporting
- Credentialing
- Other risk areas as they are identified

Reimbursement-related reviews and audits will be conducted by compliance coding analysts and the billing department.

The CCO will be notified of the results of any audits performed by department personnel, consultants or outside auditors that identify potential compliance issues, regardless of whether the audit was initiated by the CCO.

Human Resources will conduct a background check on all job applicants, including physicians. In addition, all staff: including physicians, will be checked against the Medicare and Medicaid exclusion lists before being hired and periodically thereafter. The purpose of the background investigation and screening is to determine whether the applicant or employee has been convicted of a healthcare-related offense or listed by a federal agency as debarred, excluded or ineligible for federal program participation.

The CCO will oversee the screening of vendors and contractors by each department so that Westmed does not improperly contract with an excluded entity.

RESPONDING TO COMPLIANCE ISSUES + DEVELOPING CORRECTIVE ACTION PLANS

Whenever the CCO identifies or learns of a compliance issue as to which corrective action is indicated, the CCO will develop an appropriate plan to address the issue. The plan may include:

- Disclosure to third parties
- Refunds of overpayments received
- Risk assessment, audit, data analysis and remedial measures
- Disciplinary actions
- Staff education or training
- Development or modification of policies and procedures
- Obtaining the advice of legal counsel.

The purpose of the correction action plan is to determine and implement the steps needed to bring Westmed into compliance and to facilitate future compliance. The CCO, in consultation with the Medical Director, will be responsible for making the determination of who was responsible for the compliance problem.

RESPONDING TO GOVERNMENTAL INQUIRIES

It is Westmed's policy to cooperate with and respond to all governmental inquires and investigations. Any staff member who is approached by any governmental entity or other third party seeking to conduct an audit, investigation or other inquiry into any services provided by Westmed or its business activities shall immediately notify the CCO and follow the CCO's instructions as to the procedures for preserving relevant records and responding to the inquiry.

NON-INTIMIDATION + NON-RETALIATION

Employees who, in good faith, report a possible compliance issue shall not be subject to retaliation or intimidation as result of the reporting. Staff who have any concerns about possible retaliation should immediately report them to the CCO. Reports not made in good faith may subject the reporting staff member to disciplinary action.

CORPORATE COMPLIANCE PLAN

The Corporate Compliance Plan was developed based on the guidelines issued by the Department of Health and Human Services/Office of the Inspector General and the requirements of the New York State Medicaid Program (Part 521 of Title 18 NYCRR).

The plan includes the following elements.

1. Written policies and procedures
2. Appointment of a compliance officer to oversee the program
3. Effective and ongoing compliance training program
4. Confidential compliance reporting
5. Sanctions/discipline for non-complaint conduct
6. Auditing and monitoring system to identify compliance risk areas
7. System for responding to compliance issues
8. Non-intimidation and non-retaliation for good faith participation in the compliance program.

Working with staff at all levels of the Westmed organization, the Corporate Compliance Officer will develop policies ,and procedures and a Code of Conduct. The Code of Conduct is a set of principles for staff that will guide them in making day-to-day decisions. The Corporate Compliance Officer will report to the Medical Director on a regular basis. In keeping with legal requirements, the Board of Directors will have responsibility for overseeing Westmed's compliance program.