COMMUNITY BASED SERVICES, INC.

CORPORATE COMPLIANCE MANUAL

REVISED – NOVEMBER, 2014
COMMUNITY BASED SERVICES, INC
CORPORATE COMPLIANCE PROGRAM

PROGRAM STRUCTURE

The Corporate Compliance Program is intended to demonstrate in the clearest terms the commitment of the organization to the highest standards of ethics and compliance. The commitment is expected at all levels of the organization.

The Corporate Compliance Officer is designated by and reports to the Chief Executive Officer and the President of the Board of Directors of Community Based Services, Inc.

The Corporate Compliance Officer and Corporate Compliance Committee, who meet on an as needed basis, but at least quarterly, are designated by the Chief Executive Officer and consist of senior-level managers who have the responsibility for the implementation and monitoring of the Compliance Program. The program procedures are also outlined in the Agency’s Personnel Policy – ER-15, Corporate Compliance.

EMPLOYEE TRAINING AND ACKNOWLEDGEMENT PROCESS

The information contained in the Corporate Compliance Manual covers many activities that are complex and dynamic in nature. Continuous feedback, modifications, amendments, explanations and training are required to ensure ongoing compliance.

Initial Training for New Employees

All new-hire employees will receive an overview of the Compliance Program as part of their initial orientation training. This orientation will provide general information of the key elements of the program, Community Based Services, Inc.’s commitment to complying with all regulations, and how to report suspected violation to the Compliance Officer.

Training for Billing Employees

Employees directly involved with billing processes and/or the submission of claims will receive initial compliance training prior to assuming their responsibilities. Training may include topics, such as:

- Government and private insurance reimbursement procedures
- Proper documentation of services rendered
- Duty to report misconduct
EFFECTIVE COMMUNICATION OF COMPLIANCE ISSUES

Community Based Services, Inc. supports an open door policy concerning communication about compliance concerns. The Compliance Officer has been designated as a resource to field questions concerning compliance issues. Additionally, employees with a concern or question should be encouraged to speak with any supervisor or manager with whom they are comfortable, or the Human Resource Department.

CORPORATE COMPLIANCE GUIDELINES FOR REPORTING

Employees are encouraged to report areas for improvement or suspected violations of the Compliance Program to their supervisors without reprisal, who will communicate with a department director or the Chief Executive Officer.

The Compliance Hotline Number (914) 277-4771 EXT. 110 may also be used for reporting suspected instances of non-compliance. All reports will be regarded and treated as confidential and will be responded to accordingly.

The Corporate Compliance Officer will provide a report of the activities in the area of Corporate Compliance to the Chief Executive Officer on a quarterly basis, or more frequently depending on circumstances, to present to the Board of Directors.

INTERNAL MONITORING OF PROGRAM COMPLIANCE

The Compliance Program includes monitoring and assurance systems to ensure continuous improvement of the program and to detect violations.

The assurance activities will include, but will not be limited to, a review of clinical documentation to ensure that it supports the services billed and that the bills are submitted in accordance with applicable laws, regulations, and agency guidelines.

Community Based Services strives to protect, control and maintain its financial structure. It is our goal to ensure that our agency is legally compliant with all funding sources and other related governmental regulations. The Business Manager will regularly assess internal controls surrounding the accounting office and items of financial reporting. The Business Manager will report such findings to the Chief Executive Officer on an annual basis in the form of an annual Department Quality Improvement Assessment.
INTERNAL INVESTIGATIONS OF REPORTS
If a problem is reported to the Community Based Services Compliance Officer, the Compliance Officer will speak with the Chief Executive Officer, and a prompt internal investigation will begin. At the conclusion of the investigation process, the Compliance Officer will recommend corrective actions to be taken.

A complete record of all investigations, including recommendations for corrective action, will be prepared and maintained by the Compliance Officer, and presented to the Chief Executive Officer and Board of Directors as appropriate.

ENFORCEMENT OF CORRECTIVE ACTION
Community Based Services, Inc. has a written Policy and Procedure Manual to guide the ethical conduct of its employees in performance of their jobs. Employees receive training on policies and procedures and compliance with these policies and procedures is expected from all employees, volunteers, vendors, and business associates.

DISCIPLINE
Adherence with compliance policies is a condition of employment and disciplinary action will be taken for violation of these requirements.

Any violation may result in discipline up to and including termination and prosecution to the fullest extent allowed by law.

REPORTING
No reprisal, retaliation, or other adverse action will be taken against any employee for making, in good faith, a report of mismanagement, illegal or unethical behavior, or for assisting in the investigation of any complaints or reports. Any suspected retaliation or intimidation should be reported to a supervisor, the Human Resources Manager, Chief Operating Officer or the Chief Executive Officer for review.

DOCUMENTATION OF RECORDS
Employees and contractors must record and report all services rendered and financial information fully, accurately and honestly. Records include, but are not limited to, records of the people we serve, documentation of services provided, accounting books and records, financial statements, timesheets and records, expense reports, vouchers, bills, payroll, claims payments records, and correspondence.

RETENTION OF RECORDS
The retention, disposal and destruction of records will comply with legal, regulatory and Agency policy.
CONFIDENTIALITY

The Agency will ensure that the confidentiality of agency information and information about the people we serve is protected and released only with the proper authorization or for lawful reasons.

Employees and contractors may not share confidential Agency information with anyone, except when required for business purposes.

Agency information may not be removed from Agency properly without permission from an administrator that has proper authority over the information.
COMMUNITY BASED SERVICES, INC
CORPORATE COMPLIANCE PROGRAM

OUR MISSION AND VALUES STATEMENT

Community Based Services, Inc.'s mission is to provide each individual the best possible quality of life through residential and community based opportunities. Our strong compassionate culture demands that all decisions be made with the individuals' involvement and in their best interests. This is ensured through an innovative person-centered approach that delivers services based on the specific interests, abilities and changing needs and desires of each person.

OUR CORE VALUES

1. The individuals’ best interest is paramount in all decision-making
2. We create a warm, friendly and person-centered environment, ensuring that people are safe and that their individual choices are valued and respected.
3. We respect and care for our individuals by promoting and practicing the “Golden Rule.”
4. We have a caring and compassionate culture. Team members take pride in their work and are committed to a standard of excellence which encompasses innovation, collaboration, and knowledge gained through experience.
5. We provide services to individuals that give them the opportunity to fully participate within their community in a manner that fosters personal relationships, independence, choice, fun and positive individualized outcomes.
6. We are committed to honest, ethical and fair business dealings with all of our stakeholders.
7. We develop a unified Treatment Team by promoting effective communication, valuing personal contribution, and by embracing and respecting differences.

In coordination with our mission and core values the following tenets are at the center of our Corporate Compliance Program:

i. To protect and promote integrity within our organization
ii. To assist and advise employees to comply with applicable Federal, State, and local laws
iii. To provide clear Corporate Compliance Guidelines and train and educate employees regarding applicable rules, regulations, policies, and procedures as they relate to compliance.
PURPOSE OF OUR CORPORATE COMPLIANCE PROGRAM

Our Corporate Compliance Program provides guidance to all Community Based Services’ employees, volunteers, and business partners regarding conducting activities within ethical and legal standards. These obligations apply to our relationships with individuals, their families, guardians, and correspondents, employees, independent contractors, consultants, vendors, subcontractors and third-party payors.

This program is a critical component of our overall Code of Ethics and Conduct. We have developed this program to ensure that we meet our ethical standards and comply with applicable laws and regulations.

CODE OF CONDUCT

The Code of Conduct is a statement that is intended to be comprehensive, clear, and easily understood. In some cases the Code is self-explanatory. More complex aspects of the Code may require additional guidance and direction.

Community Based Services believes in affording our staff a certain level of autonomy within their departments and off-site locations and facilities so as to effectively meet the needs of the individuals we serve. We strive to assist individuals with autism and other developmental disabilities to realize their full potential and support them in becoming valued citizens within their community.

No conduct, which is dishonest, unethical or illegal, will be tolerated.

Community Based Services is committed to our standards of ethical conduct. It is the Agency’s intent to monitor, train and support our employees to prevent the occurrence of unethical behavior, to prevent such behavior as soon as possible upon discovery, and to discipline employees, who violate policies, standards, and rules of ethical conduct, include employees who neglect to report a violation.

LICENSURE AND CERTIFICATION

This Agency will not allow any employee or independent contractor who is required to be licensed or certified through credentials to work without a valid, current licensure or credential. Such documentation will be required.

EXCLUSIONARY AUDITS

All employees and contractors of this Agency are screened to verify they remain eligible to participate in Medicaid reimbursed programs. Initial screening will be done at hire or first contract.
CODE OF ETHICS

FUNDAMENTAL PRINCIPLES

HONESTY, INTEGRITY, and FAIRNESS: As a member of Community Based Services’ staff or Board of Directors, you may occasionally deal with individuals, suppliers, auditors, attorneys, government officials and many others. You are expected to act with complete honesty, integrity in these dealings.

TO OUR INDIVIDUALS

We are committed to providing services and treatment of the highest standard of professional conduct and ethical practices. We are committed to providing quality care that is respectful of individual rights, sensitive, compassionate and timely.

Community Based Services believes that personal health information of the individuals it serves is private and should be treated in a confidential manner ensuring safe and protected maintenance and storage. Personal health information will be available at any time to the individual served and/or their legal representative, and shall require appropriate consents and authorizations in writing by the individual served, or their legal representative, for any transmittal of information beyond the required treatment.

TO OUR EMPLOYEES/CONTRACTORS

We are committed to providing a work setting, which treats all people with dignity, fairness, and respect. We believe in promoting individual growth, professional development, and a team environment.

All employees and contractors must obey the laws and regulations that govern their work and act in the best interest of the individuals we serve, their families and the Agency.

It will be expected that staff and contractors inform management of all work provided, to document or record services or transactions accurately, and to be honest and forthcoming with the Agency, regulatory agencies and internal and external auditors.

Staff and contractors will be expected to follow Agency policy, procedure, accounting rules and controls.

All employees and independent contractors of this Agency must comply with the Code of Conduct and Code of Ethics, and immediately report any alleged violations of wrongdoing.

Employees reporting suspected violations in good faith are protected from retaliation.
TO OUR THIRD PARTY PAYORS

We commit to third-party payors to continuously demonstrate our compliance with contractual obligations and concern for quality care. We seek to provide optimal services to our individuals that address individual needs and are effective and cost-efficient. We expect third-party payors to voluntarily commit to similar principles.

TO OUR REGULATORY AGENCIES

We are committed to developing and maintaining an environment in which compliance with rules, regulations, policies and practices is integral to our work processes and culture. We understand and accept our responsibility to monitor compliance with the law and our internal procedures regarding conduct and ethics.

TO THE COMMUNITY WE SERVE

We are committed to listening and understanding the needs of the individuals we serve and the communities in which they reside and participate. We believe in active participation and that the community is an integral partner in helping people overcome barriers to integration.

TO OUR VOLUNTEERS

We believe in the spirit of volunteerism and will make every effort to nurture and recognize that spirit as a vital part of the services we provide.

TO OUR VENDORS AND SUPPLIERS

We are a tax-exempt organization and avail ourselves of the IRS regulations and rulings pertaining to the purchasing of goods and services.

We are committed to fair competition among reputable and qualified suppliers and vendors of goods and services and believe in transparent interactions with our partners conducted with prudence and without the appearance of impropriety.

TO OUR BOARD OF DIRECTORS

We are committed to the highest standards of governance and oversight, which we continually seek to improve through professional management, performance measurement and evaluation in accordance with human resource policies and practices.

INDIVIDUAL RIGHTS

We are committed to treating all individuals with respect and dignity. We provide a standard of care in accordance with the identified needs and in the best interests of individuals served without consideration of race, color, religion, national origin, disability or sexual orientation. Quality care decisions are based on the needs of individuals and not their ability to pay or the type of insurance coverage.
Upon admission each individual is provided with a written STATEMENT OF INDIVIDUAL RIGHTS. This Statement includes the right to make decisions regarding care and conforms to applicable State and Federal laws.

We are committed to individual-driven services in which the individuals, their families and/or designated representatives are involved in a team planning process from which a written plan is prepared in accordance with applicable regulations and agreed upon by the individual and concerned parties.

Individuals and their representatives are, in advance of receiving services, provided with a clear explanation of those services and their rights to refuse or accept care, the estimates of costs for those services, and an explanation of the risks and benefits associated with the services provided.

Individuals or their authorized representatives will be provided with a written Consent Form to approve prior to the initiation of services (PLACEMENT AGREEMENT FORM).

INDIVIDUAL PROTECTED HEALTH INFORMATION

In addition to a written consent form to approve services, individuals will be provided with an authorization to release private health information, which will specifically identify the reason for the release and the use of the information.

Communication of health information, verbal, written and electronic, concerning an individual's service or treatment plan, will be considered confidential and private. This private health information will be carefully protected and monitored and be made available, for purposes other than direct services only upon written authorization by the individual or their authorized representative. No private health information will be released, discussed, or transmitted without authorization as required by law, as outlined in our Notice of HIPAA Privacy Practices.

Access to information by Community Based Services, Inc. employees, subcontractors, and consultants will be limited to the information necessary to perform his or her job assignments in accordance with the service plan. This information may not be disclosed or released without authorization. Any unauthorized disclosure will be considered a violation of the individual's right to privacy and be responded to with disciplinary action up to and including termination in accordance with applicable policies and procedures.

CLINICAL RECORDS AND DOCUMENT RETENTION

Community Based Services, Inc. maintains a centralized system for retaining records at each location in compliance with New York State and Federal laws.
THIRD-PARTY PAYORS

Coding and Billing for Services

We will take precautions to assure that all billings to government and private insurance payors reflect truth and accuracy and conform to all pertinent Federal and State laws and regulations.

We will only bill for services rendered and prohibit any employee or agent of Community Based Services, Inc. from knowingly presenting or causing to be presented claims for payments or approval which are false, factitious, or fraudulent.

Deliberate misstatements to government agencies or other payors will expose the employee involved to criminal penalties and termination.

Community Based Services, Inc. will conduct periodic internal audits designed to verify that claims are submitted for services actually provided and that they are billed correctly.

Cost Reporting

Community Based Services, Inc. is required to submit cost reports of operations under its agreements and contracts with government agencies. We will comply with New York State and Federal laws and regulations relating to the preparation, certification, and submission of these cost reports. We will follow the Corporate Compliance Guidelines of these laws and regulations regarding the definition of allowable cost and methodologies for determining allocations of cost of services.

REGULATORY COMPLIANCE AND SURVEYS

Community Based Services, Inc. provides residential and community based services assisting people with disabilities in Westchester and Putnam counties in New York State. These services may only be provided in accordance with governing Federal, State, and local laws and regulations. Such laws and regulations may include the provision of certificates of need, operating certificates and licenses, permits, accreditation, record-keeping requirements, staff credentials, education, and experiences, and other regulations pertaining to the provision of services to eligible individuals.

We will comply will all applicable laws and regulations. All employees, consultants and subcontractors must be knowledgeable about and ensure compliance with these laws and regulations. Suspected violations should be immediately reported to a supervisor, manager, and/or the designated Compliance Officer.

Community Based Services will ensure that all allegations of violations are followed-up to obtain factual and accurate information available in formulating an appropriate response to correct and/or prevent future violations.
As a provider of services, Community Based Services is subject to various routine governmental and external reviews, surveys, and audits. Requests for information by authorized reviewers will be answered with complete and accurate information. We will cooperate with and be courteous to all authorized and properly identified government surveyors and provide them with the information to which they are entitled by law and regulation.

No Community Based Services, Inc. employee will conceal, destroy, or alter any documents, lie, falsify, or make misleading statements to the government surveyors or attempt to cause or aide another employee to provide false information or obstruct or mislead government surveyors.

Community Based Services, Inc. will provide its employees with information and education regarding laws and regulations and keep them apprised of changes in regulations as they affect the provision of service.

**BUSINESS PRACTICES WORKPLACE CONDUCT**

**AND EMPLOYMENT PRACTICES**

**Conflict of Interest**

Community Based Services, Inc. believes that conflicts of interest arise when the personal interest of its employees or board members comes into conflict with the best interest of the agency and may interfere or appear to interfere with one’s ability to make objective decisions. A conflict may hinder or distract from one’s job performance or cause the unlawful use of Community Based Services, Inc. resources.

Members of the Board of Directors, Executive Level Staff (directors), officers, administrators, and employees have a duty to disclose any actual or possible conflicts of interest for review by the Corporate Compliance Committee. This Committee will, after review, determine whether a conflict exists and shall investigate alternatives. The Corporate Compliance Committee will forward its recommendations to the Board of Directors if a conflict is determined.

Members of the Board of Directors and Executive Level Staff (directors) shall complete a written Conflict of Interest Statement annually. This will be initiated and followed up on by the Human Resource Department annually.

**Confidentiality of Business Information**

Business information is confidential and privileged. This includes information relating to management, financial conditions, personnel matters and future plans of Community Based Services. Employees may not disclose confidential information to anyone, either inside or outside Community Based Services who does not have a legitimate need and right to know the information. All employees have an ethical obligation not to use confidential business information for personal gain.
Agreements with Contractors and Vendors

The Agency will ensure that the agreements with contractors and vendors clearly and accurately describe the services to be performed or items to purchase, performance standards, and applicable compensation.

Solicitation and Distribution

In order to prevent any annoyances and interference with employees' work, employees may not distribute literature or printed materials of any kind, sell merchandise, solicit financial contributions, or solicit for any cause during work time. Employees who are not on working time (e.g., those on lunch hour or breaks) may not solicit employees who are on working time for any cause or distribute literature of any kind to them. This policy also prohibits solicitations via the Agency's email and other telephonic communication systems. Further, employees may not distribute literature or printed materials of any kind in working areas at any time. Non-employees are likewise prohibited from distributing materials or soliciting employees on the Agency's premises at any time.

Gratuities

Employees and board members are prohibited from seeking or accepting substantial gifts (including services, discounts or entertainment) from Community Based Services' suppliers, customers, landlords or any other affiliated persons or organizations for themselves, their families or friends. Unsolicited gifts or gratuities may be accepted as long as they are disclosed.

Drug and Alcohol Free Workplace

Community Based Services, Inc. maintains a drug free workplace and will not tolerate on its premises the manufacture, dispensation, possession, distribution, or use of illicit drugs or alcohol, or an employee being under the influence of illicit drugs or alcohol.

Harassment and Workplace Violence

Community Based Services maintains a workplace in which employees can expect to be free from harassment. Community Based Services, Inc. will not tolerate harassment by anyone based on race, color, sex, age, national origin, disability or sexual orientation.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions, or verbal or physical conduct of a sexual nature that interferes with an individual's work performance by creating an intimidating, hostile, or offensive work environment.
Harassment includes incidents of workplace violence. Workplace violence will not be tolerated and includes robbery and other crimes, stalking cases, violence directed at the employer, terrorism and hate crimes. Community Based Services prohibits the possession of firearms, other weapons, explosive devices, or other dangerous materials on Community Based Services, Inc. premises.

Environmental Health and Safety Requirements

Community Based Services’ staff that handle hazardous materials and regulated medical waste must comply with environmental laws and regulations and follow environmental safety procedures. Community Based Services must hire only licensed services to transport and dispose of hazardous and polluted materials and regulated medical waste, and any action to the contrary must be reported to the department head, or Corporate Compliance Officer.

Proper Control of Medication

Community Based Services is responsible for the proper storage, handling and administration of pharmaceutical products as explained in the Agency’s Policy and Procedure Manual.

The diversion of any prescription drug or controlled substance in any amount for any reason to an unauthorized individual or entity is forbidden and may constitute grounds for dismissal. Community Based Services’ staff must be diligent in carrying out their obligations in this regard and they must never use drugs stored in various Community Based Services’ programs for their own purposes.

Equal Employment Opportunities

The Agency provides employee opportunity to qualified persons without regard to race, color, sex, marital status, religion, national origin, age, disability, sexual orientation or status as a Vietnam-era or special disabled veteran or any other category protected by law. Our policy relates to all phases of employment, including recruitment, placement, promotion, training, demotion, transfer, layoff, recall, termination, rates of pay, employee benefits, and participation in all Agency sponsored employee activities.

Any concerns from employees or job applicants alleging violations of the Equal Employment Opportunity policy will be given immediate attention.

Advertising, Marketing and Public Relations

Advertising, marketing and public relations activities may be conducted to educate the public, provide information to the community, increase awareness of services, and to recruit personnel. Community Based Services will present only truthful, fully informative and non-deceptive information in these materials.
FINANCIAL AND ACCOUNTING PRACTICES

Financial Reporting

It is the policy of CBS to prepare its financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The financial information is audited and certified annually by an outside auditor who reports to the Board of Directors. All governmental reports are prepared in accordance with pertinent regulations and Corporate Compliance Guidelines, are reviewed by qualified staff in the accounting department and submitted to various government entities on a timely basis.

We will follow the Federal False Claims Act in regard to implementation and review. The Agency will ensure a system where detection and prevention of fraud, waste and abuse will occur. The Agency will not retaliate against an employee if the employee discloses information about our policies and procedures to regulatory or law enforcement officials, or any other public agency. Protected disclosures are those that, in good faith, the employee believes a false claim or billing has been submitted or that improper quality of care has been provided. The employee’s discussion will be protected if the employee first brought up the matter with a supervisor and has given this agency a reasonable opportunity to correct the alleged violation.

Computer Software

Community Based Services’ employees should never copy computer software. Computers, internet access, email or other office communication systems are intended for business-related purposes only, and not for uses that may be disruptive, offensive, harassing or harmful to others. Do not share your system user name or password with another person or allow another access to the computer with your password. All employees and contractors are required to comply with computer use policy and procedures. If you have any questions concerning computer information security, contact your immediate supervisor.

Donations

Community Based Services accepts donations of money or items that may be useful. All monetary donations and in-kind donations valued greater than $50 will be recorded and donors will receive written confirmation of their donation.

Solicitation Policies

Any solicitation of Agency employees, families and correspondents must be prior authorized by the Chief Executive Officer.
COMPLIANCE OFFICER AND HOTLINE

In order to provide employees with opportunities to raise concerns and report possible wrongdoing Community Based Services, Inc. has appointed a Corporate Compliance Officer. Any employee may bring any matter addressed in this Corporate Compliance Manual to the attention of the Corporate Compliance Officer.

Community Based Services has made available a Corporate Compliance Hotline. Every call will be treated confidentially. Calls may be recorded for accuracy of information, but not traced, and the caller will not be required to furnish his or her name. The Corporate Compliance Officer will investigate all calls and ensure that proper follow up actions are taken. Community Based Services, Inc. prohibits any employee from retaliating against a hotline caller, and the caller may remain anonymous if he or she desires to do so.

GOVERNMENT INVESTIGATIONS

Community Based Services, Inc. employees will fully comply with the law and cooperate with any reasonable demand made in a government investigation. It is essential that the legal rights of Community Based Services, Inc. and its employees be protected. If any employee receives an inquiry, a subpoena, or other legal document regarding Community Based Services, Inc. at home or in the work place, from any government agency, Community Based Services, Inc. requires that the employee notify the Corporate Compliance Officer so that legal counsel can be notified immediately. If contacted at home, the employee should request that the agent return later and immediately contact the Community Based Services, Inc. Corporate Compliance Officer.

This Agency will respond in a proper manner to all government investigations. Some of the governmental entities that have a right to immediate access to information are:

- New York State Office of the Attorney General
- New York State Department of Health
- New York State Fraud Control Unit
- New York State Department of Labor
- New York State Office of the Medicaid Inspector General
- United States Department of Health and Human Services (HHS)
- United States Occupational Safety and Health Administration (OSHA)
- Health Care Financing Administration, a division of HHS
- United States Office of the Inspector General
- Mental Hygiene Legal Services
- New York State Office for People with Developmental Disabilities
Procedure to Receive Government Investigators

- Examine the officer’s credentials before granting them access to a Community Based Services facility
- Treat the government officers with respect, courtesy and cooperation
- Invite the officials to delay their duties until the Department Director or Agency Administrator is called and responds to the officials’ arrival and purpose.
COMMUNITY BASED SERVICES, INC
CORPORATE COMPLIANCE PROCEDURE

1.1 THE CORPORATE COMPLIANCE OFFICER

The President of the Board of Directors and the Chief Executive Officer of CBS designates the Corporate Compliance Officer who will submit a written report of any Compliance issues that may arise to the Executive Committee on a quarterly basis.

1.1 PROCEDURE

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<th>PROCEDURAL STEP</th>
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<th>ACCOUNTABILITY</th>
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<tr>
<td>The Chief Executive Officer will recruit candidates for Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
<td>Board of Directors</td>
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<tr>
<td>Candidates will be presented to the Board of Directors for selection</td>
<td>Chief Executive Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Written reports will be prepared for submission to the Chief Executive Officer and the Board of Directors on at least a quarterly basis</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
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1.2 THE CORPORATE COMPLIANCE COMMITTEE

The Compliance Committee is designated by the Chief Executive Officer and the Corporate Compliance Officer and consists of senior-level managers. The Committee meets on an as-needed basis, but at least quarterly. The Compliance Committee, if called, will review circumstances of the compliance issue and make recommendations as appropriate.

1.2 PROCEDURE

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<tr>
<td>Candidates for the Compliance Committee will be solicited and interviewed, and selected</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Selected candidates will be presented to the Chief Executive Officer</td>
<td>Corporate Compliance Officer</td>
<td>Corporate Compliance Officer</td>
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2.1 **EMPLOYEE TRAINING**

The Training Department, in conjunction with the Human Resources Manager, is designated to initiate and oversee continuing education of a variety of topics covered in this Corporate Compliance Manual. The level and frequency of compliance education and training is dependent upon an employee's involvement in business processes, individual care and/or the record keeping and billing procedures.

2.2 **INITIAL TRAINING FOR NEW EMPLOYEES**

All new-hire employees will receive an overview of the Compliance Program as part of their initial orientation training. This orientation will provide general information of the key elements of the program, Community Based Services' commitment to complying with all regulations, and how to report a suspected violation to the Compliance Officer.

2.3 **TRAINING BILLING EMPLOYEES**

Employees directly involved with billing processes and/or the submission of claims will receive initial compliance training prior to assuming their responsibilities. Training may include topics, such as:

- Government and private insurance reimbursement procedures
- Proper documentation of services rendered
- Duty to report misconduct

### 2.1 PROCEDURE

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<tr>
<td>Staff will receive training within 90 days of hire</td>
<td>Training Staff/Human Resources Manager</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td>Finance and staff involved with billing will receive training prior to carrying out their duties</td>
<td>Business Manager/Training Staff</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td>Annual training in required areas</td>
<td>Department Director/Training Staff</td>
<td>Chief Executive Officer/Corporate Compliance Officer</td>
</tr>
</tbody>
</table>
3.1 EFFECTIVE COMMUNICATION OF COMPLIANCE ISSUES

The Compliance Officer has been designated as a resource to field questions concerning compliance issues. Additionally, employees with a concern or question should be encouraged to speak with any supervisor, or manager with whom they are comfortable, or the human resource department.

3.1 PROCEDURE

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<tr>
<td>Notification of any changes to the Compliance Manual will be provided to all staff</td>
<td>Human Resources Manager/Training Staff</td>
<td>Corporate Compliance Officer/Chief Executive Officer</td>
</tr>
<tr>
<td>Periodic training will be provided as necessary regarding changes in processes, laws, regulations or policies as needed to ensure compliance</td>
<td>Training Staff</td>
<td>Corporate Compliance Officer</td>
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</table>

4.1 GUIDELINES FOR REPORTING

Employees are encouraged to report areas for improvement or suspected violations of the Compliance Program to their supervisors who will communicate with the Corporate Compliance Officer or the Chief Executive Officer.

4.1 PROCEDURE

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<tr>
<td>Employees will be trained in reporting a suspect violation of the Compliance Program</td>
<td>Training Staff</td>
<td>Corporate Compliance Officer</td>
</tr>
<tr>
<td>Supervisors will be instructed to refer compliance violation reports to the Corporate Compliance Officer</td>
<td>Training Staff</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Employees will be advised that there will be no recriminations for reporting suspected violations</td>
<td>Training Staff</td>
<td>Chief Executive Officer</td>
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4.2 COMPLIANCE HOTLINE

The Compliance Hotline Number may also be used for reporting suspected instances of non-compliance. All reports will be regarded and treated as confidential and will be responded to accordingly.
4.2 PROCEDURE

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<tr>
<td>A hotline will be designated and maintained by the agency</td>
<td>Corporate Compliance Officer</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>The hotline number will be posted at each facility location and will be available in the manual or by calling the Administrative Office for information</td>
<td>Corporate Compliance Officer</td>
<td>Chief Operating Office</td>
</tr>
<tr>
<td>All information reported via the hotline will be considered confidential and will be reviewed by the Corporate Compliance Officer or designee only</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Reported violations and complaints will be investigated by the Corporate Compliance Officer or designee in a timely manner</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>The Chief Executive Officer and the Board of Directors will be kept apprised of ongoing investigations as appropriate</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
</tbody>
</table>

4.3 COMPLIANCE OFFICER’S REPORT

The Corporate Compliance Officer will provide a full report of any activities in the Corporate Compliance area to the Chief Executive Officer on a quarterly basis, and as necessary, for presentation to the Board of Directors.

4.3 PROCEDURE

<table>
<thead>
<tr>
<th>PROCEDURAL STEP</th>
<th>RESPONSIBILITY</th>
<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>A written summary of activities within the area of corporate compliance will be prepared and will include the status of all reports received</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>The written summary will be provided to the Board of Directors</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
</tbody>
</table>

5.1 INTERNAL MONITORING

Internal monitoring may include, but will not be limited to, a review of clinical documentation to ensure that it supports the services billed and that the bills are submitted in accordance with applicable State and Federal laws, regulations, and agency guidelines.
5.2 REVIEW ACTIVITIES

The assurance activities may include, but will not be limited to, a review of clinical documentation to ensure that it supports the services billed and that the bills are submitted in accordance with applicable laws, regulations, and agency guidelines.

5.3 REVIEW REPORTING

The results of all assurance activities will be provided in writing and presented to the Chief Operating Officer. If a suspected violation is detected in the course of assurance activities, the Chief Operating Officer is responsible for initiating an investigation of the alleged violation and advising the Chief Executive Officer.

6.1 INTERNAL INVESTIGATIONS

The Corporate Compliance Officer, in consultation with the Chief Executive Officer, will ensure that prompt internal investigations are conducted, as necessary.

6.1 PROCEDURE

<table>
<thead>
<tr>
<th>PROCEDURAL STEP</th>
<th>RESPONSIBILITY</th>
<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>All violations will be investigated</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Legal counsel will be apprised as necessary</td>
<td>Chief Executive Officer</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>Chief Executive Officer and Board of Directors will be kept informed</td>
<td>Chief Executive Officer/ Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Each investigation will have a disposition or resolution</td>
<td>Chief Executive Officer/Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
</tbody>
</table>

6.2 RECOMMENDATIONS AND RECORDKEEPING

The Compliance Officer will recommend to Chief Executive Officer/Board of Directors corrective actions to be taken. A complete record of all investigations, including recommendations for corrective action, will be prepared and maintained by the Compliance Officer.
6.2 PROCEDURE

<table>
<thead>
<tr>
<th>PROCEDURAL STEP</th>
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<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal counsel will be consulted prior to implementing corrective action as necessary</td>
<td>Chief Executive Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Investigations, dispositions and corrective actions will be documented in writing and kept in a confidential record</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Records will be maintained in a secure area with limited accessibility</td>
<td>Corporate Compliance Officer</td>
<td>Chief Executive Officer</td>
</tr>
</tbody>
</table>

7.1 ENFORCEMENT OF CORRECTIVE ACTION

Community Based Services, Inc. has written policies and procedures to monitor the ethical conduct of its employees in performance of their jobs. Employees receive training on policies and procedures and compliance with these policies and procedures is expected from all employees, volunteers, vendors, and business associates.

7.1 PROCEDURE

<table>
<thead>
<tr>
<th>PROCEDURAL STEP</th>
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<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>All staff will receive training on the ethical behavior expected</td>
<td>Training Staff/Human Resources Manager</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Violations resulting in corrective action may include retraining, counseling and additional in-services when warranted</td>
<td>Training Staff/Human Resources Manager</td>
<td>Chief Operating Officer</td>
</tr>
</tbody>
</table>

8.1 DISCIPLINE

Adherence with compliance policies is a condition of employment and disciplinary action will be taken for violation of these requirements. Any violation may result in discipline up to and including termination and prosecution to the fullest extent allowed by law.
## 8.1 Procedure

<table>
<thead>
<tr>
<th>PROCEDURAL STEP</th>
<th>RESPONSIBILITY</th>
<th>ACCOUNTABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>All substantiated violations will result in disciplinary action</td>
<td>Human Resources Manager</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>A progressive form of discipline (see attached) will apply which includes verbal and written warnings, termination and prosecution depending upon the severity of the violation</td>
<td>Human Resources Manager</td>
<td>Chief Operating Officer</td>
</tr>
</tbody>
</table>
USING THE CORPORATE COMPLIANCE PROGRAM

This compliance program does not replace other agency reporting policies and procedures. Rather, it serves to underscore the importance of ethical and lawful behavior and to attend to professional conduct for which there are no formal reporting procedures or procedures that are merely implied.

The Chief Executive Officer of Community Based Services shall have the ultimate authority and responsibility for the implementation of the Agency’s corporate compliance program. The CEO and/or designee shall have the authority and responsibility for compliance with laws and regulations and to report misconduct to the enforcement authority.

**Duty to Report**

Employees must report to their supervisor or to the Community Based Services Compliance Officer or Human Resource Department suspected violations by employees of applicable law, rules, regulations or the CBS Code of Conduct. Employees have the same reporting obligations for actual or suspected violations committed by a vendor or subcontractor of Community Based Services.

**Where to Report**

An effective corporate compliance program requires all of us to cooperate willingly and to participate actively. We have a responsibility to report concerns to any of the following:

- Your department supervisor
- Corporate Compliance Officer
- Human Resources Department
- Community Based Services has established a confidential Corporate Compliance Hotline – 914-277-4771 ext. 110.
COMMUNITY BASED SERVICES, INC

CORPORATE COMPLIANCE PROGRESSIVE DISCIPLINE POLICY

Any employee who willfully or negligently provides false or incorrect information to Community Based Services, Inc., a government agency or third party payor violates any State or Federal laws or fails to report conduct by an employee of Community Based Services, Inc. which is suspected as being in violation of Community Based Services, Inc.'s Corporate Compliance Guidelines, is subject to termination of employment or other disciplinary action.

CORRECTIVE ACTION PLAN PROCEDURE

To ensure adherence with Community Based Services, Inc.'s Corporate Compliance Guidelines, a corrective action plan is established to determine the level of compliance, initiate training and take further action when necessary.

   i. Establish routine reviews and compliance training with expected outcomes.
   ii. Follow-up with further review and training in noncompliant areas.
   iii. Update training on a regular basis and periodically review billing and clinical records for accuracy.
   iv. Notify Compliance Officer, Chief Operating Officer and Chief Executive Officer of uncorrected compliance issues.
   v. Issue written warnings of non-compliance with copies to the Corporate Compliance Officer/Chief Executive Officer.
   vi. Notify Chief Executive Officer, Corporate Compliance Officer and Human Resources Manager of additional disciplinary action, including suspension of duties (i.e. billing or clinical privileges) and initiation of termination proceedings.

PROGRESSIVE DISCIPLINE PROCEDURE

Verbal Counseling

Supervisors or other members of management may counsel an employee about a complaint or violation of the Corporate Compliance Policy. A memo describing the circumstances of the counseling may be placed in the employee's personnel record. An opportunity to correct performance will be established in which time the employee will improve or further disciplinary or corrective action may be required.
Written Warning

Supervisors or other appropriate management may issue a formal written warning to an employee explaining the nature of a complaint or violation of the Corporate Compliance Policy and note previous violations by the employee, warnings or counseling that have been issued, and that further violations could lead to termination of employment. Written warnings will be placed in the employee's personnel record.

Probation, Suspension or Demotion

Supervisors may, with the approval of the Chief Operating Officer/Chief Executive Officer, place an employee on probation for up to 5 days, suspend an employee from work duties (with or without pay) or recommend demotion at any time for continued complaints or violations of the Corporate Compliance Policy. Actions will be documented in writing and filed in the employee's personnel file. Employees will be advised of their right to written comment and the grievance procedures established within the agency.

Termination

An employee may be dismissed during the disciplinary process with or without notice for complaints or violations of the Corporate Compliance Policy. Verbal or written warnings, probation or suspensions do not ensure an employee continued employment for any specified period of time. Documentation of the termination and an exit report will be a part of the employee's personnel record.

An individual’s employment with this Agency is considered at will. The Agency also reserves the right to terminate employment at any time for any reason. The progressive discipline procedure is a guideline, and not inclusive. Intervention may result in responses different from those listed above.