



# Corporate Compliance Program

## MISSION STATEMENT

To improve the quality of people's life by providing:

- unmatched experiences
- clinical excellence
- lifelong relationships

## PTSMC Compliance Program Board Resolution

PTSMC is committed to conducting its business in a manner that promotes its mission and complies with federal and state law. PTSMC believes that, through the efforts of its dedicated employees it can meet the challenges reflected by PTSMC's commitment to compliance and the provision of quality healthcare services.

Although each individual is charged with the responsibility of conducting his or her daily affairs with integrity and in compliance with all applicable laws, PTSMC is committed to maintaining a working environment that promotes these ideals. Accordingly, the Board has determined that PTSMC should implement a formal Corporate Compliance Program concerning PTSMC operations.

The Board's action in directing and approving such action is not based on any concern that PTSMC present operational and management systems are inadequate; rather, the Board's decision is based on two factors. First, the development and implementation of a formal Corporate Compliance Program is part of PTSMC continuing effort to improve quality and performance. Second, various governmental agencies responsible for enforcement of Medicare and Medicaid laws and regulations have strongly encouraged all healthcare providers to put such programs in place.

WHEREFORE, BE IT RESOLVED ON June 7, 2011

Management is directed to dedicate adequate resources toward development of an effective Corporate Compliance Program.

The Corporate Compliance Program will meet or exceed the elements of an effective compliance program and will:

- Establish compliance standards and procedures reasonably capable of reducing the prospect of wrongful conduct;
- Appoint specific, high-level individual(s) with the responsibility to oversee compliance;
- Avoid delegating substantial discretionary authority to individuals with a propensity to engage in unlawful activities;
- Effectively communicate the compliance standards and procedures to all employees and agents;
- Take reasonable steps to achieve compliance by utilizing monitoring and auditing systems;
- Establish a reporting system so that employees and agents can report perceived wrongful conduct by others within the organization without fear of retribution;
- Consistently enforce its standards through appropriate disciplinary mechanisms, including discipline of individuals for failure to detect non-compliance;
- Respond appropriately to non-compliance violations.

The Board recognizes that the development and implementation of such a program is an ongoing challenge. Management is directed to proceed in phases, but Management should make steady progress toward the creation and implementation of specific standards and systems. Management shall provide periodic progress reports to the Board.

PTSMC Compliance Board of Directors includes:

Compliance Officer	Emily Hansen	<a href="mailto:emily.hansen@ptsmc.com">emily.hansen@ptsmc.com</a>
Vice President of Operations	Sandy Wickman Mason	<a href="mailto:sandy.mason@ptsmc.com">sandy.mason@ptsmc.com</a>
Vice President of Business Development	Mike Durand	<a href="mailto:mike.durand@ptsmc.com">mike.durand@ptsmc.com</a>
Human Resource Coordinator	Karen Havlicek	<a href="mailto:karen.havlicek@ptsmc.com">karen.havlicek@ptsmc.com</a>

Two Appointed PTSMC partners who fulfill a 2 year term  
PTSMC Compliance Program

## **Asking Questions and Handling Questionable Situations**

No set of policies and procedures can be drafted to cover every potential situation that employees and agents might face during the day-to-day operations of PTSMC. The policies set forth in the Document (and elsewhere) are written in broad terms and are intended to serve as guidelines for situations that employees and agents may encounter. Nonetheless, situations may arise that are not addressed by the Document or which raise questions as to the appropriate application of legal or regulatory requirements or PTSMC policies to proposed conduct.

Employees and agents are encouraged to ask any questions that they may have and, in fact, have a duty to keep asking questions until they are satisfactorily answered. An employee or agent may ask questions of the compliance officer, his or her supervisor, or PTSMC senior management.

Employees and agents may not engage in conduct that violates applicable legal requirements or PTSMC policies even if instructed to do so by their superiors, and will be deemed in violation of PTSMC policy and subject to discipline if they do so. If an employee or agent ever questions whether a superior's orders violate applicable laws or policies, the Compliance Officer (or senior management) should be contacted immediately.

Employees and agents who have a question whether certain conduct might violate legal requirements or PTSMC policies should refrain from taking any questionable action and promptly consult with their supervisor.

Employees and agents are not expected to have expert knowledge of all of the various legal and regulatory requirements that may apply to their activities. However, they should be sensitive to legal and ethical issues and the application of the Company's policies to their conduct and to know enough to ask questions before engaging in any questionable conduct. When in doubt, the right course is to raise questions with appropriate senior personnel before taking any questionable action.

## **Reporting**

**Reporting of Compliance Violations:**

Employees are required to promptly report any information regarding a known or suspected violation of applicable laws, regulations and PTSMC Policies or any situation where proposed conduct may constitute such a violation. Employees making a report of a Compliance Incident should maintain all information related to the report in strict confidence and should not discuss such information except with PTSMC Management addressing this matter.

**Confidential Reporting:**

It is often helpful (but not required) for employees reporting a Compliance Incident to provide their identity in order to allow PTSMC to contact them in the event that further information or clarification is needed. Employees who are willing to report a Compliance Incident in a way that identifies them as the source of the report may provide the information in writing or by telephone to the Compliance Officer. PTSMC will endeavor to maintain the identity of the employee reporting the Compliance Incident in confidence to the extent practical under the circumstances, although no guarantee can be given that the employee's identity will not be subject to some disclosure.

**Anonymous Reporting:**

Employees who do not wish to be identified as the source of a report of a Compliance Incident may make an anonymous report to the Compliance Officer. This can be done by sending an anonymous letter that contains sufficient detail to allow a thorough investigation of the Compliance Incident.

**No Reprisals Will Be Tolerated:**

An employee who in good faith reports a Compliance incident will NOT be subject to disciplinary action. However, an employee's submission of a report of a Compliance Incident that is known (or should reasonably be known) to be false or misleading at the time made constitutes a violation of PTSMC policy and will subject the employee to disciplinary action, including termination where appropriate. Failure to report a known Compliance Incident in accordance with this Section of the Compliance Document is itself a violation of PTSMC policy and will subject an employee to disciplinary action, including termination where appropriate.

## Handling Compliance Incidents

All reports of Compliance Incidents will be reviewed by the Compliance Officer and appropriate action taken. In certain instances, such action may include an internal investigation and/or corrective measures. Responding to a Compliance Incident can involve complex legal or policy questions that are appropriately handled at senior levels, typically with guidance from counsel. If the result of the investigation indicates that corrective action is required, the Compliance Officer, in consultation with legal counsel and/or such other personnel, including the President and Board of Directors, as necessary, will determine and implement those actions. Employees should not attempt to investigate or otherwise take action to respond to a Compliance Incident on their own, whether with respect to their own or someone else's conduct. Such efforts by employees may adversely affect PTSMC's ability to investigate or otherwise address the matter and take the best responsive action.

Employees are expected to cooperate in any investigation or other effort by PTSMC to respond to a report of a Compliance Incident. PTSMC will not tolerate any direct or indirect efforts by an employee to cover up a Compliance Incident or otherwise impede an investigation or corrective action, for example by withholding information, fabricating an inaccurate or misleading version of the facts, creating misleading documents, altering or destroying records or other such deceptive conduct. Any such conduct is itself a violation of the Compliance Program.

## Disciplinary Action

Disciplinary action, including suspension or termination, may be taken in any of the following circumstances:

- any employee who authorizes, participates or is otherwise involved, directly or indirectly, in any action which constitutes a Compliance Incident;
- any employee who fails promptly to report a Compliance Incident, or who withholds information concerning a Compliance Incident of which the employee becomes aware;
- the Manager(s)/Supervisor(s) of an employee involved in a Compliance Incident to the extent that the circumstances reflect inadequate supervision or lack of appropriate diligence by the Manager(s)/Supervisor(s);
- any employee who attempts to retaliate or participates in retaliation, directly or indirectly, or encourages others to do so, against an employee who in good faith reports a Compliance Incident;
- any employee who makes a report of a Compliance Incident which is known (or should reasonably be known) by the reporting person to be false or misleading; or
- any employee who fails to cooperate fully with PTSMC efforts to investigate or otherwise address a Compliance Incident.

Decisions with respect to disciplinary action are within the sole discretion of PTSMC and will generally involve consultation with the Compliance Officer, legal counsel and other appropriate personnel. Decisions will be made based on consideration of all of the relevant facts and circumstances of a particular situation, including whether an employee involved in a Compliance Incident promptly reported the matter in accordance with this Compliance Document, the degree of the employee's cooperation and the nature of the employee's conduct. However, employees are required by the Compliance Document to promptly report Compliance Incidents and to cooperate with PTSMC in addressing such matters, and the fact that an employee fulfils these obligations under the Compliance Document will not insulate the employee from potential disciplinary action.

# Contracts and Other Arrangements with Physicians and Other Sources of Business

## Arrangements with Physicians and Other Sources of Business.

The Federal Stark Law regulates financial arrangements with physicians. The Federal Anti-Kickback Law regulates arrangements with both physicians and other parties. These laws frequently are confused. It is important to ensure compliance with both laws.

**The Stark Law** makes it illegal for a physician to refer a Medicare or Medicaid patient to a provider, if the physician (or physician's immediate family member) has a financial interest in the provider's business. A "financial interest" includes a direct or indirect ownership or investment interest or a compensation arrangement. An ownership or investment interest includes any interest by equity, debt or other means.

There are several exceptions to this prohibition. If a physician has such a financial interest in the provider, the arrangement must fall within an exception. Failure to fall within an exception makes any referral from an affected physician improper, even if the financial arrangement was not intended to induce referrals.

Whenever a physician (or immediate family member of a physician) is entitled to receive anything of value from PTSMC or a related entity for any reason whatsoever (investment income, rent payments, compensation for services, debt repayments, etc.), you must alert management prior to entering into any such arrangement. Management will then determine if such an arrangement is permissible.

Any person who bills for a service that such person knows is in violation of the Stark Law is subject to penalty up to \$15,000 for each such service, liable for refund of the illegal amounts collected, and subject to exclusion from federal programs.

The Federal Anti-Kickback Law prohibits knowingly and willfully offering, paying, soliciting or receiving, directly or indirectly, anything of value if the purpose is—to induce the recipient to: (1) refer, order, recommend, or purchase an item or service for which payment may be made under a federal health care program such as Medicare or Medicaid, or, (2) arrange for someone else to do so. Unlike the Stark Law, this statute is not limited to physicians. An arrangement that is intended to induce referrals violates this statute even when the payment is not directly related to the volume or value of referrals and there is no agreement to make referrals.

**The Anti-Kickback Law** contains certain exceptions that are generally referred to as —safe harbors. Prior to giving or promising anything of value to any person who could control or influence referrals, you must contact management prior to engaging in such activity. Management will then determine if such an arrangement is permissible.

Anyone convicted of violating the federal anti-kickback law can be imprisoned for up to five years and fined up to \$25,000 as well as lose status as a Medicare/Medicaid provider.

Examples of certain types of arrangements that should be avoided include the following:

Referral Agreements: Any oral or written agreement of any kind, under which a non-employee of PTSMC agrees in any manner to utilize, order or refer company services, even if limited or confidential in nature, is inappropriate.

Gifts: Gifts, outside of the allowed annual guidelines, to physicians or other parties who are in a position to influence utilization of company services are not appropriate under any circumstances. PTSMC guidelines are reviewed yearly and are based on recommendations from outside experts.

Threats of Reprisals: It is not appropriate or acceptable to attempt to coerce physicians or other parties who are in a position to influence utilization of company services by threatening to withhold, terminate or modify any existing or prospective contract, agreement, or other arrangement or economic benefit.

Patient Inducements: Patients may not be offered direct or indirect financial or other incentives to utilize company services. Marketing or promotional items (e.g., trinkets such as teddy bears, mugs, pens, tee shirts, etc.) may be given to patients provided their value is minimal \$25 or less and they are not provided in order to influence decisions.

Waiver of deductibles or co-payments: Under most circumstances, the waiver of deductibles or co-payments by a person or facility is illegal under the Medicare and Medicaid laws as well as other insurance laws. Therefore, insurance co-payments and deductibles may not be waived and patient bills may not be otherwise reduced unless in accordance with written PTSMC policies that have been approved in advance by management.

## Contract Administration

Contracts and Contract Administration. All contracts (including service contracts, leases, and joint ventures) with physicians, outside therapists and other parties who are in a position to influence utilization of company services must be approved by management. Any question as to whether a party is a potential source of business should be brought to the attention of management prior to the contract's execution.

No payments may be made to a physician or other outside party who is in a position to influence utilization of company services until the following items are obtained: (1) a valid contract executed by the physician; (2) an accurate time sheet for the applicable pay period.

All contracts with physicians, outside therapists and others who are in a position to influence utilization of company services must accurately and completely specify the specific services that they are being paid to provide, realistic time commitments, and the compensation rates for those services. These rates must be consistent with the fair market value of the services.

The computation of fair market value in any agreement or arrangement cannot include the volume or value of any business referred to the facility by the persons to whom anything of value is being given. In making the fair market value calculation, all benefits of any kind being given to the contracting party must be taken into account, including but not limited to relocation, reimbursement, professional dues and meetings, auto allowances, mobile phone, marketing assistance, etc.

Every contract payment or other benefit provided to physicians and referral sources must be for the services specified and at the rates called for in the agreement. Every payment must also be supported by proper documentation that the services contracted for were in fact provided. None of the documentation submitted by physicians or referral sources should make reference to referrals that may be made or may have been made to PTSMC, since no compensation may or is to be given or received for referrals.

## Billing Practices

Billing Practices: The False Claims Law prohibits anyone from submitting (or causing to be submitted) information to Medicare or Medicaid that is false or misleading. Violators (both from PTSMC and individual employees) can be imprisoned for up to five years, fined up to \$25,000 per violation, and/or excluded from federal programs.

The Civil Money Penalty Law imposes substantial monetary penalties for certain actions, including submitting bills or other information that the person knows or may result in payments in violation of the many rules of Medicare and Medicaid programs. A person should know if they acted with reckless disregard of, or in deliberate ignorance of, its truth or falsity. Such penalties can also be imposed for other conduct, such as financial inducement to patients.

Examples of prohibited conduct include:

- Billing for services not rendered
- Misrepresenting the services actually rendered such as up coding the level of a service, misrepresenting the time spent in performing the services or the qualifications of the person rendering the service, or representing that supervision requirements were met when they were not;
- Falsely certifying that services were medically necessary;
- Submitting a claim for payment which is inconsistent with or contrary to Medicare or Medicaid payment requirements, such as billing for;
  - billing for services not covered by the program;
  - services rendered by a person other than an employee of the billing provider (unless an exception applies).
  - services ordered by a physician who has an ownership interest in the provider to which no Stark law exception applies.

To avoid violation of these laws, all personnel must accurately bill for services, supplies and equipment provided and must comply with the rules of the applicable payment program. PTSMC provides training on charging and documentation; and performs audits of billing and documentation that ensure compliance with state and federal regulations.

## **Length of Patient Course of Treatment**

The length of a patient's course of treatment is to be based on clinical considerations. PTSMC staff should not attempt to influence each other or attending physicians regarding the length of a patient's course of stay solely for the purpose of improving PTSMC daily treatment census, reimbursement or any other reason unrelated to clinical considerations.

## **Medical Documentation**

Medical records documentation must meet the requirements of the applicable laws, regulations and accreditation standards (CT PT Practice Act, PTPN, Medicare/Medicaid, etc.). Late documentation must be clearly labeled as such in medical records. Any falsification or alteration (without appropriate notation) of medical records is prohibited. If falsifications or inappropriate alterations are discovered, any other person who becomes aware of such facts should immediately contact the Compliance Officer. Please see PTSMC Documentation Standards for requirements.

## **Confidentiality Policy**

PTSMC employees have access to confidential information involving the patients we serve and the personnel who provide services to those patients in PTSMC facilities. PTSMC is committed to maintaining patients' and practitioners' right of privacy consistent with applicable legal requirements. All patient medical records must be kept confidential and only authorized personnel may have access to them.

## **Inappropriate Relations Between Employees and Patients**

PTSMC expects all employees and agents of PTSMC to conduct themselves in an ethical and legal manner in relation to their patients. Inappropriate relationships between employees/agents and patients are strictly prohibited and may result in disciplinary action, including termination when appropriate.

## **Reporting of Child and Elder Abuse**

All incidents of suspected child or elder abuse, both physical and financial, should be reported as required by applicable state law. If you suspect elder or child abuse you should immediately report the matter to your supervisor.

## **Improper Payments and Gifts**

The use of company funds or assets for any unlawful or improper purpose or payment, such as bribes, kickbacks, payoffs, or any other payment made in violation of applicable laws or regulations or for an improper purpose, is strictly prohibited. In addition to payments prohibited by applicable laws or regulations, any payment which is falsified or intentionally not reported to PTSMC books and records shall be deemed to be an Improper Payment.

## **Statements and Schemes to Defraud**

Employees/agents are expected to conduct all of PTSMC business and other activities with honesty, fairness and integrity, and an absence of deception or fraud. It is a violation of PTSMC policy for employees to knowingly and willfully make or cause to be made a false statement, orally or in writing, to a government official, or conceal or cause to be concealed a material fact called for in a government report, application or other submission. These policies extend to all communications with any federal, state, local or foreign government official or agency.

You can violate this policy even if you do not personally make the false statement or conceal the material fact. For example, you should not provide false or materially incomplete information to any other employee, agent, or third party knowing that, or under circumstances making it likely that, such information will later be used in providing information to a governmental agency. The above-described conduct may also constitute a civil or criminal offense punishable by fines and/or imprisonment.

It is also improper to make false statements or conceal material facts in any communication with PTSMC in connection with the conduct of PTSMC business or other activities, including employment or employee benefit applications and any other reports or filings. Similarly, you should not engage in any scheme to defraud PTSMC or any person or entity with whom PTSMC has a business or other relationship out of money, property, or other services or to wrongfully withhold or misappropriate the property of others in the course of PTSMC business or other activities.

## **Governmental Inquiries, Litigation and Other Legal Matters**

The Compliance Officer is responsible for supervising the handling of all inquiries and investigations by any federal, state, local, or other governmental or regulatory authority. If you receive an inquiry for information or documents pertaining to PTSMC or its activities from a governmental or regulatory representative, whether formal or informal, whether in writing, over the telephone or by way of a visit to a PTSMC facility, you should:

1. Inform the governmental or regulatory representative that the matter must be referred to the Compliance Officer, and;
2. Immediately thereafter advise the Compliance Officer of the receipt of such inquiry.

While governmental or regulatory representatives should be treated in a courteous and straightforward manner; no one should provide (or agree to provide) documents, testimony or other information or assistance in response to a request by a governmental or regulatory representative without prior approval of the Compliance Officer.

## **Retention Policies and Procedures**

PTSMC has adopted document retention policies and procedures to ensure that records are retained for a uniform time period throughout PTSMC and to avoid the unnecessary accumulation of documents unlikely to be required for future business operations. These policies and procedures apply to documents and records maintained in computer storage (or other electronic form) as well as written documents and materials. All employees/agents have a responsibility to adhere to PTSMC record retention policies and procedures.

**Privileged and Otherwise Protected Documents.** PTSMC is entitled by law to keep certain documents confidential, even when sought by an opposing party in a legal proceeding. Such documents are commonly referred to as "privileged". PTSMC policy is to maintain the confidentiality of privileged documents.

There are several types of protection against disclosure, including the attorney-client privilege, the work product doctrine and, in some circumstances, the self-evaluation privilege. The attorney-client privilege applies to confidential communication between a client (PTSMC) and its attorneys. The work product doctrine protects documents prepared in connection with, or in anticipation of, litigation that reflect legal strategies and attorney thought processes. The self-evaluation privilege may protect environmental or other compliance audits or similar documents.

In order to maintain the privileged nature of a document, the rules defining the privilege must be strictly observed. One rule common to all privileges is that the privileged document must be kept confidential from third-parties. If an otherwise privileged document is shared with a third party, the privilege is lost forever. Such documents may not be shared with any person without approval from the Compliance Officer.

## **Training and Education**

The Compliance Officer shall direct PTSMC to develop an effective education and training program. The education and training program shall cover this Document, other elements of the Compliance Program and the legal and regulatory requirements relevant to PTSMC business. The Compliance Officer shall review, on an annual basis, various sources of information to ensure that the Compliance Program is covering all necessary subject matters and reaching the necessary personnel. Such sources shall include current laws and regulations, OIG Fraud Alerts, the OIG Work Plans as well as Compliance Incident reports and Monitoring and Auditing Plan results.

All levels of personnel shall be made part of the education and training program. Special compliance orientation programs shall be developed for new hires. Certain non-employed groups whose positions involve activities subject to government enforcement actions shall receive additional, continuing and specialized training.

## **Auditing and Monitoring**

The Compliance Officer will develop an annual plan for monitoring and auditing the effectiveness of the Compliance Program and compliance with the specific standards, policies, procedures and legal requirements. In developing the Plan, the Compliance Officer will take into consideration current enforcement concerns of federal, state and local governments, as well as Compliance Incident reports. The results of the Monitoring and Auditing Plan shall be reviewed by senior management and the Board of directors. Where the results indicate, immediate corrective steps shall be taken.

In addition, it is PTSMC policy to assure compliance with law and policy by:

1. Monitoring employee/agent performance.
2. Requiring the execution of compliance certificates.
3. Encouraging questions and answering questions.
4. Requiring the reporting of suspected violations.
5. Auditing employee/agent performance.

To assure compliance with law and policy, PTSMC shall perform periodic audits as directed by PTSMC senior management. The audits will be executed in accordance with the policies and procedures contained in the applicable PTSMC auditing tool or protocol. Generally, the audits shall include a factual investigation conducted through interview with key personnel and/or a random review of preselected documents and files. In addition to periodic audits, PTSMC shall conduct a complaint audit which is a review of any matter for which it receives a credible allegation or complaint alleging improper conduct or a violation of any policy or law. All audits shall be performed in accordance with reasonable methods for selecting random samples. PTSMC will devote such resources as are reasonably necessary to ensure that the audits are: (1) adequately staffed; (2) performed by persons with appropriate knowledge and experience to conduct the audits; and (3) utilizing audit tools and protocol that are periodically updated to reflect changes in applicable laws and policies.

A final written copy of all audit reports shall be approved by senior management and legal counsel. Senior management shall be responsible for the revision of applicable educational training materials and procedure manuals to correct the problems found during the audit. Senior management shall also be responsible for assuring that the information on how to correct the problem is promptly disseminated to the employees/agents and supervisors on how to correct the problem. Depending on the circumstances, the senior management may order a follow-up audit on the facility or specific persons to ascertain that a specific concern has, in fact, been corrected.

### **Fraud and Abuse Auditing**

Representative claims from all of PTSMC sites and providers shall be periodically reviewed to promptly identify deficiencies in the claim development and submission process that may result in inaccurate claims or other violations of laws and policies. PTSMC will conduct audits in accordance with the predetermined schedule set by senior management. All audits shall be performed on current billings, except when an audit indicates a possible problem retrospectively, and then the retrospective problem shall be investigated and addressed.

### **New Employee/Agent Audits**

It is the policy of PTSMC and the responsibility of each department manager to ensure that persons who are new to a position which has a direct impact on the claim development and submission process are provided adequate and appropriate training and are audited. Each person whose principal function includes the billing or coding of claims shall have all claim-related work reviewed by a supervisor or an experienced co-worker for a period of not less than 90 days following the commencement date and until the supervisor is satisfied that the accuracy of the person's claims justify cessation of reviews.

## Program Employee/Vendor Screening Policy

It is the policy of PTSMC to make reasonable inquiry into the background of prospective employees and vendors whose job functions or activities may materially impact the Medicare/Medicaid claim development and submission process:

- Employees. The following categories of perspective employees shall be screened to determine whether they have been (a) convicted of a criminal offense related to healthcare; or (b) listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation.
  - Any person occupying a management position
  - Providers who do or will possess an individual Medicare provider number
  - All billing office supervisors and managers
- Vendors and Contractors. PTSMC will not knowingly contract with or retain on its behalf any person or entity which has been (a) convicted of a criminal offense related to healthcare (unless such person or entity has implemented a compliance program as part of an agreement with the federal government); or (b) listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation.
- Inquiry. In attempting to ascertain whether an individual or entity is ineligible,

PTSMC shall review the following sources.

- DHHS/OIG cumulative sanction report
- State and Local Background checks.
- Questions may be directed to: Office of the Inspector General, Office of Enforcement and Compliance, 7500 Security Boulevard, Room N2-0126, Baltimore, Maryland, 21244, (410) 786-9603.