



MONARCH  
HEALTHCARE MANAGEMENT

# **Corporate Compliance Program**

**CORPORATE COMPLIANCE OFFICER  
FOR MONARCH HEALTHCARE MANAGEMENT  
AND IMPORTANT PHONE NUMBERS**

Corporate Compliance Officer .....Vice President of Human Resources

Address .....638 South Bend Avenue  
Mankato, MN 56001

Email Address.....lborn@monarchmn.com

Telephone ..... 507.625.8741

Compliance Hot Line ..... 888.579.1848

**CORPORATE COMPLIANCE COMMITTEE**

The Corporate Compliance Committee shall consist of the Corporate Compliance Officer, the Administrators and Housing Directors of each of Monarch Healthcare Management locations listed herein along with the Company CEO, CFO, COO, the Corporate Accounts Receivable and Vice President of Operations and these parties shall constitute the local compliance officers. Compliance Committee meetings and discussion shall occur during the regular leadership, accounts receivable and human resource directors' meetings that occur in Monarch Healthcare Management.

## **Monarch Healthcare Management Locations**

Crystal Seasons Living Center - 222 South Murphy Street, Lake Crystal, MN, 56055

Green Prairie Rehabilitation & Assisted Living Campus - 800 2<sup>nd</sup> Ave. N.W., Plainview, MN, 55964

Hillcrest Rehabilitation Center - 714 South Bend Ave., Mankato, MN, 56001

Laurels Edge Assisted Living - 77 Stadium Road, Mankato, MN, 56001

Laurels Peak Rehabilitation Center - 700 James Ave., Mankato, MN, 56001

Mala Strana Rehabilitation Center - 1001 Columbus Ave. N., New Prague, MN, 56071

Mala Strana Assisted Living - 999 Columbus Ave. N., New Prague, MN, 56071

Meeker Manor Rehabilitation Center, 600 S. Davis, Litchfield, MN, 55355

Sunny Ridge Rehabilitation Center, 3014 Erie Avenue, Sheboygan, WI, 53081

Superior Rehabilitation Center, 1800 New York Avenue, Superior, WI, 54880

The Beacon at Lake Crystal, 511 W. Blue Earth, Lake Crystal, MN, 56055

The Beacon at Mapleton, 206 3<sup>rd</sup> Ave. N.E., Mapleton, MN, 56065

The Beacon at New Richland, 113 1<sup>st</sup> St. S.W., New Richland, MN, 56072

The Estates at Bloomington, 9200 Nicollet Ave., Bloomington, MN, 55420

The Estates at Chateau, 2106 2<sup>nd</sup> Ave. S., Minneapolis, MN, 55404

The Estates at Delano, 433 County Rd. 30 S.E., Delano, MN, 55328

The Estates at Excelsior, 515 Division St., Excelsior, MN, 55331

The Estates at Fridley, 5700 E. River Rd., Fridley, MN, 55432

The Estates at Greeley, 313 Greeley St. S., Stillwater, MN, 55082

The Estates at Linden, 105 Linden St. W., Stillwater, MN, 55082

The Estates at Lynnhurst, 471 W. Lynnhurst Ave., St. Paul, MN, 55104

The Estates at Roseville, 2727 Victoria St. N., Roseville, MN, 55113

The Estates at Rush City, 650 S. Bremer Ave., Rush City, MN, 55069

The Estates at St. Louis Park, 3201 Virginia Avenue South, St. Louis Park, MN, 55426

The Estates at Twin Rivers, 305 Fremont St., Anoka, MN, 55303

The North Shore Estates, 7700 Grand Ave., Duluth, MN, 55807

Any future entities of Monarch Healthcare Management will be considered covered as added to the corporation.

## Table of Contents

Corporate Philosophy Statement .....	5
Code of Ethics .....	7
Corporate Compliance Officer .....	8
Compliance Committee .....	9
Supervisors.....	10
Compliance Policies .....	11
Investigation of Compliance Issues.....	15
Monarch Healthcare Management Compliance Issue Report Form.....	17
Monarch Healthcare Management Corporate Compliance Investigation .....	19
Appendix .....	21
Compliance Education .....	22
Federal Health Care Programs Exclusion Monitoring.....	26

---

## CORPORATE PHILOSOPHY STATEMENT

The laws governing the conduct of health care providers are constantly evolving and have become increasingly complex. To ensure the provision of quality health care in compliance with those laws, Monarch Healthcare Management has developed a compliance program, of which this compliance program manual is an integral part. The compliance program establishes Monarch Healthcare Management's standards, policies, and procedures regarding compliance with applicable law governing financial relationships among health care providers or other potential sources of referrals, and is designed to ensure that the business and billing practices of Monarch Healthcare Management comply with applicable laws. This compliance program is intended to apply to all relationships between Monarch Healthcare Management and other institutional health providers and/or physicians, and between Monarch Healthcare Management and its vendors and suppliers. This compliance program also reaffirms Monarch Healthcare Management's commitment to delivery of quality health care consistent with applicable state and federal health and safety standards.

Monarch Healthcare Management is dedicated to the provision of quality health care and living accommodations for its clients, and to accomplishing its mission by:

- Responding to the needs of clients, healthy and ill;
- Providing excellent care through multiple levels of service in selected locations;
- Providing an environment that enhances each client's awareness of his or her medical condition, treatment and prognosis, dignity, security, comfort, and peace of mind;
- Ensuring that services are provided and that facilities are maintained in a fiscally responsible manner; and
- Providing through people, facilities, and programs, a balance between security and independence for clients which assist in achieving and maintaining the clients' highest practicable physical, mental, and psychosocial well-being, in accordance with clients' comprehensive assessment and plan of care.

Monarch Healthcare Management and its employees shall act in accordance with the following goals:

- To serve the needs of clients in health and illness in a committed and caring environment;
- To further a commitment to integrity, quality, excellence, and continuous improvement in all areas of service to clients;
- To manage human and material resources ethically, with creativity and vision, always mindful of changing needs and environments and the capacity to serve;
- To esteem all personnel, including volunteers, as the providers of service, encouraging their professional development, caring for them, and nurturing their growth as capable and compassionate people; and
- To serve through providing multiple levels of care, and to facilitate client transfers based on a consistently applied client assessment process that considers the physical, mental, and emotional well-being in providing the highest quality of life for clients.

To achieve these goals, Monarch Healthcare Management is committed to conducting all of its business activities in compliance with ethical standards and all applicable laws, rules, and regulations. Employees must recognize their duty to act in accordance with this essential directive.

All questions regarding the application of this compliance program should be directed to supervisors. If an employee's immediate supervisor cannot or does not answer the questions or resolve the concerns, the employee should address the issue with their local compliance officer or with Monarch Healthcare Management's Corporate Compliance Officer.

Any action taken in violation of this compliance program is beyond the scope of employment and will subject the employee to sanctions by Monarch Healthcare Management including, but not limited to, termination of employment.

This compliance program does not address every aspect of Monarch Healthcare Management's compliance activities and their applicable legal issues. As such, employees should consult Monarch Healthcare Management's established policies and procedures and seek the guidance of their supervisor with respect to any other compliance issues that may arise.

Employees shall receive education regarding the compliance program. A procedure has been established to report compliance violations using a confidential method for raising concerns about violations or suspected violations of the compliance program.

All violations, suspected violations, questionable conduct, or questionable practices shall be reported by employees to Monarch Healthcare Management through one or more of the following:

- Reporting to the employee's immediate supervisor;
- Reporting to the local compliance officer;
- Reporting to Monarch Healthcare Management's Corporate Compliance Officer
- Calling the Compliance Hotline at 888.579.1848 or submitting online at [www.MyComplianceReport.com](http://www.MyComplianceReport.com); Enter access ID: MNRK
- Issuing a verbal or written report to any of the officers designated to receive such report.

The author may report all information anonymously, and Monarch Healthcare Management will attempt to preserve the confidentiality of the matter and anonymity of the author to the fullest extent permitted by law. However, confidentiality and anonymity cannot be guaranteed in all situations.

Any documents, reports, or other products of Monarch Healthcare Management's compliance program shall be protected to the extent allowed by law to self-evaluative, ombudsman, attorney-client, work-product, and any other applicable privileges.

---

## CODE OF ETHICS

To the best of their knowledge and ability, the employees of Monarch Healthcare Management will:

- Respect the confidentiality of information acquired in the course of employment.
- Ensure protection of clients from abuse and neglect in any form and promptly reporting any concerns.
- Share knowledge and maintain skills and qualifications necessary and relevant to the company's needs and position requirements.
- Proactively promote ethical and honest behavior within the company environment.
- Assure responsible use and control of all assets, resources and information of the company.
- Act ethically and with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest in personal and professional relationships.
- Report concerns of potential unethical practices
- Avoid conflicts of interest, which shall include disclosure of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- Strive to understand and comply with applicable laws, rules and regulations of federal, state, and local governments and other appropriate private and public regulatory agencies.
- Ensure that clients, and others making payment on client's behalf, are billed only for services for which there is complete and truthful documentation.

---

## CORPORATE COMPLIANCE OFFICER

Proper execution of compliance responsibilities, and promotion of adherence to the compliance program and this compliance program manual, shall be the responsibility of the Corporate Compliance Officer.

The Corporate Compliance Officer shall:

- Receive periodic training in compliance procedures;
- Have access to necessary records and documentation, including client records, billing records, and marketing agreements and records.

It shall be the responsibility of the Corporate Compliance Officer to ensure that:

- The Code of Ethics is distributed to all employees;
- This compliance program manual and the Code of Ethics are revised as needed;
- All required background checks are conducted as indicated in this compliance program;
- Employees are given appropriate compliance program training, including information regarding the duty to report suspected violations or questionable conduct and the mechanisms for such reporting;
- Correspondence and other reports of suspected violations or questionable conduct are treated confidentially (unless circumstances dictate to the contrary);
- An appropriate inquiry or investigation is initiated with respect to any report of a suspected violation or questionable conduct, and corrective and/or disciplinary action is taken, where appropriate;
- The Corporate Compliance Officer and the local compliance officers shall maintain a working knowledge of compliance issues and of the various processes, investigations and other matters that may relate to corporate compliance such as corrective action plans; due diligence efforts regarding business transactions; employee training, including the number of training hours; disciplinary action; and modification and distribution of policies and procedures.
- Specific compliance issues are assigned to individuals outside the organization for review, as appropriate, such as legal counsel, accountants, quality consultants, etc. The Corporate Compliance Officer should be given the authority and responsibility to authorize such reviews.



---

## COMPLIANCE COMMITTEE

Routine oversight of compliance responsibilities, and promotion of adherence to the compliance program and this compliance program manual, shall be the responsibility of the compliance committee members.

The compliance committee operating as part of the regular Leadership, Accounts Receivable and Human Resource Director's meetings that occur in Monarch Healthcare Management shall:

- Receive training in compliance procedures;
- Have access to necessary records and documentation, including client records, billing records, and marketing agreements and records.

It shall be the responsibility of the compliance committee to ensure that the Compliance Policies described herein are followed, enforced and administered to ensure the provision of quality health care in compliance with the laws.

---

## SUPERVISORS

Supervisors should serve as the first line of communication regarding compliance issues for employees. As such, supervisors are required and directed to report concerns, questions, and employee reports of suspect activity immediately to their supervisor or the local compliance officer or directly to the Corporate Compliance Officer.

Supervisors must be available to discuss with each employee under their direct supervision:

- The content and procedures of the Code of Ethics;
- That adherence to the Code of Ethics and the compliance program is a condition of employment;
- That Monarch Healthcare Management shall take appropriate disciplinary action, including termination of employment, for violation of the principles set forth in the compliance program and applicable laws and regulations;
- That neither Monarch Healthcare Management nor any of its employees will retaliate against any individual for reporting a suspected violation or questionable conduct or assisting in an investigation;
- The necessity and importance of participating in ongoing training regarding Monarch Healthcare Management's corporate compliance program.

Supervisors shall follow corporate policies and procedures that ensure that functions under their supervision are implemented in compliance with law, and that employees under their supervision perform their duties in compliance with these policies and procedures and applicable law.

### Legal Counsel

The CEO of Monarch Healthcare Management or Corporate Compliance Officer may consult legal counsel as necessary on issues raised by reports of suspected violations or questionable conduct.

---

# COMPLIANCE POLICIES

## Quality of Care

Monarch Healthcare Management will provide high quality, cost-effective care to clients in accordance with the highest professional standards. We will respect each client's dignity and their right to privacy of their medical information in accordance with operative rules and regulations, including the HIPAA privacy regulations. We will listen to our clients, their families, and visitors to understand any concerns or complaints and will involve clients in the decision-making process regarding their care, and quickly and efficiently respond to their questions, concerns, and needs.

We will maintain complete and accurate medical records and accurately communicate information to clients, families, and payers, including insurance companies and health plans as requested and appropriate. Only those clinical staff appropriately licensed and credentialed will provide client evaluations, and they will supervise all care provided by assistants and aides. All licensed and professional staff will maintain their credentials in good standing and will keep current in practice techniques and emerging areas of clinical practice to enhance client care.

## Compliance Training and Education

We recognize and understand that ongoing investment in and commitment to effective training at all levels is essential to attain the desired standards of excellence in service and to adhere to our compliance program. Monarch Healthcare Management's "do the right things" philosophy is instilled in every employee and the commitment to compliance and ethical behavior begins at new employee orientation and continues throughout employment.

All Monarch employees undergo annual training that contains—as necessary and appropriate to their job title and function—any new, updated, or revised information, policies, or procedures regarding client care, billing, documentation, confidentiality, privacy, security, and other pertinent company policies and procedures. Ad hoc training for appropriate department directors is also utilized, including responding to audit and monitoring findings.

## Contract Review

When deemed necessary Monarch Healthcare Management may have contracts where the other party is a referral source or potential referral source and other contracts to which Monarch Healthcare Management is a party, assumes obligations for, or incurs liability under, reviewed by legal counsel prior to Monarch Healthcare Management entering into such agreements. The term "contract" is defined as any written agreement, including Memorandum of Understanding, Letter of Intent, Letter Agreement, Countersigned Letter of Understanding, Proposal, etc. which Monarch Healthcare Management is a party to, assumes obligations under, or incurs liability.

This review authority enables the Corporate Compliance Officer to examine contracts and obligations (seeking the advice of legal counsel, where appropriate) that may contain referral and payment provisions that could violate the anti-kickback statute or regulatory requirements.

## Employee Background Check

Monarch Healthcare Management will conduct routine and customary criminal background checks and investigations for state licensure including sanctions and/or exclusions from any federal healthcare program, for all employment applicants who are offered a position, and for independent contractors who are: (a) licensed healthcare providers, or (b) whose contractor duties involve direct patient care.

Monarch Healthcare Management will not employ or contract with individuals or entities when a background check or investigation demonstrates that the individual or entity has been convicted of any felony criminal offense or sanctioned and/or excluded from any federal healthcare program within the past five years (e.g., Medicare fraud, money laundering, mail fraud, Stark Law violation, and anti-kickback statute violation). In addition, Monarch Healthcare Management will immediately suspend and/or terminate any current employee, or independent contractor, if Monarch Healthcare Management learns of any said conviction or sanction and/or exclusion.

Any and all employment offers extended on behalf of Monarch Healthcare Management to persons subject to this policy are contingent upon successful passage of a criminal background investigation.

Monarch Healthcare Management also requires background checks by any temporary agency providing contracted persons to perform direct client care services for Monarch Healthcare Management. Monarch Healthcare Management requires that said agency not utilize any persons failing such background check in its work with Monarch Healthcare Management.

### **Retaliation**

Monarch Healthcare Management strictly prohibits any type of retaliation against any individual who, in good faith, reports any alleged compliance policy violation or illegal activity occurring at Monarch Healthcare Management.

Any person violating this policy will be subject to disciplinary action in accordance with the Monarch Healthcare Management Employee Handbook, which may include termination of employment.

### **Kickbacks**

Monarch Healthcare Management will not offer, pay, solicit, or accept any compensation including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind in exchange for a referral for admission or to induce purchasing, leasing, ordering, arranging for, or recommending the purchase, lease, or order of any good, facility, service, or item covered under a federal healthcare program.

Monarch Healthcare Management will not engage in transactions that violate relevant and applicable federal or state anti-kickback statutes.

### **Discipline for Violations**

Monarch Healthcare Management will discipline, as appropriate, any employee or independent contractor who knowingly and willingly engages in activities that violate Monarch Healthcare Management's compliance program policies or procedures and/or applicable federal and state laws. Disciplinary action will be dispensed in a manner consistent with Monarch Healthcare Management policy on Rules of Conduct, as defined in the Employee Handbook.

### **Accurate Books and Recordkeeping**

Monarch Healthcare Management will maintain accurate books and records in support of all claims filed for reimbursement from any federal, state, or private healthcare program. Monarch Healthcare Management's employees and contractors are prohibited from making false statements in any of Monarch Healthcare Management books or records, including but not limited to, all business records, client medical records, and medical billing records, or on any Monarch document prepared for or filed with any government or private entity or person.

## **Record Retention**

Monarch Healthcare Management shall retain recorded information deemed necessary, regardless of medium, that is generated and/or received in connection with Monarch Healthcare Management transactions and legal obligations, for the applicable required retention period(s) as set forth under federal and state law. Monarch Healthcare Management records may be destroyed after all applicable retention periods have expired. Records shall be kept in their original form or in an acceptable alternative form for storage. Such records will attempt to be maintained in a usable condition and in an appropriate environment to secure the integrity of the information. Confidentiality of all records pertaining to client care or billing will be maintained in accordance with applicable federal and state laws and regulations.

## **Billing and Coding**

Monarch Healthcare Management is committed to fair and accurate billing in accordance with all applicable federal and state laws and regulations, payer rules and procedures, and Monarch Healthcare Management policies and procedures. We understand that all claims for services submitted to any private insurance program or payer, Medicare, Medicaid, or other federally funded healthcare programs have to be accurate and correctly identify and document the services ordered and performed. Monarch Healthcare Management will bill only for services actually provided and documented in the client's medical records and will charge for all healthcare services provided. Monarch Healthcare Management will not engage in and/or permit known upcoding or unbundling of services rendered and/or other illegal billing practices intended to increase reimbursement.

Monarch Healthcare Management will require payment of insurance copayments and deductibles and will only waive required fees following a determination of client financial need in accordance with Monarch Healthcare Management's applicable policies and procedures and after reasonable collection efforts have failed. Monarch Healthcare Management will use systematic methods for analyzing the payments received and will reconcile any overpayments in a timely manner after discovery, review, and confirmation that overpayment should not be applied to any outstanding accounts receivable owed to Monarch Healthcare Management.

Monarch Healthcare Management will assign diagnostic, procedural, and other billing codes that accurately reflect the services that were provided. Monarch Healthcare Management will review as necessary coding practices and policies, including software edits, to facilitate compliance with all applicable federal, state, and private payer healthcare program requirements and will investigate inaccurate billings and payments to determine whether changes to current protocol or other remedial steps are necessary.

## **Testing of Claims System**

Monarch Healthcare Management will audit as necessary its manual and automated billing systems to ensure proper operation of all steps required to generate claims for healthcare services. Such audits will aim to ensure timely detection and corrective action of system failures or errors. If a billing systems audit reveals system failures or errors, the department manager responsible for the audit should immediately consult with the Corporate Compliance Officer to determine whether the failure necessitates corrective action.

## **Regulatory Inquiries, Investigations, and Litigation**

Governmental agencies, regulatory organizations, and their authorized agents may, from time to time, conduct surveys or make inquiries that request information about Monarch Healthcare Management, its clients, or others that generally would be considered confidential or proprietary. All regulatory inquiries concerning Monarch Healthcare Management should be handled by the Corporate Compliance Officer and/or Monarch COO.

Regulatory inquiries may be received by mail, e-mail, telephone, or by personal visit. In the case of a personal visit, demand may be made for the immediate production or inspection of documents. Monarch Healthcare Management employees receiving such inquiries should refer such matters immediately to the Corporate Compliance Officer.

### **Conflict of Interest**

Monarch Healthcare Management expects officers, employees, vendors, and volunteers to avoid any activities that may involve a conflict of interest. A “conflict of interest” exists when a person’s private interest interferes in any way with the business interests of Monarch Healthcare Management. Employees should avoid conflicts as well as the appearance of conflicts between their private interests and the business interests of Monarch Healthcare Management.

A conflict of interest may occur if outside activities or personal interests influence the ability of a person to make objective decisions in the course of their job responsibilities. Any questions about whether an outside activity might be or appear to be a conflict of interest should be directed to the Corporate Compliance Officer or Monarch COO.

### **Accounting and Financial Reporting**

All accounting entries, as well as all external financial reports of Monarch Healthcare Management, must be prepared accurately and on a timely basis and where required be in accordance with generally accepted accounting principles (GAAP) and applicable government regulations.

Monarch Healthcare Management shall maintain a high level of accuracy and completeness in the documentation and reporting of financial records. These records serve as a financial basis for managing Monarch Healthcare Management’s business and are important in meeting our obligations to our clients, employees, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements. Monarch Healthcare Management maintains a system of internal controls to provide reasonable assurances that all financial transactions are executed in accordance with management authorization and are recorded in a proper manner so as to protect and maintain accountability of company assets.

### **Auditing and Monitoring**

Monarch Healthcare Management recognizes the need for internal auditing and monitoring to ensure a successful business and compliance program. As such, internal compliance auditing and monitoring is performed through the coordination of activities administered by appropriate personnel under the direction of the Corporate Compliance Officer. Areas of concern or vulnerability are addressed, when applicable, by way of a corrective action plan with appropriate follow-up.

### **Identification of Risk Areas**

As needed, Monarch Healthcare Management will review key areas of potential compliance risk and set forth a system to identify risk elements in each key area. The risk assessment will take into consideration the annual work plans published by the OIG of the Department of Health and Human Services. Applicable risk elements will be converted to routine monitoring and auditing activities.

---

# INVESTIGATION OF COMPLIANCE ISSUES

Monarch Healthcare Management is committed to completing an effective investigation of all credible allegations submitted internally or externally. Corrective action will be imposed for all substantiated allegations.

## Information Gathering

The individual receiving the initial information will obtain as much detailed information as possible to initiate the investigation including:

- Name of facility;
- Detailed information regarding all allegations including:
  - Individual(s) involved;
  - Client(s) involved; and
  - Dates of Violation
- Name/Title of individual reporting the information (unless they request to remain anonymous); and
- Phone number of the caller (unless they request to remain anonymous).

## Investigation

The primary investigator will begin the preliminary investigation within a reasonable time of receiving the complaint. The primary investigator will:

- Review the initial complaint;
- Notify the appropriate upper management of the complaint unless they are implicated in the complaint;
- Obtain additional information as necessary and develop a plan for the investigation;
- Discuss the issues with legal counsel, if appropriate. The legal staff will determine if the investigation should be conducted under Attorney Client Privilege or if outside counsel is needed;
- Review applicable documents (billing, medical records, etc.);
- Conduct interviews with staff, clients and/or management. If interviewing is required as part of the investigation, two people will be present during the interview process;
- Request assistance of staff that may be more knowledgeable in areas of the investigation as necessary. In some instances a multi-disciplinary team may be required to complete the investigation;
- Complete all investigations within a reasonable time. The time element involved in completing the investigation may vary depending on the complexity of the complaint and the additional information required.
- Determine if the allegations are substantiated or unsubstantiated. This may require discussion with the Corporate Compliance Officer and other team members involved in the investigation; and
- Report to the appropriate persons with recommendations. The report may include; facts of the case, synopsis of the investigation, findings of the investigation and recommended corrective action.

In some instances, the complaint may be referred to other departments for investigation. For example, a quality of care issue will be investigated by the clinical staff. A synopsis of the investigation may be developed in order to verify that all investigations have been completed.

## **Corrective Action**

The substantiated complaints require corrective action. Also, a complaint may be unsubstantiated but there may be issues and concerns that arose during the investigation that require action. The actions that will be taken in either of these instances include:

- The primary investigator is responsible to ensure that the appropriate person[s] receive the corrective action recommendations;
- The Corporate Compliance Officer and Monarch COO will make the final determination regarding employee recommendations that involve suspension/termination;
- A recommendation may be made for a subsequent audit or follow-up to the complaint. The specific time frame of the follow-up will be determined at the completion of the original investigation;
- Any overpayments to federal health care programs or other payors will be refunded after determining the accuracy of the overpayment; and
- Upon request, the facility will submit a copy of the Remittance Advice to the Corporate Compliance Officer to verify that the adjustment was completed.

## **Completing the Investigation**

The investigation will include:

- The primary investigator will ensure that corrective action recommendations have been addressed;
- The primary investigator will ensure that any overpayments have been refunded to federal health care programs; and

## **Follow-up Investigation**

In some instances, subsequent audits/follow-up may be required. This will be completed within the time frame determined at the close of the investigation as follows:

- A designee will be identified for any follow-up;
- Other relevant management will be notified of any outstanding issues/concerns; and
- Corrective action, if needed, will be determined at the completion of the subsequent audit/follow-up.





## Monarch Healthcare Management Compliance Issue Report Form

To: Corporate Compliance Officer

From: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_

1. The following conduct causes me concern about compliance (use back of form if necessary):

---

---

---

---

---

---

---

---

2. Date conduct occurred: \_\_\_\_\_

3. Address and telephone number where I can be reached:

---

---

It is our policy to carefully review every report of possible wrongdoing or violation of the compliance plan. It is also our policy not to discipline anyone for providing any information that he/she reasonably believes to be accurate and complete. However, anyone who **intentionally** provides false, misleading or incomplete information may be subject to discipline.

It may be necessary for us to contact you for additional information and assistance. It is therefore important that you provide your name. Doing so will also assure that you receive full credit for your assistance. However, you may remain anonymous if you wish. If you have any questions, you may contact the Corporate Compliance Officer directly by telephone.



## Monarch Healthcare Management Corporate Compliance Investigation

Date: \_\_\_\_\_

Reported to:

Location: \_\_\_\_\_

\_\_\_\_\_ Local Compliance Officer

\_\_\_\_\_ Supervisor

Reported by: \_\_\_\_\_

\_\_\_\_\_ Corporate Compliance Officer

### Violation Reported

---

---

---

---

---

---

---

---

### Investigation

---

---

---

---

---

---

---

---

**Outcome**

---

---

---

---

---

---

A copy of this report must be provided to the Corporate Compliance Officer with all documentation related to the investigation.

---

# APPENDIX



# Compliance Education Policy

Highlights	Policy Statement
	<p>Monarch Healthcare Management is committed to providing excellence in health and housing services by recognizing the worth and potential of each client, their family, and our staff. We endeavor to rehabilitate and improve the clients' health, and when necessary, help them to accept decline with dignity and comfort in a loving, caring atmosphere.</p> <p>We recognize and understand that ongoing investment in and commitment to effective training at all levels is essential to attain the desired standards of excellence in service and to adhere to our compliance program. Monarch Healthcare Management's "do the right things" philosophy is instilled in every employee and the commitment to compliance and ethical behavior begins at new employee orientation and continues throughout employment.</p>
<b>Purpose</b>	<p>To ensure that all employees are provided the information and guidelines necessary for maintaining Monarch Healthcare Management's high ethical standards and compliance with all applicable laws and regulations</p>
	<p style="text-align: center;"><b>Policy Interpretation and Implementation</b></p>
Corporate Compliance Officer	<ol style="list-style-type: none"> <li>Our Corporate Compliance Officer provides leadership for our compliance efforts. The Corporate Compliance Officer's responsibilities include helping the company to stay current on government requirements in the area of compliance, and coordinating internal activities geared toward improving our compliance. Administrators and Housing Directors are responsible for compliance activities at the facility level.</li> </ol>
Orientation and Continuing Education	<p>The Corporate Compliance Officer is a resource to any employee who seeks further information about government requirements or has concerns about whether the company is meeting its compliance obligations.</p> <ol style="list-style-type: none"> <li><u>Employee Orientation:</u> Upon hire, each employee will be educated on the materials contained in this policy.</li> <li><u>Continuing Education:</u> Ongoing education of these materials will be provided on an annual basis through the e-learning system.</li> </ol>
Accountability	<ol style="list-style-type: none"> <li>Each employee is responsible for knowing and understanding the policies and procedures outlined in this policy.</li> <li>The ADON's and Human Resource Directors are responsible for providing each employee with both General Orientation and orientation specific to the employee's job responsibilities.</li> <li>Department Directors are expected to review annually, the performance of each employee reporting to them. Both the orientation process and the annual performance review process must include a review of the Code of Ethics included in this policy.</li> <li>The ADONs are responsible for providing a review of the materials contained in this policy through annual assignment of an e-learning course and ensuring completion of such.</li> <li>Administrators and Housing Directors are responsible for oversight to ensure all employees have a complete understanding of the policies and procedures outlined in this policy.</li> </ol>

Reporting  
Compliance  
Concerns

9. Employees are required to report any violations or suspected violations of the Code of Ethics or the government regulations, as outlined in this policy. Also, any questionable conduct or questionable practices, of which they become aware, should be reported.
10. Employees are encouraged to discuss compliance-related concerns with their Department Director, or Administrator/Housing Director so that problems may be solved at the facility level. However, any employee may report such concerns directly to the Corporate Compliance Officer if, for whatever reason, they are not comfortable discussing the issue with their Department Director, or Administrator/Housing Director.
11. The Corporate Compliance Officer may be reached as follows:

**Telephone: 1-507-625-8741**  
**Mail: Corporate Compliance Officer**  
**638 South Bend Avenue**  
**Mankato, MN 56001**  
**Email: [lborn@monarchmn.com](mailto:lborn@monarchmn.com)**

Auditing and  
Monitoring

12. Employees are not required to identify themselves, as long as the Corporate Compliance Officer has enough information to investigate the concern and take necessary corrective action without knowing who has reported the concern. The company will not retaliate against an employee for making a good faith report.
13. The Compliance and Ethics Help Line is another avenue for employees to speak with someone. They may remain anonymous or may choose to identify themselves. Regardless of their decision, the information will be documented and investigated. The toll-free number is 888.579.1848. They also have the option to report their concerns online. They can access the internet and go to [MyComplianceReport.com](http://MyComplianceReport.com) - Access ID: MNRK.
13. Monarch Healthcare Management recognizes the need for internal auditing and monitoring to ensure a successful business and compliance program. As such, internal compliance auditing and monitoring is performed through the coordination of activities administered by appropriate personnel under the direction of the Corporate Compliance Officer. Areas of concern or vulnerability are addressed, when applicable, by way of a corrective action plan with appropriate follow-up.

Employee  
Screening

14. Prior to a conditional job offer:
  - a. Applicants for employment must produce evidence of his or her licensure (or certification) for any position that requires it.
  - b. The Federal Health Care Program exclusion listing will be checked to ensure that the applicant has not been excluded from participation in Medicare, Medicaid and other federal health programs. Monitoring of this exclusion listing will also be performed as required by law.
15. At the time of the final job offer:
  - a. A criminal background study request will be submitted to the appropriate governing agency. No individual will be allowed to work until results of the criminal background study have been received that allow access to clients of the facility. Additionally, if a criminal background disqualification is received on any employee during the course of their employment; such employee will be immediately removed from the schedule.

Discipline for  
Violation

16. Monarch Healthcare Management will discipline, as appropriate, any employee or independent contractor who knowingly and willingly engages in activities that violate Monarch Healthcare Management's compliance program policies or procedures and/or applicable federal and state laws. Disciplinary action will be dispensed in a manner consistent with Monarch Healthcare Management policy on Rules of Conduct, as defined in the Employee Handbook.

Investigation and  
Correction of  
Problems

Governmental  
Regulations and  
Administrative  
Remedies

17. When a compliance concern is raised, an investigation will be conducted and a determination made as to the most appropriate means of correcting identified problem. Isolated incidents generally will be addressed by requiring additional training of the employee (or employees) involved, although some circumstances may warrant disciplinary action.
18. Problems identified through the Continuous Quality Improvement (CQI) process will be reported to the Administrator or Housing Director for further investigation. Compliance problems that require more confidential handling will be addressed by the Corporate Compliance Officer, who may enlist the cooperation of others.
19. Federal False Claims Act:
  - a. A provider violates the False Claims Act by knowingly submitting a false or fraudulent claim for payment to the government, or by knowingly creating false documentation to support a claim for payment to the government. To “knowingly” submit a false claim, one must (i) actually know the claim is false, (ii) act in deliberate ignorance of the truth or falsity of the claim, or (iii) act in reckless disregard of the truth or falsity of the claim. A provider that violates the False Claims Act is liable to the United States Government for a civil penalty of not less than \$5,500 and not more than \$11,000 per false claim, plus three times the amount of damages which the Government sustained. A person who intentionally violates the False Claims Act with regards to federal health care programs may be found guilty of a felony and upon conviction be fined up to \$25,000, be imprisoned up to five years, or both. The False Claims Act is not designed to punish mere mistakes or even negligence, but is designed to remedy and deter fraud.
20. Administrative Remedies for false claims and statements:
  - a. Federal law also provides for administrative remedies for false claims and statements. Administrative remedies are generally pursued by the HHS Office of the Inspector General (“OIG”). Administrative remedies are available for false claims and statements by any person who knowingly submits a claim for payment to the government that contains false information, omits a material fact, or requests payment for services that have not been provided. A person that is administratively determined to be liable for false claims or statements shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than \$10,000 for each such claim or statement. Such person may also be subject to an assessment, in lieu of damages sustained by the United States because of such claim. The OIG may also commence administrative action to exclude such a person from participation in federally funded health care programs.
21. Whistleblower protections under the False Claims Act:
  - a. The whistleblower provisions of the False Claims Act allow private citizens with evidence of fraud against federal programs to sue on behalf of the United States. The U.S. Department of Justice (“DOJ”) reviews these whistleblower cases and takes over the cases which it believes have merit. A case that the DOJ declines to take over can be prosecuted by the whistleblower at the whistleblower’s expense. Whistleblowers that prevail in such litigation are compensated for their effort by receiving a percentage of any settlement or judgment. The whistleblower’s recovery is typically between 15% and 25% of a settlement or judgment.
  - b. Under the False Claims Act, an employee cannot be discharged, demoted, or otherwise sanctioned by his/her employer because of lawful acts done in furtherance of a False Claims Act action, including filing such a whistleblower suit or cooperating with a DOJ investigation.

If sanctioned by his/her employer, the employee has a right to reinstatement, double back pay with interest, and compensation for other damages incurred.

22. Minnesota Laws pertaining to civil and criminal penalties for false Medicaid claims:

- a. The submission of false claims to Minnesota Medicaid can also have serious consequences under Minnesota law. If a person intends to defraud the Minnesota Medicaid program, then the submission of false claims can be criminally prosecuted as an attempt to commit theft of public funds. The willful submission of false claims can be civilly prosecuted under Minnesota statute authorizing the state to recover treble damages.
- b. Under the Minnesota civil false claims statute, any provider that willfully submits a cost report, rate application or claim for reimbursement for medical care which the provider knows is a false representation and which results in the payment of public funds for which the provider is ineligible shall, in addition to other provisions of Minnesota law, be subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. The damages awarded shall include three times the payments which result from the false representation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent.

<b>References</b>	
<b>Standard</b>	As we strive to fulfill our mission, we also must consider the requirements set forth by governmental agencies such as the Medicare and Medicaid programs, which provide funding for services delivered by our company. The government relies on laws, regulations and other forms of written guidance to communicate its requirements of health-care providers that receive payments for services rendered.
<b>Policy Revised</b>	Date: <u>10/2013</u> By: <u>Laurie Born</u> Date: <u>10/2016</u> By: <u>Laurie Born</u> Date: _____                      By: _____ Date: _____                      By: _____

**A copy of this policy is available on Monarch Healthcare Management Intranet.**





## **CODE OF ETHICS**

To the best of their knowledge and ability, the employees of Monarch Healthcare Management will:

- Respect the confidentiality of information acquired in the course of employment.
- Ensure protection of clients from abuse and neglect in any form and promptly reporting any concerns.
- Share knowledge and maintain skills and qualifications necessary and relevant to the company's needs and position requirements.
- Proactively promote ethical and honest behavior within the company environment.
- Assure responsible use and control of all assets, resources and information of the company.
- Act ethically and with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest in personal and professional relationships.
- Report concerns of potential unethical practices.
- Avoid conflicts of interest, which shall include disclosure of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- Strive to understand and comply with applicable laws, rules and regulations of federal, state, and local governments and other appropriate private and public regulatory agencies.
- Ensure that clients, and others making payment on client's behalf, are billed only for services for which there is complete and truthful documentation.
- Report promptly any violations of this Code.

# Federal Health Care Programs Exclusion Monitoring



Highlights	Policy Statement
	<p>Monarch Healthcare Management will not employ or conduct business with Individuals, Vendors or Contractors that have been excluded from participation in Medicare, Medicaid and other federal health care programs.</p> <p style="text-align: center;"><b>Policy Interpretation and Implementation</b></p>
OIG Exclusion Database	1. The Office of Inspector General (OIG) maintains a database of excluded individuals and entities on its website, in both an on-line searchable and downloadable form. The list contains excluded entities and individuals sorted by state, business type, and basis-for-exclusion.
New Employee Search	2. Facility Human Resource Director shall conduct a Net Study 2.0 background check on all new hires. This submission will also check the OIG exclusions database to confirm that individual is not excluded from participation in Medicare, Medicaid and other federal health care programs.
Ongoing Search	3. The VP of Human Resources shall be responsible for downloading the updated and complete exclusion database and running a series of comparison reports against the company active employee database and vendor database to ensure that an individual or company has not been excluded since last database search.
Frequency	4. The frequency of this process is dictated by federal health care fraud and abuse legislation.
Resolution of Matches	5. Any matches are researched and reported to the Monarch Healthcare Management COO and Corporate Compliance Officer for further action.

References									
<b>Standard</b>	The Office of Inspector General (OIG) has the authority to exclude from participation in Medicare, Medicaid and other federal health care programs, individuals and entities who have engaged in fraud or abuse, and to impose civil money penalties (CMPs) for certain misconduct related to federal health care programs.								
<b>Related Documents</b>									
<b>Policy Revised</b>	<table border="0"> <tr> <td>Date: <u>10/2013</u></td> <td>By: <u>Laurie Born</u></td> </tr> <tr> <td>Date: <u>10/2016</u></td> <td>By: <u>Laurie Born</u></td> </tr> <tr> <td>Date: _____</td> <td>By: _____</td> </tr> <tr> <td>Date: _____</td> <td>By: _____</td> </tr> </table>	Date: <u>10/2013</u>	By: <u>Laurie Born</u>	Date: <u>10/2016</u>	By: <u>Laurie Born</u>	Date: _____	By: _____	Date: _____	By: _____
Date: <u>10/2013</u>	By: <u>Laurie Born</u>								
Date: <u>10/2016</u>	By: <u>Laurie Born</u>								
Date: _____	By: _____								
Date: _____	By: _____								

---

## Reference Material

2000 Federal Register

2008 Federal Register

OIG Self-Disclosure Protocol

OIG May 8, 2013 Advisory Bulletin