



The New Jewish Home and Affiliates

Corporate Compliance Manual

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1. STATEMENT OF PURPOSE

The New Jewish Home's success and reputation depend on the integrity of its governing Board of Directors, employees, consultant clinicians, and agents. To maintain that success and reputation, it is the responsibility of each Jewish Home trustee, employee, and independent contractor to act in a lawful and ethical manner in dealings with other employees, patients and their families, vendors, government regulators, and the general public.

It is never in the interest of The New Jewish Home to engage in any unlawful or unethical activity. Any such actions, even if the result in a temporary financial gain to The New Jewish Home, are actually harmful and will not be tolerated.

The guidelines contained in this Manual are designed to assist you in understanding The New Jewish Home's standards of conduct. They are part of The New Jewish Home's compliance program to prevent, detect and disclose illegal or unethical activities.

The following general principles summarize The New Jewish Home's standard of conduct and ethics:

- The New Jewish Home and its employees, Directors and independent contractors will adhere to the highest ethical standards of conduct in all business activities, abiding by the letter and spirit of all applicable laws, and acting in a manner that enhances The New Jewish Home's standing in the community.
- The New Jewish Home will deal fairly and honestly with those who are affected by its actions.
- The New Jewish Home will promote relationships based on trust and respect and provide an environment in which employees may question a practice without fear of adverse consequences.

We also expect Directors and outside colleagues, e.g., vendors, consultants and others whose actions could be attributed to The New Jewish Home, to adhere to these same standards when acting on behalf of the institution.

This manual does not contain all of The New Jewish Home's rules and policies on every topic, or anticipate every question that may arise, but is instead intended to establish the principles that must guide our conduct. If after applying the principles of this Manual to a specific situation you are still unsure of the correct course of action, seek counsel with your supervisor, a member of senior management or the Chief Compliance Officer.

References to "patients" in this manual include residents of The New Jewish Home's nursing home facilities and all other patients, clients, tenants and persons receiving services from The New Jewish Home.

2. STRUCTURE

2.1 Board of Directors Oversight

The Board of Directors of The New Jewish Home is committed to the highest degree of compliance with all government regulations and to the implementation of a comprehensive and effective compliance plan. The Board has designated a Chief Compliance Officer, with a dual reporting relationship for this function both to the CEO, and directly to the Board. The Audit and Compliance Committee of the Board has been designated as the primary vehicle for the receipt and dissemination of all compliance reports and related activities. The Chief Compliance Officer makes periodic reports to the Audit and Compliance Committee.

2.2 Compliance Steering Committee

The New Jewish Home Compliance Program is directed by the Chief Compliance Officer on a system-wide basis. Each division coordinates local, division-specific Compliance initiatives. Oversight of the Compliance Program is invested in the Compliance Steering Committee and the Audit and Compliance Committee of the Board of Directors.

The New Jewish Home Compliance Steering Committee was established in accordance with the Office of Inspector General's Compliance Program Guidance for Nursing Facilities, published in the Federal Register March 16, 2000. The Committee is responsible for oversight of the annual Compliance plan. The Committee meets on a quarterly basis to hear reports on recent Compliance activities and updates on the regulatory environment that have a bearing on The New Jewish Home operations. The Committee also serves to advise the Chief Compliance Officer and allow Senior Management and key personnel to respond to findings and develop strategies to address any problems found.

The Compliance Steering Committee consists of a group of managers responsible for a fairly broad spectrum of New Jewish Home activities. This allows for relevant input from a representative cross-section of the organization. The size of the group helps to disseminate information and ideas from the Committee to the rest of the organization. The compliance committee is an extension of the compliance officer and provides the organization with increased oversight.

The current membership of the Committee includes:

- Chief Compliance Officer (Committee Chair)
- CEO The New Jewish Home

- COO The New Jewish Home
- General Counsel
- Associate General Counsel
- Director of Internal Audit
- Senior Director of Finance
- Administrator Manhattan
- Administrator SRN
- Administrator Assisted Living Program
- VP Adult Day Health Care Programs
- Director of Homecare
- Director of Home Assistance Personnel
- Director of Research
- VP of Clinical Excellence
- SVP Human Resources
- Compliance Manager

A substantial amount of our Compliance efforts require interdisciplinary coordination and cooperation, so agreement as to priorities and suitable areas for review and audit is crucial to the success of the program. Each year, the Chief Compliance Officer develops a comprehensive audit and review plan based on relevant subjects addressed by the OIG and priorities and concerns brought forth by the Steering Committee.

Audits and reviews are conducted under the direction of the Chief Compliance Officer, or the Director of Internal Audit and sometimes include services of an independent outside consultant (subject to approval by the Audit and Compliance Committee of the Board of Directors). Impacted departments are responsible for developing a plan of correction to address all audit findings and for providing implementation status updates to the Chief Compliance Officer who in turn presents them to the Steering Committee and the Board.

All staff, clinicians, vendors and Directors are required to cooperate with any audit or monitoring plan concerning potential risks in their areas of operations or responsibility.

3. THE NEW JEWISH HOME'S RELATIONSHIP WITH ITS PATIENTS

3.1 Quality of Care

The New Jewish Home is committed to providing the care necessary to attain or maintain its patients' highest practical physical, mental and psychological well-being. Quality assurance is addressed through the Clinical Excellence Committee which oversees the JEWISH HOME Performance Improvement (PI) programs. The VP of Clinical Excellence and the divisional PI Directors also sit on the Compliance Steering Committee. Quality of Care issues that impact Compliance are brought to the Audit and Compliance Committee.

3.2 Patient Rights

The New Jewish Home requires that all of its patients are afforded their right to a dignified existence, self-determination, respect, full recognition of their individuality, consideration and privacy in treatment and care for personal needs and communication with and access to persons and services inside and outside Jewish Home facilities. A patient's rights include the following:

- Freedom from verbal, mental or physical abuse, corporal punishment and involuntary seclusion.
- Freedom from inappropriate use of physical and chemical restraints.
- Access to personal records and protected health information, as described in The New Jewish Home's Notice of Privacy Practices.
- Participation in his or her care and treatment.
- Management of his or her financial affairs.

3.3 No Illegal Discrimination

The New Jewish Home is committed to non-discrimination in the provision of services. The New Jewish Home will not discriminate against patients, in any manner, on the basis of their race, religion, color, national origin, gender, age, disability, source of payment, sexual orientation, gender identity or genetic profile. It is the duty of each employee to ensure that The New Jewish Home adheres to this commitment.

3.4 Safeguarding the Privacy of Our Patients

Our professions require that we gather a great deal of personal information about the patients we treat. Accordingly, we must carefully avoid any unwarranted invasion of their right to privacy. In addition, The New Jewish Home is committed to complying with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), which requires that we maintain reasonable and appropriate safeguards to ensure the security, privacy and confidentiality of patient information.

For these reasons, and to assure the confidentiality of the information we retain, the following guidelines apply:

- To protect individuals against misuse of their personal information, access to personal information is limited to those authorized by The New Jewish Home's

policy, as outlined in The New Jewish Home's HIPAA Policies and Notice of Privacy Practices.

- Use only legitimate means to collect information and, whenever practical, obtain it directly from the individual concerned.
- In complying with HIPAA, The New Jewish Home will obtain adequate contractual assurances that its business associates will not disclose individually identifiable health information in the absence of proper authorization.
- Special confidentiality rules apply to a patient's HIV or Mental Health status. When release of any information with respect to patients with this illness is contemplated, these rules must be adhered to carefully.
- Conduct oneself appropriately when in possession of personal information; for example, do not discuss patients or their families in public places such as elevators or the cafeteria.

For more detailed information and guidance, refer to The New Jewish Home's HIPAA policies and contact the Clinical Resource Systems, Health Information Management, Information Technology or Social Services Departments.

4. REIMBURSEMENT

The provision of health care services is heavily regulated by local, state, and federal governments. In the course of seeking reimbursement for, and in entering into transactions related to, those services, a number of complex regulatory issues may arise. The following provides an outline of some of those issues and guidance as to the manner in which they should be addressed.

4.1 Billing for Services

The New Jewish Home provides a wide range of services to patients and the community. Because of our mission, some of these services are provided at no charge, or reduced rates. In most cases, however, billing statements are provided to the patient or a third party payor responsible for payment. These statements must accurately reflect the services actually provided and the appropriate charges for those services, as well as all other data required by the payor. Improperly prepared bills cause significant administrative problems as well as tarnish The New Jewish Home's reputation for professionalism. On occasion, improperly prepared bills may also expose The New Jewish Home (and possibly the individuals involved) to civil or criminal liability.

Examples of the types of billing practices that should not be employed include, but are not limited to, the following:

- Submitting a bill containing any false statement, including billing for services not rendered or not rendered as presented.
- Failing to identify and return overpayment or credit balances to a payor or patient within 60 days of identifying such overpayment.
- Charges in excess of the rates which are appropriate for the services provided.
- Submitting a bill for medically unnecessary services (i.e., services that are not warranted by a patient's current documented medical condition).
- Submitting a bill to Medicare or Medicaid which includes claims for patients who were referred to The New Jewish Home pursuant to contracts and financial arrangements that were designed to induce such referrals in violation of the anti-kickback statute, the Stark physician self-referral law (both described below) or similar federal or state statutes or regulations.
- Submitting a bill which is not supported by adequate or accurate documentation.
- Routinely waiving co-insurance payments or deductibles without a good faith determination that the patient is in financial need, or absent reasonable efforts to collect the cost sharing amounts.
- Submitting claims to Medicare Part A for patients who are not eligible for Medicare Part A coverage.
- Duplicate billing or repeated billing of the same services despite denial.
- Submitting claims for items or services not ordered.
- Knowingly billing for inadequate or substandard care.
- Providing misleading information about a patient's medical condition on the MDS or OASIS or otherwise providing inaccurate information used to determine the Resource Utilization Group (RUG) assigned to the patient.
- Upcoding the level of service provided.
- Billing for individual items or services when they either are included in The New Jewish Home's per diem rate or are of the type of item or service that must be billed as a unit and may not be unbundled.
- Billing patients for items or services that are included in the per diem rate or otherwise covered by the third-party payor.
- Failing to bill other third party payors prior to submitting bills to the Medicaid program.

- Forging physician or beneficiary signatures on documents used to verify that services were ordered and/or provided.
- Failing to maintain sufficient documentation to establish that the services were ordered and/or performed.
- Including false information in cost reports.

For more detailed information and guidance on billing issues, contact the Finance Department.

4.2 Conditions of Medicare and Medicaid Participation

A substantial portion of the patient population served by The New Jewish Home are beneficiaries of Medicare or Medicaid. Both programs are governed by complicated laws and regulations which impose strict requirements on providers that are significantly different from, and more extensive than, those one encounters in non-government commercial contracts. It is essential that The New Jewish Home strictly complies with all Medicare and Medicaid laws and regulations while providing services under these programs. Violations of these laws and regulations may expose The New Jewish Home (and possibly the individuals involved) to civil or criminal liability. In addition, in order for The New Jewish Home to participate in the Medicare and Medicaid programs, the institution must meet quality standards regarding types of services provided, staffing requirements, extent of medical supervision, and the institution's physical plant, equipment, and sanitary conditions. Employees with responsibilities in these areas must take appropriate measures to comply with these conditions of participation.

4.3 Fraud and Abuse

The term "Fraud and Abuse" refers to specific prohibitions and restrictions on the activities of health care providers under Medicare and Medicaid and other payment programs. One particularly sensitive area of regulation is the "anti-kickback" statute.

The anti-kickback statute is designed to prevent the payment of a "kickback" in exchange for referrals or other services. Both federal and state laws specifically prohibit the solicitation, receipt, offer or payment of anything of value, including any kickback, bribe or rebate (whether made directly or indirectly, overtly or covertly, in cash or in kind) to induce the purchase, recommendation to purchase or referral of any kind of health care goods, services or items (e.g., patient referrals, leasing or ordering items or services).

The term "kickback" is interpreted under the law as the giving of anything of value. Care must be taken in structuring relationships with persons not employed by The New Jewish Home so as not to create a situation where The New Jewish Home appears to be offering

an improper inducement (such as free goods or services, or items priced below market value) to potential patients or those who may be in a position to refer or influence the referral of patients to The New Jewish Home. Nor should The New Jewish Home accept any improper inducements from its vendors to influence its decisions regarding the use of particular products or the referral or recommendation of patients.

Examples of arrangements that might result in a violation of the anti-kickback law include:

- Goods or services offered for free, or at below-market value, as well as awards, holiday gifts, training sessions, discounts, prizes or other forms of remuneration, even if given as part of a promotional program by a vendor or provider (e.g., pharmaceutical company, medical equipment supplier).
- Payments of any nature from a hospital, home health agency, or hospice that involve the referral or transfer of any resident to or by The New Jewish Home.
- Soliciting, accepting or offering any gift or gratuity of more than nominal value to or from patients, potential referral sources, and other individuals and entities with which The New Jewish Home has a business relationship.
- Conditioning admission or continued stay at The New Jewish Home on a third-party guarantee of payment, or soliciting payment for services covered by Medicaid.
- Arrangements with a hospital under which The New Jewish Home will only accept a Medicare beneficiary on the condition that the hospital pays the facility an amount over and above what The New Jewish Home would receive through Prospective Payment Systems.
- Financial arrangements with physicians to refer patients.
- Arrangements with vendors that result in The New Jewish Home receiving non-covered items (such as disposable adult diapers) at below market prices or no charge, providing The New Jewish Home orders Medicare-reimbursed products.
- Soliciting or receiving items of value in exchange for providing the supplier access to residents' medical records and other information needed to bill Medicare.
- Receiving discounts on Medicare Part A items and services from a supplier in return for the referrals of Medicare Part B business.
- Billing prescription drugs to a patient's Medicare Part D Prescription Drug Plan when drug costs are included in a resident's daily rate such as a Medicare Part A covered stay or Managed Care Sub-Acute stay.

It would be virtually impossible to list everything that may violate these prohibitions. What is clear, however, is that The New Jewish Home must be scrupulous in its billing practices

and must actively avoid being either the provider or the recipient of any improper inducement.

For more detailed information and guidance, refer to The New Jewish Home's Policies and Procedures on contracting procedures. All contracts and arrangements with actual or potential sources of referrals must be reviewed by Administration. Administration will seek the guidance of counsel when necessary to ensure compliance with applicable statutes and requirements.

Additionally, please review and comply with our policy on Fraud, Waste and Abuse Prevention.

4.4 Self-Referral Prohibition

The federal self-referral law (often referred to as the "Stark Law") prohibits a physician (or an immediate family member) who has a financial relationship with an entity from referring patients to the entity for designated health services covered by either the Medicare or Medicaid programs unless an exception is available.

The term "referral" under the Stark law is broad and encompasses the establishment of a plan of care that includes the provision of a designated health service. Thus, the statutory referral prohibition would be triggered even if a physician ordered a service and the patient ultimately received the service from an entity with which the physician does not have a financial relationship. The definition of "financial relationship" is also broad and includes any arrangement involving any remuneration between a physician and an entity.

It is therefore essential that a Stark law exemption be applicable to any physician with a financial relationship with The New Jewish Home who is authorized to order a service or establish a plan of care for a Jewish Home resident or client. The available exemptions include the physician who is a bona fide employee or the physician who is subject to a written contractual agreement with The New Jewish Home who meets certain criteria.

For more detailed information and guidance, refer to The New Jewish Home's contracting policies or contact the Chief Compliance Officer or Administration.

4.5 Excluded Persons

Federal and State law prohibits The New Jewish Home from employing individuals or obtaining services from independent contractors who have been convicted of a criminal offense related to health care or who are debarred, excluded, or otherwise become ineligible for participation in federal or state health care programs.

The New Jewish Home has procedures in place to check employees, physicians and vendors against Federal and State databases of excluded individuals or entities, both during the hiring/credentialing/contracting process and periodically thereafter. For more detailed information and guidance, refer to The New Jewish Home's policy on Excluded Individuals and Entities Screening or contact Human Resources.

4.6 Home Health Care Services

In order to insure that claims for home health services are ordered and authorized by a physician (a requirement for reimbursement under Medicare or Medicaid), The New Jewish Home's home health care program must insure that:

- Before the program bills for services provided to a beneficiary, the plan of care must be established, dated and signed by a qualified physician and must meet the requirements of the NYS Home Health Agency Manual, including with respect to medical necessity.
- The physician ordering the plan of care is appropriately licensed and no adverse action, such as criminal conviction, debarment, or an exclusion, have been taken against the physician.
- The plan of care is periodically reviewed by a physician in accordance with Federal and State requirements in order for the beneficiary to continue to qualify for Medicare or Medicaid coverage of home health benefits.
- Home health services are billed to Medicare or Medicaid only if the program is acting upon a physician's certification attesting that the services provided to a patient are medically necessary and meet the requirements for home health services to be covered by Medicare or Medicaid.

Following are examples of practices that should NOT be employed which are specific to the provision of home health care services:

- Home health agency incentives to actual or potential referral sources (e.g., physicians, hospitals, patients, etc.) that may violate the anti-kickback statute or other similar laws.

Examples of arrangements that may run afoul of the anti-kickback statute include practices in which a home health program pays a fee to a physician for each plan of care certified; provides items or services for free or below fair market value to beneficiaries of federal health care programs; provides nursing or administrative services for free or below fair market value to physicians, hospitals and other potential referral sources; and provides salaries to a referring physician for services either not rendered or in excess of fair market value for services rendered.

- Billing Medicare for services provided to patients who are not confined to their residence (i.e., not "homebound"), or billing Medicaid for services not in the plan of care approved by the Local Department of Social Services.
- Billing for visits to patients who do not require a qualifying service.
- Billing for unallowable costs of home health coordination.
- Billing for services provided by unqualified or unlicensed clinical personnel.
- Untimely and/or forged physician certifications on plans of care.
- Forged beneficiary signatures on visit slips/logs that verify services were performed.
- Billing for services appearing on Electronic Visit Verification exception reports without adequate reconciliation.
- Improper patient solicitation activities and high-pressure marketing of uncovered or unnecessary services.
- Patient abandonment in violation of applicable statutes, regulations, and federal health care program requirements.
- Duplication of services provided by assisted living facilities, hospitals, clinics, physicians, and other home health agencies.
- Failure to adhere to home health agency licensing requirements and Medicare conditions of participation.

5. THE NEW JEWISH HOME'S RELATIONSHIP WITH ITS EMPLOYEES

5.1 Employee Loyalty and Conflicts of Interest

The New Jewish Home's Conflicts of Interest Policy is designed to ensure that all institutional decisions are made solely to promote the best interests of The New Jewish Home, without favor or preference based on personal considerations, and to provide for the highest ethical conduct with respect to the actions and business relationships of all employees. All employees must at all times discharge their duties and responsibilities in the best interests of The New Jewish Home and use The New Jewish Home's resources only in furtherance of institutional goals. The New Jewish Home will not tolerate the theft of institutional assets or the use of an employee's position to gain confidential information to personal advantage.

Potential conflicts of interest include ownership or other interest in a company or organization doing business with The New Jewish Home; personal relationships with residents or clients; and personal or business relationships with fellow employees or Directors outside of the activities of The New Jewish Home.

Employees are required to disclose potential conflicts of interest to the President. Directors and the President must make such disclosures to the Chairman of the Board of Directors. The Compliance Officer asks management employees and Directors to make annual statement regarding potential Conflicts of Interest. The President or the Chairman of the Board may prohibit the activity of an employee giving rise to the conflict. The Audit and Compliance Committee of the Board of Directors will assist in the administration of the Conflicts of Interest Policy. For more complete information and guidance on these issues, please refer to the Policy on Conflicts of Interest.

5.2 Commitment to Fairness

The New Jewish Home recognizes that its greatest strength lies in the talent and ability of its employees. It is The New Jewish Home's policy to:

- Promote relationships based on trust and respect and provide an environment in which employees may question a practice without fear of adverse consequences. Retaliation against any employee for raising a compliance issue or pursuing a *qui tam* (whistleblower) action is strictly prohibited.
- Provide equal opportunity for employment and advancement on the basis of ability and aptitude without regard to race, color, creed, age, sex or sexual orientation, handicaps or national origin, except where age, sex or physical status is a bona fide occupational qualification,
- Protect the health and safety of employees in their work environment.
- Comply fully with all applicable wage and hour laws and other statutes regulating the employer-employee relationship.
- Compensate employees according to their performance and contractual requirements, and provide competitive benefits.
- Investigate promptly allegations of all forms of illegal discrimination and sexual harassment.

5.3 Occupational Safety

Both federal and state laws regarding the promotion of occupational safety and the avoidance of job related hazards are designed to ensure that each of us works in a safe environment. Due regard and attention must be paid to those laws and regulations. Questions regarding occupational safety should be referred to Administration, Human Resources, or the Safety and Security Department.

5.4 Immigration

Federal law prohibits employers from hiring employees who are not legally authorized to work in this country. The legal and regulatory requirements which must be complied with in this area are numerous and complex. Accordingly, in all circumstances in which immigration laws may apply (such as the proposed employment of a person who is not a United States citizen or Permanent Resident with work authorization), the Human Resources Department must be consulted.

5.5 Pharmaceuticals and Controlled Substances

The New Jewish Home is legally responsible for the proper distribution and handling of pharmaceutical products. Federal, state, and local laws prohibit the diversion of any prescription drug or controlled substance, including a drug sample, in any amount for any reason to an unauthorized individual or entity. The distribution of adulterated, misbranded, mislabeled, expired or diverted pharmaceuticals is also a violation of federal and state law.

All employees must be diligent and vigilant in carrying out their obligations to handle and dispense The New Jewish Home's prescription drugs and controlled substances in accordance with all applicable laws, regulations and The New Jewish Home's procedures. Questions regarding pharmaceuticals and controlled substances should be referred to Administration, the Medical Department or Pharmacy.

In addition, the illegal use, sale, purchase, transfer, possession or presence in one's system of illegal drugs is strictly prohibited. Similarly, the use, sale, purchase, transfer, possession, or being under the influence of alcoholic beverages or illegal drugs while on duty is prohibited. The New Jewish Home may serve alcoholic beverages under special circumstances and with the approval of Administration.

5.6 Confidentiality of The New Jewish Home's Information

One of The New Jewish Home's most valuable assets is its body of confidential information. Confidential information includes The New Jewish Home's methods, processes, techniques, computer software, equipment, service marks, copyrights, research data, clinical and pharmacological data, marketing and sales information, personnel data, patient lists, mailing lists, donor lists, financial data, plans and all other institutional know-how and trade secrets which have not been published or disclosed to the general public. The widespread use of computer terminals and computer systems has caused this information to be accessible to many employees. Failure to protect this information adequately can lead to the loss of highly confidential data that may place The New Jewish Home at risk legally. Because of the risk of harm, no employee shall, without the written consent of The New Jewish Home, during or following their term of employment, disclose

or use any confidential information obtained during the course of employment for personal benefit or for non-Jewish Home related purposes.

As an employee, you are responsible and accountable for the integrity and protection of Protected Health Information and business information and must take steps to protect information that has been entrusted to you. For example, you must not destroy, disclose, or make inappropriate modifications to information except as authorized. Documents and computerized databases containing sensitive data, including information concerning patients, should be handled carefully during work hours and must be properly secured at the end of the business day. The security and integrity of all confidential data must be diligently protected.

In order to provide a secure computer network environment and prevent unauthorized access, and to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), The New Jewish Home is incorporating additional security measures, including administrative procedures, physical safeguards, and technical security measures. Detailed policies and procedures for compliance with HIPAA and other privacy and security regulations are available through the Clinical Resources, Health Information Management and Information Technology Departments.

Whenever you are become aware of a potential inappropriate disclosure of confidential information, whether intentional or accidental, you must immediately notify their HIPAA Privacy Officer, HIPAA Security Officer or Chief Compliance Officer.

5.7 Gifts and Entertainment

Gifts and entertainment represent an area of potential conflict in situations where a competitive, regulatory or adversarial relationship could exist. Giving or accepting gifts and entertainment can sometimes be construed as an attempt to unduly influence the relationship. Administration or Compliance should be consulted in any questionable instance.

6. GOVERNMENT REGULATIONS

6.1. Tax-Exempt Status and Licensure

(a) Tax-Exempt Status and Private Inurement

The New Jewish Home and many of its affiliates are charities are exempt from taxation by federal, state and local governments. To maintain this critically important exemption, The New Jewish Home must operate for the benefit of the community and must avoid what the

tax law calls "private inurement" and "private benefit"; that is, the operation of a tax-exempt facility for the benefit of private individuals or entities. None of the assets or income of The New Jewish Home may be used to benefit a private individual and all activities of The New Jewish Home must serve a public rather than a private interest. For example, all nonexempt individuals or entities must pay fair market value for the use of The New Jewish Home's services or property. In addition, individuals or employees may not conduct private activities on institutional premises. Violations of these prohibitions can jeopardize The New Jewish Home's tax-exempt status and can subject the individuals involved (including Directors) to penalty excise taxes. Questions on tax issues should be referred to the Finance Department.

(b) Certificate of Need and Licensure

State law requires The New Jewish Home to obtain a Certificate of Need from the Department of Health before changing the services it provides, purchasing major medical equipment, or making other significant capital expenditures.

The New Jewish Home facilities are licensed by the Department of Health of the State of New York and many of its programs are accredited by The Joint Commission. These two agencies have numerous requirements that determine the manner in which The New Jewish Home delivers its services. Numerous other Federal and State agencies -- for example, the Office of Safety and Health Administration (OSHA), the Centers for Medicare and Medicaid Services (CMS) and the New York State Office of the Medicaid Inspector General -- have significant regulatory oversight functions that pertain as well. Each employee is expected to be familiar with the regulations governing his or her area, to stay abreast of new developments and to alert his or her supervisor of possible noncompliance.

Questions regarding the above regulatory requirements should be referred to the Chief Compliance Officer, VP of Clinical Excellence or Administration.

(c) Fund Raising

As a charity, The New Jewish Home relies upon contributions from donors to support its many activities. Employees are encouraged (although not required) to support this fundraising effort but must coordinate all such activities with the Development Office (The Fund for the Aged). Monies or other items received on behalf of The New Jewish Home as gifts should be deposited immediately in the development accounts of The Fund for the Aged.

Charitable contributions from vendors to The New Jewish Home may raise issues implicating federal and state anti-kickback laws, and should be reviewed with Administration or Finance. Care should be taken when soliciting or receiving such

contributions that the contributor not be led to believe, either directly or indirectly, that the contribution will affect The New Jewish Home's professional judgment regarding the goods or services it purchases, recommends or provides to its patients.

Under no circumstances may a contribution be solicited or accepted as a precondition to admission to or continued stay at a Jewish Home facility or program.

Any contributions received for a specific purpose (e.g. building fund) will only be used for that purpose unless otherwise instructed by the donor.

All solicitations shall be accompanied by statements indicating how a recipient may opt out of receiving any further solicitations.

Any fundraising professionals engaged to assist in any fundraising effort must be registered with the NYS Attorney Generals Charities Bureau and may only be engaged upon the filing of a properly executed contract with the Charities Bureau.

All solicitations shall be accompanied by statements indicating how the recipient may request a copy of our annual reports to the Office NYS Attorney General's Charities Bureau.

(d) HUD and DHCR Requirements

Some of the nursing home and residential facilities operated by The New Jewish Home are financed by loans obtained through programs of the U.S. Department of Housing and Urban Development ("HUD") and the New York State Division of Housing and Community Renewal ("DHCR"). It is the policy of The New Jewish Home to comply with all requirements and obligations imposed by HUD and DHCR as a result of the participation by The New Jewish Home in these programs.

6.2 Regulation of The New Jewish Home's Activities

(a) Government Investigations

It is important that The New Jewish Home adhere to definitive guidelines on how and when to respond to government inquiries. For example, provision of inaccurate or incomplete information to government officials in response to their inquiries may subject The New Jewish Home to civil and/or criminal penalties, while unauthorized disclosure of information may jeopardize our patients' rights to privacy and also expose the institution to liability. Therefore, we must adhere to the procedures and guidance in this section of the manual to ensure that The New Jewish Home responds appropriately to all government investigations.

Only three agencies are entitled to immediate access to compliance related information. They are: (1) the Office of the Inspector General of the United States Department of Health and Human Services; (2) the State Medicaid Fraud Control Unit; and (3) the Civilian Health and Medical Program of the Uniformed Services ("CHAMPUS"). In the event of a request for information from officials of these agencies, you must ask for, and be shown, proper identification before providing access. In almost all cases, when a request by officials of these agencies is made, access to the requested information should be delayed pending notification of Administration. Notification will ensure that The New Jewish Home is institutionally aware of the inquiry, properly responds to it, and can take whatever action is necessary with regard to it. If access cannot be delayed pending notification of Administration, then Administration should be contacted simultaneously with allowing access to the data. Administration will contact legal counsel and the Chief Compliance Officer immediately to ensure that the legal rights of The New Jewish Home are protected.

The United States Attorney General, the New York State Attorney General and the New York State Department of Health may issue a subpoena to require production of documentary materials, answers to interrogatories and oral testimony relevant to any activity involving a federal health care offense. The subpoena must describe the object required and provide for a return date on which the information must be made available. Jewish Home's policy and procedure manual should be consulted as to how to handle any subpoena.

Other governmental agencies, however, may look at Jewish Home's documents and other materials **only** with The New Jewish Home's consent or by proper legal process. These agencies include the Federal Bureau of Investigation, the Drug Enforcement Administration, the United States Postal Inspector, the state Attorney General (with the exception of the Medical Fraud Control Unit), the NYS Office of the Medicaid Inspector General and local prosecutors and police departments.

To ensure that government agencies are provided with the information to which they are entitled on a timely basis and, at the same time, prevent the improper disclosure of private information, **it is imperative that you contact Administration as promptly as possible after receipt of any request for information.** In addition, please be certain to (1) obtain the name and organizational affiliation of all persons from whom a request for access to information is received or to whom access will be permitted before any access is allowed; (2) maintain a written record of each and every document to which access is given; and (3) keep a detailed record of all telephone contacts made, including specifically the name and affiliation of the parties to each conversation, the information requested and the response given during the conversation.

(b) Lobbying and Political Participation

Certain management personnel may periodically be called upon by The New Jewish Home to make contact with representatives of city, county, state or federal governments to explain and advocate for The New Jewish Home's positions on issues. Only authorized personnel who have been registered with the NYS Joint Commission On Public Ethics (JCOPE) may lobby on behalf of the organization. These persons must comply with applicable laws at all times.

The New Jewish Home also periodically engages lobbyists or lobbying firms to help promote its interests, and has established internal controls to assure that all activities are appropriate. Written authorization must be obtained from the President prior to engaging any lobbyist, outside legal counsel or consultant to lobby for or otherwise promote The New Jewish Home's interests on any legislative, regulatory or governmental issue.

Participation in the political process is a basic right. It is important, however, to distinguish between personal and organizational political activities. Federal and state laws limit the nature and extent to which an organization may participate. For example, both federal and state law prohibits non-profit organizations from contributing to political candidates or officeholders. As a responsible citizen, The New Jewish Home occasionally will speak out on issues of importance to those it serves. Senior management is responsible for developing The New Jewish Home's position on relevant legislative and regulatory issues. Unless you are specifically requested by The New Jewish Home to represent it before legislative or other governmental bodies, be sure you clearly label any personal communication as your own beliefs. If you are contacted by legislators or regulators regarding The New Jewish Home's position on public issues, you should refer them to Administration.

While employees are free to make personal political contributions or communicate their personal beliefs to elected officials and candidates, no one will be reimbursed for personal political contributions. Personal compensation will not be altered in any way under any circumstances to reflect such contributions. It should be noted that any employee who has been registered as a lobbyist may have limitations placed on their ability to make political contribution by law.

Finally, in a related area of regulation, federal and state laws prohibit giving a gratuity to a government employee in connection with a business transaction, even if done without the intent to influence some official action. Thus, in order to avoid any ambiguity in such matters, The New Jewish Home prohibits the giving of gifts, meals or gratuities to government officials without prior authorization from Administration.

(c) Hazardous Materials and Infectious Wastes

In the course of The New Jewish Home's operations, hazardous materials and infectious wastes may be used or generated. The New Jewish Home is responsible for the proper handling and disposal of these materials. Environmental responsibility is also an important component of our duty to the public and our good reputation.

It is therefore essential that everyone at The New Jewish Home who deals with hazardous materials and infectious waste comply with environmental laws and regulations, and follow the environmental safety procedures explained in The New Jewish Home's education and training programs. The unsafe storage or release of such materials into the environment must be promptly reported to Administration and, if applicable, to city, state and/or federal authorities. No one at The New Jewish Home may participate in concealing improper discharge or disposal of hazardous materials, pollutants or infectious wastes. Questions regarding this area should be referred to Administration.

(d) Records Retention/Destruction

It is critical to the successful accomplishment of The New Jewish Home's professional goals that its records be fully and accurately completed and maintained consistent with proper business practices. The New Jewish Home's records may serve as a basis for treatment decisions for its patients, as a compilation of goods and services rendered for billing purposes, or as a record of historical courses of treatment. Consequently, the proper and contemporaneous creation of fully accurate and complete records is a duty of each member of The New Jewish Home's staff. In addition, The New Jewish Home is required by law to maintain certain types of medical and business records, usually for a specified period of time.

Following are examples of the documents that need to be maintained:

- All records and documentation (e.g., billing and claims documentation) required for participation in Federal, State, and private health care programs, including the patient assessment instrument, the comprehensive plan of care and all corrective actions taken in response to surveys.
- All records and documentation required by private payers and other governmental institutions.
- All records, documentation, and audit data that support and explain cost reports and other financial activity, including any internal or external compliance monitoring activities.

- All records necessary to demonstrate the integrity of The New Jewish Home's compliance process and to confirm the effectiveness of the program.

Even if a document is retained for the minimum period, legal liability could still result if it is destroyed before its scheduled destruction date. Accordingly, The New Jewish Home has established policies in specific areas to assure retention for required periods and timely destruction of hard copies of records which are accessible from collateral sources, such as computers, electronic systems, microfiche and microfilm. Full compliance with the records retention and destruction schedule for the department in which you work is expected. If you believe that documents should be saved beyond the applicable retention period, consult your supervisor, who in turn should contact Finance, Legal, Compliance or Clinical Resources, as applicable.

6.3 Business Ethics

(a) Illegal Payments

It is a violation of The New Jewish Home's rules and policies for any officer, employee or any other person acting on behalf of, or in the name of, The New Jewish Home to make or authorize any bribe, payment for an illegal act, or any other use of a Jewish Home resource which, even if arguably not illegal, could be interpreted as improper or unwarranted. Employees and their relatives may not solicit or accept favors, gifts, or other consideration from any person or organization conducting or seeking to conduct business with The New Jewish Home. Equally improper is any payment of any kind to consultants, agents, brokers, attorneys, other individuals or firms if there is reason to suspect that some or all of the payment is to be used to do anything that is prohibited by law or The New Jewish Home's policies.

(b) Antitrust and Price Fixing

The antitrust laws are applied with increasing frequency to the health care industry. Designed to preserve and foster fair and honest competition, these laws prohibit agreements or understandings (expressed or implied, written or oral) which unreasonably restrain competition or interfere with the ability of the free market system to function properly. The greatest danger for violations of antitrust laws rests in contacts with competitors. In the eyes of the law, good intentions or customer benefits do not justify or excuse violations. For The New Jewish Home, a "competitor" may be another nursing home, home care agency, or health care provider (depending on the circumstances).

To avoid violating the prohibitions of the antitrust laws, you should not have any discussions or other communications with competitors about the division of patient referrals, geographic areas, services, marketing efforts, or the circumstances under which

business will be conducted with suppliers, insurance companies, patients or customers (including boycotts). The issue of sharing information relative to salaries can be done, but only under some very specific conditions. Administration should be consulted in advance. Further, you should avoid discussions with competitors regarding the future business plans of The New Jewish Home or any competitors. Finally, you should not have any discussions with competitors regarding prices, reimbursement or salary levels. All of these prohibitions apply even if the communication is made during the course of participation in professional and trade associations. Participation in network meetings—(e.g. Continuing Care Leadership Council, the Innovatix Network; Mount Sinai Health System)—is generally permitted, but is subject to approval by Administration.

This overview does not address every instance in which the federal and state antitrust laws may apply. If you have further questions, contact our Associate General Counsel.

(c) Information Owned by Others

Other organizations and individuals have intellectual property they want to protect. These other parties are sometimes willing to disclose their confidential information only for a particular purpose or to specific people. If you have access to another party's confidential information, you must proceed with caution to prevent any accusations that you or The New Jewish Home misappropriated or misused the information.

You should not receive confidential or restricted information, whether oral, visual or written, until the terms of its use have been formally agreed to by The New Jewish Home and the other party. The New Jewish Home's entry into such an agreement requires approval by an appropriate member of senior management. Once another party's confidential or restricted information is properly in your hands, you must not use, copy, distribute or disclose that information unless you do so in accordance with the terms of the agreement.

These proscriptions apply to the acquisition and use of computer software (such as computer programs, databases and related documentation) from others. As intellectual property, software is protected by copyright laws and may also be protected by patent, trade secret laws or as confidential information. Computer software should only be used pursuant to, and in strict conformance with, the terms and conditions of the applicable license agreement. Also, if you acquire software for your personally-owned equipment, you should not copy any portion of it in any work you do for The New Jewish Home, place it on any of The New Jewish Home's computer system, or generally bring it onto The New Jewish Home's premises.

7. SCIENTIFIC RESEARCH

The New Jewish Home is committed to the highest ethical standards in the conduct of scientific research, the promotion of original research of high quality, and the importance of academic freedom. The New Jewish Home has established policies and procedures to ensure that work carried out through research maintains those high standards and is consistent with federal, state, local and The New Jewish Home's own rules and regulations. All faculty and staff involved in research must be familiar with these materials and comply with The New Jewish Home's policies and procedures in this area. All research projects must be reviewed and approved by the New Jewish Home's Institutional Review Board.

7.1 Misconduct in Research

The New Jewish Home is committed to preventing the occurrence of misconduct in research and, should it occur, to dealing with it swiftly, fairly, and thoroughly. The term "misconduct in research" refers to the intentional or reckless disregard of ethical practices in the conduct of research. Examples of misconduct in research include activities that compromise the integrity of the research results (such as fabrication, falsification, or wrongful manipulation of data or results), plagiarism, failure to comply with the Home's policies concerning human or animal research subjects and fiscal improprieties. The New Jewish Home is required to make annual reports to the National Institutes of Health regarding any instances of misconduct in research.

The New Jewish Home defines "scientific misconduct" also to include failure to submit research projects for Institutional Review Board approval, failure to obtain informed consent in accordance with The New Jewish Home's Informed Consent Policy, or failure to comply with the Conflict of Interest Policy or any other Jewish Home policy on research activities. Issues concerning the ethical treatment of human or animal subjects are also included in The New Jewish Home's definition of scientific misconduct. In addition, scientific misconduct includes financial arrangements or activities that violate the letter or spirit of applicable law. Special focus must be placed on ensuring appropriate billing, including the avoidance of billing.

7.2 Conflicts of Interest and Improper Referrals

Any conflicts of interest between sources of grant funds and The New Jewish Home's recipients must be identified. Conflicts of interest include any actual or potential financial interest of a grant recipient in the outcome of the proposed research. Researchers must abide by The New Jewish Home's Research Conflict of Interest Policy. All conflicts must be disclosed to Administration. Where conflicts cannot be resolved to the satisfaction of Administration, a grant application must be withdrawn or redrafted.

In addition, faculty and staff must be vigilant in considering whether grants could involve improper inducements which would constitute "kickbacks" in violation of federal and state law. Section 3.3 describes kickbacks and related issues in greater detail. Any questions as to whether the anti-kickback or other statutes may be involved in a research proposal should be directed to Administration.

8. VIOLATIONS, INVESTIGATIONS AND DISCIPLINE

This Manual is designed to provide a general overview of the legal requirements and institutional policies that must be adhered to by all Jewish Home employees and their agents. It is not intended to replace existing or future policies of The New Jewish Home. If you have questions, please refer to the specific Jewish Home policy or individuals identified in the Manual. You may also direct questions regarding the applicability or interpretation of the Manual to the Chief Compliance Officer, who has the responsibility for overseeing the Compliance Program.

8.1 Reporting of Violations

As part of its commitment to ethical and legal conduct, Jewish Home employees must immediately bring to the attention of their supervisor, the Chief Compliance Officer, or Administration, information regarding suspected improper conduct. Employees may also call the Compliance Department Hotline at 212-870-4752 or e-mail dpenny@jewishhome.org to discuss concerns about possible violations of the law or The New Jewish Home's policies. Anyone may do so anonymously or request anonymity.

Confidential on-line reporting application available on the The New Jewish Home website at www.jewishhome.org under the Compliance section.

- You can report completely anonymously. You can use our Compliance reporting application at www.reportit.net
- USER NAME: JewishHome
- PASSWORD: compliance
- You can also report anonymously to **1-877-778-5463**
- Any possible Fraud, Waste and Abuse will be reported to the appropriate Medicare Advantage or Prescription Drug Plan or to State or Federal authorities

Confidential reports made in this manner will be reported directly to the Chair of the Board Audit and Compliance Committee and to the Chair of the Board of Directors without first

going through management

The New Jewish Home is committed to promptly investigating any suspicions of improper activities and requires all employees to assist in such investigations. If an employee or other representative believes that The New Jewish Home is not responding to his or her report within a reasonable period of time, the employee shall bring these concerns to The New Jewish Home's Compliance Officer.

Because failure to report criminal or other improper conduct can be understood to condone such conduct, employees are required to come forward with any information regarding an actual or possible violation, without regard to the identity or position of the suspected offender. Those who fail to report knowledge of wrongdoing may be subject to disciplinary action, up to and including discharge.

Policy of Non-Retaliation—There will be no reprisals for good faith reporting of actual or possible violations of the law or The New Jewish Home's policies. The New Jewish Home will endeavor to keep the identity of anyone reporting a violation confidential to the extent permitted by law unless doing so prevents The New Jewish Home from fully and effectively investigating an alleged violation. The New Jewish Home will also use its best efforts, consistent with its legal obligations, to protect the confidentiality of any employee who is the subject of such report. Any instances of actual or perceived retaliation against an employee who reports a violation must be reported to the VP of Human Resources and the Chief Compliance Officer.

8.2 Investigation of Violations

All reported violations of the law or The New Jewish Home's policies will be promptly investigated by The New Jewish Home. Employees are required to cooperate fully in the investigation of an alleged violation.

8.3 Discipline for Violations

Disciplinary actions may be taken for:

- Authorization of or participation in actions that violate the law or Jewish Home's policies.
- Failure to report a violation or to cooperate fully in an investigation.
- Failure by a violator's supervisor(s) to detect and report a violation if such failure reflects inadequate supervision or lack of oversight.
- Failure of a supervisor to adequately instruct subordinates as to applicable policies and legal requirements.
- Retaliation against an individual for reporting a violation or possible violation.
- Deliberately making a false report of a violation.

In addition, in situations where violations of the law or The New Jewish Home's policies are identified, The New Jewish Home will take appropriate corrective action to ensure prevention of similar offenses occurring in the future.

8.4 Certification of Compliance

Supervisory employees are required to sign an acknowledgment confirming that they have received and read the Compliance Manual and will comply fully with it, and acknowledge that the applicable provisions of the Manual have been communicated and explained to all employees and agents under their supervision. On a periodic basis, these employees will be asked to submit an updated Compliance Manual acknowledgment form. Members of the Board of Directors are also required to sign the acknowledgment that they reviewed the manual and will comply with it.

Each year the Chief Compliance Officer and the President and CEO shall make the appropriate certifications regarding the The New Jewish Home Compliance program to the New York State Office of the Medicaid Inspector General (OMIG) in the format prescribed by the OMIG.

ACKNOWLEDGMENT

I certify that I have received and read The New Jewish Home Compliance Manual and that I will abide by the provisions thereof.

(Signature) (Printed Name)

Date: _____
(Department/organization)