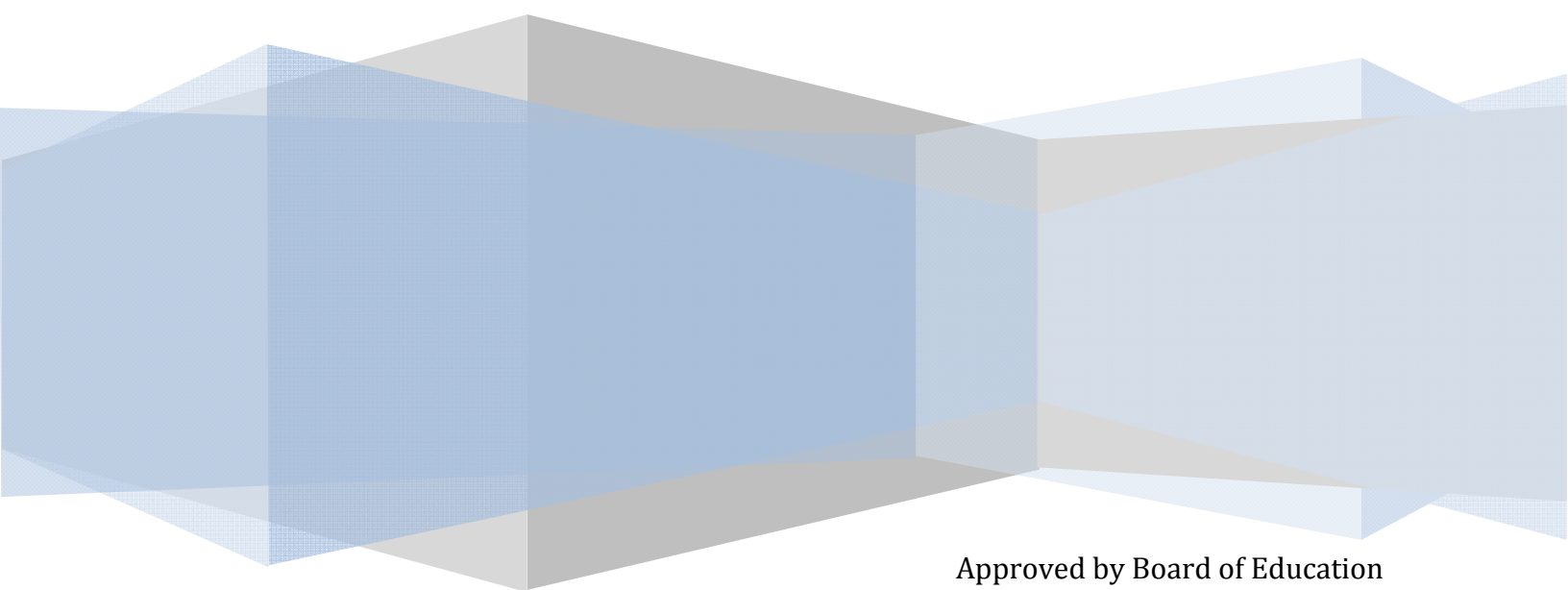


West Seneca Central School District

Compliance Plan

Health Care Services



Approved by Board of Education
December 14, 2009
Updated 7/7/2014 (Compliance Officer)

Compliance Plan

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COMPLIANCE STRUCTURE

Introduction

For purpose of the Compliance Plan, West Seneca Central School District, (The School) provides the following services:

Medical care to students (The Student) including but not limited to Occupational Therapy, Physical Therapy, Speech Therapy, and other various medical care.

The Compliance Plan is intended to prevent, detect fraud, waste and abuse as well as misconduct by the School's employees and other agents. Further, this program should decrease the risk of culpable action and reaffirm the School's continuing commitment to compliance.

Our intent is to implement and enforce a Compliance Program that is active and will detect, disclose and prevent misconduct as well as fraud waste and abuse. All staff, agents and independent contractors are expected to understand and adhere to this compliance program.

Program Elements

- To establish written standards of conduct, including written policies and procedures that promote the organizations commitment to compliance.
- To designate a compliance officer and a compliance committee
- To implement training and education programs
- To establish effective lines of communication
- To subject the program to appropriate audit and monitoring
- To establish consistent disciplinary mechanisms where appropriate
- To respond to suspected compliance violations
- To create an environment of eliminating fraud, waste and abuse.

Roles and Responsibilities

The Board of Education, Compliance Officer and the Compliance Committee have responsibility for the School's Compliance Program

Board of Education

The responsibilities of the Board of Education include:

- Ensuring that there is a Compliance Program
- Ensuring that the program's objectives are consistent with the School mission
- Ensuring the program's objectives are reflected in all governance, risk management, information management and financial and operational activities.
- Monitoring the effectiveness of the program
- Reviewing and understanding reports from the Compliance Officer
- Recognizing the need to prevent liability.

Compliance Officer

The designated Compliance Officer is Janice Lewandowski. The Compliance Officer reports to the Board of Education and functions with the advice and consultation of the Compliance Committee. The Compliance Officer's primary role is the coordination and communication with regard to planning, implementing and monitoring the Compliance Program. Specific responsibilities include:

- Overseeing and monitoring the implementation of the Compliance Program.
- Revising the program due to changes in the needs of The School or in the law or policies of the government, and private payor plans.
- Developing and coordinating a training program that focuses on all the elements of the Compliance Program ensuring that all relevant employees are trained in the areas pertinent to their job function.
- Ensuring that contractors, BOCES, and agents who furnish health care services to Students or to The School are aware of and comply with the Compliance Program.
- Coordinating with Human Resources to ensure that all employees, medical staff and independent contractors providing services are checked against the OIG's (Office of Inspector General) List of Excluded Individuals/Entities.
- Reporting to the Board of Education on a regular or as needed basis.
- Ensuring that all vendors, contractors read, agree with, and abide by the Compliance Program.
- Establishing a method of reporting incidents of possible misconduct that assures anonymity to those filing the report. Direct access to the Compliance Officer and the Compliance Committee must also be established for those who do not wish to remain anonymous.
- Developing a reporting mechanism, which ensures that the proper level of the organization is appraised without delay based on the severity level.
- Providing for the immediate and direct notification to the appropriate government agency in severe cases of fraud and abuse.
- Querying the National Practitioner Data Bank.
- Investigating and resolving all reported incidents in a timely manner. Participating with the School counsel in resolving compliance issues that might otherwise create possible liability for the organization.
- Periodically scheduling and coordinating audits to check for compliance on Medicare/Medicaid fraud, waste and abuse.
- Using School legal counsel to render all legal opinions, and advising the Board of Education of developments and changes in laws, regulations and policies that may affect the Compliance Program.

Compliance Committee

This committee represents a key structural component of the Compliance Program. It consists of the Compliance Officer and other individuals designated by the Board of Education. Its benefit is that it has the perspective of many individuals with varying responsibilities. The Compliance Committee's responsibilities are:

- Advising the Compliance Officer and assisting in the implementation of the Compliance Program
- Monitoring the health care industry environment and specific risk areas
- Monitoring the legal requirements with which the School must comply
- Reviewing educational and training programs and advising on the content
- Assessing existing policies and procedures that address various areas for possible inclusion into the Compliance Program
- Monitoring in conjunction with the appropriate individuals/departments, standards of conduct and policies and procedures to promote compliance
- Monitoring in conjunction with the appropriate individuals/departments internal systems and controls to carryout the School's standards, policies and procedures as part of its daily operations.
- Reviewing and advising the strategy/approach to promote adherence to the Compliance Program and detecting any potential violations.
- Reviewing the system to solicit, evaluate and respond to complaints, problems and enforcement
- Monitoring and reviewing quarterly reports from the Compliance Officer regarding internal and external audits, reviews and investigations for the purpose of identifying deficiencies and advising and reviewing corrective action; reviewing enforcement and disciplinary actions related to compliance activities; and advising the Compliance Officer on the necessity and appropriateness of revisions to the Compliance Program.

COMPLIANCE MANUAL

Governance

West Seneca Central School District advocates an environment of individual responsibility. As a result, The School has incorporated an active and effective compliance plan to enhance ethical behavior, provide quality service and promote the objectives of The School.

The Compliance Officer for the School reports directly to the Board of Education on a regular basis and has mechanisms in place to report suspected violations and to evaluate and implement remedial measures. The Board of Education also ensures that all regulatory reporting is performed timely. A Compliance Committee exists to help and advise the Compliance Officer. The Compliance Committee includes School personnel as designated by the Board of Education.

Medical Necessity and Quality of Care

The School is committed to billing for medical care services rendered to the Student. All services provided by the School are to enhance the quality of care for their Students. Medical coding is routinely sampled to ensure that the documentation is consistent with the medical diagnosis and that only medically necessary health care was provided and billed.

Credentialing

West Seneca Central School District in its mission to provide high quality services does ensure that all providers are appropriately credentialed. The credentialing policy is designed to confirm that all licensed practitioners involved in or contracted with the School are in good standing with government agencies.

Program and Organizational Risk Assessment

As part of the compliance plan, the School will conduct program risk assessments and organizational risk assessments. The assessments assist the School in identifying and prioritizing likely areas of risk. The assessments focus on the School's known legal duties and likely areas of risk due to the nature of its operations and any past incidents and will include the focus items in the OMIG (Office of Medicaid Inspector General) and OIG work plan.

In determining the scope of the assessment, The School considers:

- National and local issues that are likely to give rise to concerns
- Past problematic activities
- Particular areas of potential concern within the organization

The assessment includes legal compliance reviews and evaluations of the regulatory environment including risks. The School will:

- Identify, understand and prioritize the laws and regulations that govern the School's conduct in its operations
- Identify substantive issues affecting the organization
- Identify the School's functional weaknesses and vulnerabilities
- Identify the personnel who will conduct assessments.

Standards and Code of Conduct

The School has established compliance standards that are documented in its published standards and policies, the Employee Handbook and the Code of Conduct. These standards will be revised and updated as necessary and appropriate.

The Code of Conduct details The School's commitment to comply with all applicable laws and regulations in the conduct of its operations and define conduct to guide all employees. The Code of Conduct:

- Defines the commitment The School has made as a member of the health care industry

- Includes a statement of the standards that govern employees in all operations-related relationships
- Includes an explanation of the consequences of violating those standards and
- Where appropriate, summarizes or references standard policies and procedures to be followed.

Each employee will be asked to sign an “acknowledgement” indicating that they have received, read and understand the Code of Conduct and will comply with the standards contained in the Code of Conduct, related policies and procedures and laws applicable to their job.

In conjunction with the Code of Conduct, the Compliance Program includes a Regulatory Summary that includes a summary of certain health care laws and regulations and other laws such as employment law, antitrust, conflict of interest, ethics, political activity and environmental law. The regulatory summary is not intended to be inclusive of every applicable law.

Fraud, Waste and Abuse

The Medicaid definition of fraud, waste and abuse is as follows “practices that are consistent with sound....medical or professional practices and which result in unnecessary costs, or...which fail to meet recognized standards for health care”
18 N.Y.C.C.R.R. 515.1 (B)(1).

Sanctions against individuals for violating the fraud waste and abuse prohibitions can include monetary penalties, exclusion from federal and state health care programs and imprisonment. To reach the level of criminal sanctions, the violations of law must be knowing and willful, but a lower standard can be applied in connection with monetary penalties and program exclusion. Further, “knowing and willful” has at times been construed to mean nothing more than the intent to do the act, such as, intent to send out the bill.

West Seneca Central School District has implemented cost effective processes with a focus on eliminating the possibility for fraud, waste and abuse.

Billing

The billing of government and privately paid health care services is regulated. The improper billing of Medicare, Medicaid or other federal or state health care programs can be a crime or it can result in significant civil penalties. Both jail time and substantial financial penalties can result. Also, the false or fraudulent billing of insurance and employee benefits programs may be a crime under state laws. Any misconduct, waste fraud and/or abuse must be reported through the Hotline, to Management, to the Compliance Committee or to the Compliance Officer.

Payments

The government can recoup payments in connection with claims that include unintentional mistakes or errors, including inaccurate coding. Generally unintentional mistakes or errors will not lead to additional penalties unless the mistakes are found to be actually intentional or part of a larger scheme to defraud the government. However, repetitive or systemic mistakes must be avoided because they can be construed as evidence of intent to defraud.

Reporting

Self-reporting will be conducted for substantial routine errors, systemic errors, and patterns of errors and potential violations of fraud and abuse that are identified. West Seneca Central School District will report overpayments and/or inappropriate payments, if they meet reporting requirements outlined in the policy.

There is a reporting system through which employees and agents can report practices that they believe to be questionable in the organization without fear of retaliation.

The School:

- Mandates that employees report conduct that a reasonable person believes to be a violation of School policy, laws and regulations;
- Will consider disciplinary action where a reasonable employees failure to detect a violation is attributable to his/her negligence or reckless conduct; and
- Has a policy that explains that employees will not be subject to retaliation if the employee makes a complaint

Reports can be made to those individuals identified in the Code of Conduct including any member of the Compliance Committee. As part of the Compliance Program, The School has:

- Policies regarding documentation for the reporting of concerns;
- A policy for what will be done with the information; and
- A policy for how employees reporting the misconduct will be treated.

Response

The School's Compliance Program includes policies and procedures that address responding to potential problems, such as:

- Investigation protocols
- Procedures for reporting and disclosing issues to the government or third parties where required by law; and
- Directives to revise the Program and policies and procedures as necessary

Non-Retaliation For Good Faith Reporting

It is the policy of The School that individuals who report activity or conduct that they suspect is not consistent with the School Compliance Program, and Federal, state and local laws and regulations will not be subject to retaliation of any kind.

Further, those who retaliate against individuals who report activity or conduct that they suspect is not consistent with the School Compliance Program, and Federal, state and local laws and regulations, will be subject to discipline consistent with The School's discipline policy.

Uniform Employee Discipline

The School has established disciplinary procedures and has provided explanations of standard disciplinary sanctions for non-compliance. Investigations resulting in a decision that an employee has violated the School's policies and procedures, laws or regulations will result in sanctions against the employee if necessary. Consistency in discipline exists in these policies to enforce the importance of compliant behaviors.

Individuals failing to detect and report an offense may also be subject to discipline. All sanctions will be documented in the individual's permanent personnel record.

Communication

West Seneca Central School District does effectively communicate the Compliance Program to all employees both during new hire orientation and during periodic training. Various training materials are utilized to present the importance of ethical and compliant behavior with all federal, state and local laws and regulations, as well as School policies and procedures. Effective communication enhances the quality of the services and respect provided to our customers, the Students, as well as each other.

Training And Education

The Compliance Officer is responsible for all communications and training involving the Compliance Program. Management and staff will be required to attend a training session(s), conducted by the Compliance Officer or his designee, with the objective to ensure that all participants understand and appreciate all aspects of the Compliance Program, including the risks of non-compliance to the organization and for them.

Compliance Program information is posted for the employee to assist communication of policy and procedures of program as well as to provide appropriate direction for reporting suspected violations.

Auditing And Monitoring

The School has established policies and procedures to enforce the Compliance Program through auditing and monitoring as well as reviews and training. Monitoring will include reviews of operations, systems, processes, policies, standards and other activities. Reviews will be performed under the direction of the Compliance Officer and conducted using various methodologies including:

- The use of Compliance Committee members and outside resources as necessary;
- The use of onsite reviews, interviews with employees, questionnaires and reviews of standard policies, records and communications.

Document Retention System

The School has established a document retention system to ensure compliance with federal and state laws and regulations. The system includes policies for the retention, storage and destruction of documents.

CODE OF CONDUCT

Forward

West Seneca Central School District is committed to providing health care services in compliance with applicable laws and regulations. Employees function as agents of the School when performing their jobs and thus form the basis of our reputation as individuals and as a health care service provider. As employees and as an organization, it is important that we conduct ourselves in an ethical and legal manner. Violation of federal and state rules and guidelines can result in harsh penalties imposed on The School, and individual employees. The Code of Conduct is designed to provide guidelines to avoid risk for all.

These guidelines are offered, not because we question the honesty of our employees, but because the complexity of the health care environment can make it difficult to distinguish right from wrong. If you are uncertain about what is right, this Code of Conduct encourages you and suggests ways to get an answer.

This Code of Conduct also provides a summary of certain policies adopted by the School to meet its commitment to ethical and legal conduct. These policies apply to all employees of the School and its affiliates. The policies included in the Code of Conduct are not intended to be all-inclusive.

We hope this Code of Conduct encourages you to share your thoughts and ideas with others and to anticipate problems before they occur. After reading this document, you should understand that whatever the situation, you have a place to go for an answer.

Compliance with legal requirements and the School policies and procedures is a condition of employment. However, this Code of Conduct does not constitute an employment contract or create any contractual rights.

Our Commitment

The School is expected to meet high standards for ethical and legal conduct. Our continued success is dependent on our reputation for quality, integrity, honesty and respect in the way we treat our customers, each other and in all our business dealings. Each and of us must take responsibility for our actions and make a conscious effort to conduct ourselves in a manner that is consistent with the School's continuing commitment to compliance.

Outlined in this Code of Conduct are the ethical principles and standards of conduct that are expected to be followed by all employees. As an organization, the School is firmly committed to providing the resources necessary to meet regulatory standards and we believe that ethical conduct and compliance with all applicable laws is extremely important. In today's highly competitive and highly regulated environment, business decisions are more complicated than ever before. The government, media and general public have unprecedented interest in the way we conduct business. We must never forget our obligation to the people we serve and we must maintain their trust and confidence in our services in order to remain successful. Our actions cannot undermine our values and principles or violate legal requirements. It is important that we "do the right thing" all the time and if we are uncertain about what is right, we must ask others so that we make appropriate decisions.

We want to stress the importance of following the basic principles outlined in the Code of Conduct. While this document will not answer all your questions, it is intended to set general standards that will guide you to take the proper and ethical action. If you aren't sure if something is right, ask coworkers, your supervisor, or someone else you can trust to help you find the right answer.

With your help and cooperation, we can demonstrate that having strong values not only means doing the right thing, it also means good education.

Ethical Responsibilities

Every Employees Responsibility

Honesty and integrity are traits expected in all employees. As an employee it is expected that you will be honest and act with integrity in all your dealings with our customers, co-workers, vendors, third party payers, and other business contacts. This Code of Conduct will help serve as a guide to you in your behavior as an employee because it is each employee's responsibility to be familiar with, and adhere to policies and procedures. Claims of ignorance, good intentions, using poor judgment, or repetitive unintentional policy violations are generally not acceptable as excuses for non-compliance.

Every employee should be familiar with the policies and laws that apply to their job. If someone is uncertain about the law, policy or procedure, he/she should follow the communication process outlined in the Code of Conduct. Violations of the law or policies and procedures could, and will likely, result in disciplinary action, up to and including dismissal. Maintaining ethical standards is in everyone's interest.

If you know of a problem, you must not remain silent – Step forward and help resolve it.

Management's Responsibility

Managers and supervisors at every level are expected to take responsibility for the actions of their employees. Accordingly, managers are expected to make sure that their employees

understand and apply the ethical standards set out in this Code of Conduct. To do so, they must listen to their employees' questions and act on their concerns. Leadership also requires setting a personal example of high ethical standards in job performance. It is up to managers, supervisors, etc. to set the tone for their department/facility and the School.

Guidelines

If you are confronted with an ethical situation that you are not sure how to handle, judge your response against the following guidelines:

- Does it comply with the School policies and procedures?
- How would it make you feel if you did it?
- How would it look to your family and friends, to the physicians, other employees, and to the general public?
- Does the activity appear wrong to you?
- Might the activity violate any law or regulation of which you are aware?
- Does it pass the common sense test?

If you are not sure about any of the above questions, ask others until you get a satisfactory answer. You may contact any of the individuals referenced in the Compliance Program and this Code of Conduct including the following members of the Compliance Committee.

Janice Lewandowski, Compliance Officer

Office: 716- 677-3113

Email: jlewandowski@wscschools.org

Compliance Confidential Hotline Number

716-677-3122

Answers To Ethics And Compliance Questions

Open discussion of ethical and legal issues is vital to the effectiveness of the Compliance Plan and specifically, the Code of Conduct. Many times it is unclear what is right in a particular situation. If you have a question about issues that arise in the performance of your job or want to report a compliance concern, we suggest using one of the processes described below.

Communication Process

Discuss the issue with your supervisor. They should know you and the issues in your workplace better than anyone. Give them a chance to help solve the problem, because they have access to a variety of resources. If you and your supervisor cannot find an answer, or you do not feel that your concern is receiving proper attention, request a meeting with your department head.

Bring the matter to the attention of the Compliance Committee. Matters that cannot be resolved at the department or supervisor level should be brought to the Compliance Officer and/or member of the management team.

Use the Compliance Hotline: 716-677-3122

If you feel uncomfortable talking to your supervisor or to management, you can call the Compliance Hotline. The Compliance Hotline is a voice mail system on which you can leave a message regarding your concern, 24 hours a day. At a minimum, the following information must be left on the voicemail system so that the appropriate members of the Compliance Committee can follow-up on your concern:

- A detailed statement explaining your concern and type of suspected improper or illegal activity or conduct;
- The dates or time period of the suspected improper or illegal activity or conduct; and
- The facility or department to which the concern relates.

Reports will be investigated or referred to appropriate personnel for resolution. If insufficient information is left on the voicemail system and the caller does not leave their name or telephone number where they can be reached, the Compliance Committee will not be able to follow-up on the reported concern. Accordingly, it is important to leave enough detail, especially if you choose not to leave your name.

If you wish to remain anonymous, your anonymity will be preserved to the extent possible. However, it is helpful if employees give their name so that during the investigation of the report additional information can be obtained if necessary. While the School will always strive to maintain the confidentiality of an employee's identity, there may be a point where the individual's identity may become known or may have to be revealed in certain circumstances.

Use the Compliance Committee as a Resource

The Compliance Committee can assist you in finding solutions to your legal or ethical issues. Contact them on matters relating to your legal or ethical issues including matters relating to contracts, billing, potential conflicts of interest or other issues.

Reporting And Investigating Violations

If you know of a possible violation, you **MUST** report it. Additionally, if you become aware of a violation and fail to report it, you will likely be subject to disciplinary action for remaining silent. School policy mandates that employees report conduct that a reasonable person would believe to be a violation of School policy, laws and regulations. Further discipline may be appropriate where a responsible employee's failure to detect a violation is attributable to his/her negligence or reckless conduct.

As explained above, you may contact your supervisor, management or a member of the Compliance Committee. If you feel uncomfortable talking to them, you may also use the Compliance Hotline.

Reports will be investigated promptly and fully. All employees are expected to cooperate fully with any internal investigation.

Frequently Asked Questions (And Answers)

Q: What will happen if I report an unintentional violation that I was involved in?

A: The report will be investigated to determine the facts and circumstances. The fact that it was unintentional and that you came forward voluntarily, will be taken into account and will be considered in determining what disciplinary action, if any, is appropriate. Discipline decisions will be made according to the School's discipline policy.

Q: How am I protected if someone deliberately makes a false report in order to get me in trouble?

A: All investigations will be handled professionally and without prejudice. The facts will determine the outcome. Intentionally making a false accusation is a serious violation and will lead to disciplinary action, up to and including dismissal.

Q: How can I be sure of the confidentiality of any report I make?

A: It is the School's policy to do everything it can to protect the confidentiality of an employee who reports a concern and wishes to remain anonymous. (i.e. calls to the Compliance Hotline will not be traced.) However, there may be a point where the individual's identity may become known or may have to be revealed in certain circumstances.

The School will not tolerate retaliation against any employee who makes a good faith report of possible wrongdoing, fraud, waste and abuse or an ethical or legal concern.

Any employee who believes that he/she has been treated improperly because of a reported concern should contact management or a member of the Compliance Committee.

Discipline Practices

Discipline

Common sense, good judgment and acceptable behavior are expected from each employee. Violations of rules and performance standards or policies will be dealt with through the normal disciplinary procedures and may require serious discipline, including immediate dismissal.

The following are examples of conduct that may result in disciplinary action:

- Employees who authorize or participate directly in violations of the law, regulations or policies.
- Employees who withhold or fail to report or detect information about such violations.
- Supervisors or Managers who provide inadequate supervision or display a lack of diligence in assuring ethical behavior or conformance to policies.
- Employees who attempt to retaliate against individuals who report suspected violations.
- Employees who make deliberate false or frivolous reports of ethical violations.

See the **Employee Handbook** for a further discussion on the discipline policy.

Frequently Asked Questions (And Answers)

Q: How can I be sure that discipline will be fairly applied when it comes to compliance issues? Will everyone be treated the same?

A: Every effort will be made to treat all employees fairly and consistently-policies exist to ensure that employees are treated fairly in these situations. Those policies will be followed, in conjunction with this Code of Conduct. If you believe that someone is being treated unfairly, contact your supervisor or you could discuss that matter with management. Even though they cannot share with you all of the details of an investigation or its outcome, they may be able to give you enough information to address your concern.

Q: I recently witnessed some activities which I think are violations of policy. I would like to do something but I do not want to be viewed as a “squealer”. What if I do not report it and it is later discovered that I knew about it?

A: You could be subject to disciplinary action for failing to come forward – ethics and compliance are a shared responsibility. No employee has the right to put the School in jeopardy by violating the law. Likewise, you should not remain silent if you are aware of a violation by another employee. Try to convince the employee to come forward voluntarily to someone on the School’s Compliance Committee. If they refuse, you have to alert your supervisor, management, and a member of The Compliance Committee or call the Compliance Hotline.

Examples of Compliance Violations

The following are examples of situations that could, depending on the circumstances, be compliance violations:

- A business office employee bills, or a medical record employee codes services that are not reflected in the medical record so as to assure coverage by Medicare, Medicaid or a commercial insurer.
- A supervisor is asked by an employee what to do in a particular situation. Rather than reviewing the applicable policy or law, the supervisor instructs the employee to do what generates the most revenue, even though the employee senses this may not be the correct action. When the employee asks about it, the supervisor yells at the employee for asking “such a dumb question” and indicates that, regardless of law or policy, the employee should always do that which generates the most revenue.

Contacts By Regulatory Agencies

You should immediately notify the Compliance Officer, your supervisor or another member of the Compliance Committee if someone in connection with an investigation contacts you. Write down the agent’s name and the name of the agency they work for and note the subject they want to discuss and other information of interest.

If contacted by an agent for an interview or for information, you may choose to wait until a co-worker, your supervisor or legal counsel can be present. However, if you wish, you may discuss matters with the agent. Just remember the School's legal counsel and Compliance Committee are always available to you. The School's attorneys can explain your rights and obligations and answer your question. The School may also provide an attorney for you or help you find your own attorney. Contacts from any of the following governmental agencies should be brought to the Compliance Officer's attention, as well as management.

The following are common Regulatory Agencies:

- Office of Inspector General (OIG)
- Office of Medicaid Inspector General (OMIG)
- Department of Justice (DOJ)
- Federal Bureau of Investigation (FBI)
- Occupational Safety & Health (OSHA)
- State Department of Health or any affiliated agency
- Medicaid Fraud Unit
- Food & Drug Administration (FDA)
- Environmental Protection Agency (EPA)


For more information, see the governmental Investigation Policy

Enforcement And Discipline

The School's Code of Conduct standards shall be consistently enforced through appropriate disciplinary mechanisms, including discipline of individuals for failure to detect and report misconduct, fraud, waste and abuse, participating in non-compliant behavior, encouraging, directing, facilitating or permitting either active or passive non-compliant behavior. Disciplinary procedures for abuse of The School's Compliance Program and Code of Conduct standards will follow the guidelines under existing personnel policies of the organization and may result in discipline up to and including termination. Grievance procedures for opportunities to respond to allegations or evidence of misconduct, fraud, waste and abuse will follow the guidelines under existing personnel policies of the organization. Disciplinary measures that are appropriate shall be determined on a case-by-case basis and may involve the advice of legal counsel. Disciplinary measures and procedures may involve consideration and direction from outside third-parties (i.e., government agency, law enforcement agency), including fines, reimbursement of funds, criminal prosecution and imprisonment.

Approved:


Janice Lewandowski, Compliance Officer


Date

Compliance Certification
West Seneca Central School District:

I have read the "Compliance Plan" dated _____, and I have retained a copy for my guidance.

I represent and understand that violation of the Compliance Plan and its Code of Ethics may be ground for dismissal.

I represent that I am in compliance with its requirements with the following possible exceptions: (You should include a statement concerning any personal business situation, conflict of interest or other matter, which you believe, should be disclosed.)

I agree to immediately report to the Compliance Officer any changes that may potentially place me in violation of this program.

I am aware of the following present violations (if none, state "none"):

I agree that I will report any suspected or known violation of the Compliance Plan prior to making any disclosure to governmental authorities. I understand that such notification does not restrict or limit my ability to notify governmental authorities any time I believe illegal activity has occurred or is occurring.

Name: _____ Position: _____

Signature: _____ Date: _____

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

GOVERNANCE

West Seneca Central School District understands that compliance with standards and regulations applicable to the quality of services delivered by health care organizations is essential for the lawful behavior and School success of such organizations.

The obligation of the Board of Education is to provide oversight and guidance to the organization. The Board of Education assures that an effective compliance program exists to detect and deter legal violations and direct the organization in addressing those issues.

Training and Communication is provided to the Board of Education periodically to enhance its effectiveness in performing its responsibilities.

The Compliance Officer for **West Seneca Central School District** reports directly to the Board of Education on a regular basis and has mechanisms in place to report suspected violations and to evaluate and implement remedial measures. The Board of Education also ensures that all regulatory reporting is performed timely. A Compliance Committee exists which includes personnel designated by the Board of Education and the Compliance Officer.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

MEDICAL NECESSITY AND QUALITY OF CARE

The **School** is committed to providing only necessary medical care and quality care to Students. Student's medical needs are coded for accuracy and assessed to ensure that only medically necessary health care was provided.

Standards for quality of care and treatment of Students/residents can be found in a wide range of sources, from federal and state laws, to medical malpractice standards, professional standards and contractual commitments. These standards generally include providing care that is appropriate to Student's needs, in a manner that conforms to the technical standards of practice developed by the profession. The various quality of care standards differ significantly in relation to their purposes, but each of these standards should be considered.

The Medicare and Medicaid programs require Peer Review Organizations (PRO) to review services provided to beneficiaries of these programs. Services are reviewed to determine if they are:

- Provided in an economic manner and are medically necessary;
- Of a quality that meets professionally recognized standards of health care;
- Supported by documentation that demonstrates medical necessity and quality;

Providers who fail to meet these standards face sanctions or can be subject to civil monetary penalties or exclusions from participation in the Medicare and/or Medicaid programs. Similar reviews occur by insurers and managed care providers.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

CREDENTIALING

West Seneca Central School District in their own mission to provide high quality services does ensure that all practitioners are appropriately credentialed. The credentialing policy is designed to confirm all licensed professionals employed by West Seneca Central School District are in good standing with government agencies.

A credentialing department exists and has a process in place to track licensure and certification for clinical staff as contracted and submits the required documentation timely to ensure continuity.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

ORGANIZATIONAL RISK ASSESSMENT

West Seneca Central School District understands that a proactive approach to maintaining compliance is a necessary element to a successful compliance program. There are four steps that will be utilized to accomplish this goal.

Risk Assessment

We will organize the risks into broad categories that will include risks identified through government work plan review as well as a proactive assessment of internal processes.

Risk Remediation

Applicable laws and regulations to a given risk area will be reviewed to ensure compliant practices are in place and are in adherence to the requirements of policies of The **School**. This will require a consistent focus on:

1. Policies and Procedures
2. Communication lines
3. Training and education

Risk Auditing

Internal monitoring and auditing will be conducted on a routine basis to verify that the internal controls, established initial processes and those established as a result of remediation efforts, are working properly to reduce vulnerabilities. The results will be reviewed during the next risk assessment process and any detected deficiencies be appropriately handled.

Risk Response and Reporting

All Compliance staff provides necessary and continuous feedback to the Board of Education so he may take appropriate action. This communication will include:

1. Response to detected deficiencies that were investigated.
2. Development of corrective action plans.
3. Assurance that disciplinary action is taken when necessary and is enforced consistently throughout the organization.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

HOTLINE POLICY AND PROCEDURES

Purpose

The primary purpose of the Compliance Hotline is to provide a means for employees and agents of the **School**, who are uncomfortable talking to supervisors, management or a member of the Compliance Committee, to report any activity or conduct which he/she suspects is not consistent with the **School's** Compliance Program and federal, state and local laws and regulations (improper or illegal activity or conduct" or "non-compliant activity") on an anonymous basis. Additionally the Compliance Hotline gives The **School** the opportunity to identify, investigate, correct and prevent inappropriate conduct and make any necessary and appropriate disclosures to an outside agency.

Policy

The Compliance Hotline exists for those who suspect non-compliant activity but wish to remain anonymous when reporting this activity. However, it is helpful if employees give their name so that during the investigation of the report additional information can be obtained if necessary. The **School** will preserve an employee's anonymity to the extent possible. While the **School** will always strive to maintain the confidentiality of an employee's identity, there may be a point where the individual's identity may become known or may have to be revealed in certain circumstances. All reports will be taken seriously and will be properly and fully investigated. Depending on the facts and the relevant authority, additional action, which may include corrective action and discipline, may be recommended.

Procedure

1. The Compliance Hotline is a voice mail system on which you can leave a message regarding a concern, 24 hours a day.
2. The telephone number for the **Compliance Hotline: 716-677-3122**.
3. At a minimum the following information must be left on the voicemail system so that the appropriate members of the compliance committee can follow up on the concern:
 - A detailed statement explaining the concern and type of suspected improper or illegal activity or conduct;
 - The dates or time period of the suspected improper or illegal activity or conduct; and
 - The facility and department to which the concern relates.
4. Other information which would be helpful includes:
 - The name of the persons involved in the suspected improper or illegal activity or conduct;

- The name of anyone else who may have knowledge of the suspected improper or illegal activity or conduct;
 - Whether the suspected improper activity or conduct was reported to anyone – if yes, to whom, how, when and what was the response; and
 - A description of any documentation that would assist with an investigation.
5. Callers do not have to leave their name if they wish to remain anonymous. However, it is helpful if employees give their name so that during an investigation of the report, additional information can be obtained if necessary. The **School** will preserve an employee's anonymity to the extent possible. While The **School** will always strive to maintain the confidentiality of an employee's identity, there may be a point where the individual's identity may become known or may have to be revealed in certain circumstances.
 6. If the caller does not leave their name, they should leave a telephone number (home or cell) where they can or would like to be reached if the School needs additional information.
 7. Reports will be investigated or referred to appropriate personnel for resolution that may include corrective action, discipline and disclosure to the appropriate agency.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

REPORTING POLICIES AND PROCEDURES

Purpose

The Compliance Reporting Policies and Procedures explain The School's employees' and agents' responsibility for reporting activity or conduct that he/she suspects is not consistent with the School's Compliance Program and federal, state and local laws and regulations.

Policy

Each employee or agent must report activity or conduct that he/she suspects is not consistent with The School's Compliance Program and federal, state and local laws and regulations. If an employee or agent fails to report activity or conduct that he/she suspects is not consistent with the School's Compliance Program and federal, state and local laws and regulations, the employee or agent will likely be subject to disciplinary action for remaining silent. The School will provide employees and agents with different avenues for reporting suspected improper or illegal activity or conduct, including fraud, waste and abuse. All reports will be taken seriously and will be properly and fully investigated. Depending on the facts and relevant authority, additional action, which may include corrective action and discipline, may be recommended.

Procedure

Each employee or agent must report activity or conduct that he/she suspects is not consistent with the School's Compliance Program and federal, state and local laws and regulations. ("improper or illegal activity or conduct"). If the employee or agent is not sure if the activity or conduct is improper or illegal, the employee or agent should either report it so that someone can make that determination or the employee or agent should ask questions so that he/she can determine if the conduct or activity must be reported. The employee or agent can seek advice from any of the following individuals among others:

- Compliance Officer
- Compliance Committee
- Board of Education

If the employee is not satisfied with the answer or response given by an individual, he/she should ask others until he/she is satisfied. Be persistent.

Suspected improper or illegal activity or conduct should be reported to one of the following:

- Compliance Officer
- Compliance Committee
- Compliance Hotline

Each school will have Compliance Complaint forms available. This form can be completed and forwarded to someone on the Compliance Committee. Exhibit 1 is a copy of the Compliance Complaint form.

When reporting suspected improper or illegal activity, or conduct, fraud, waste and/or abuse, provide as much of the following information as possible.

- A detailed statement explaining the concern and type of suspected improper or illegal activity or conduct, fraud, waste and/or abuse.
- The dates or time period of the suspected improper or illegal activity or conduct; and
- The facility and department to which the concern relates.
- The name of the persons involved in the suspected improper or illegal activity or conduct;
- The name of anyone else who may have knowledge of the suspected improper or illegal activity or conduct;
- Whether the suspected improper activity or conduct was reported to anyone – if yes, to whom, how, when and what was the response; and
- A description of any documentation that would assist with an investigation.

If an employee or agent fails to report activity or conduct that he/she suspects is not consistent with The School's Compliance Program and federal, state and local laws and regulations, the employee or agent will likely be subject to discipline consistent with The School's Discipline Policy. Further, discipline may be appropriate where a responsible employee's failure to detect a violation is attributable to his/her negligence or reckless conduct.

An employee who reports suspected improper or illegal activity or conduct will not be subject to retaliation.

**WEST SENECA CENTRAL SCHOOL DISTRICT
COMPLIANCE POLICIES**

**Exhibit 1
Compliance Complaint Form**

This form can be completed to report activity or conduct that you suspect is not consistent with The School's Compliance Program, and federal state and local laws and regulations. The form should be mailed, emailed or faxed to a member of the Compliance Committee or to the Compliance Officer. Please provide as much information as possible.

1. Provide a detailed statement explaining your concern and type of suspected improper or illegal activity or conduct, fraud, waste and/or abuse.

2. Provide the dates or time period of the suspected improper or illegal activity or conduct, fraud, waste and/or abuse.

3. Provide the name of the department to which the concern relates.

4. Provide the name of the persons involved in suspected improper or illegal activity or conduct, fraud, waste and/or abuse.

5. Provide the name of anyone else that may have knowledge of the suspected improper or illegal activity or conduct, fraud, waste and/or abuse.

6. State whether the improper activity was reported to anyone- if yes, to whom, how, when and what was the response.

7. Provide a description of, or copies of, any documentation that would assist with an investigation.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

RESPONDING TO REPORTED SUSPECTED IMPROPER OR ILLEGAL ACTIVITY OR CONDUCT, FRAUD, WASTE AND/OR ABUSE

Purpose

The purpose of this policy and these procedures is to document how the School will respond to reports of activity or conduct that is suspected as not being consistent with the School's Compliance Program and federal, state and local law and regulations.

Policy

It is the School's policy that every report of activity or conduct that is suspected as not being consistent with the School's Compliance Program and federal, state and local law and regulations will be promptly and fully investigated.

Procedure

Reports of suspected improper or illegal activity or conduct that is reported to someone other than the Compliance Officer should be reported to the Compliance Officer or someone on the Compliance Committee.

1. Reports of suspected improper or illegal activity or conduct will be promptly and fully investigated. Investigation procedures may include:
 - Interviews of individuals familiar with the facts and circumstances;
 - Review of relevant documents (i.e. medical records, billing records, contracts, correspondence, notes, memos, etc);
 - Hiring of outside counsel, auditors, or other health care experts to assist in the review and analysis'; and
 - Analysis of the relevant laws and regulations.
2. After the review and analysis of the information gathered during the investigation, the Compliance Officer, with assistance of other members of the Compliance Committee, management, outside counsel, auditors and/or other healthcare experts if necessary, will determine if corrective action is necessary and what corrective action will be taken. Corrective action may include:
 - Disciplinary action
 - Return of overpayments
 - Modification of the Compliance Program and policies and procedures; and
 - Appropriate and necessary reports to the appropriate agency.

3. Records of the investigation may contain the following:
 - Documentation of the alleged violation;
 - A description of the investigative process;
 - Copies of the interview notes and key documents;
 - A log of witnesses interviewed and the documents reviewed; and
 - The results of the investigation (i.e. any disciplinary action taken, any corrective action implemented).
4. The Compliance Officer will maintain a log of reports of suspected improper or illegal activity or conduct, fraud, waste and/or abuse. The log will include the date of the report, a general statement of the issue, and how the issue was resolved.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

SELF- REPORTING

Providers are required to maintain an effective compliance program and make timely disclosure and repayment of overpayments obtained from government health care programs. Providers who identify internal billing or operational issues that might affect their right to Medicaid reimbursement must come forward and disclose the problem and its potential financial impact. West Seneca Central School District does monitor its business services as it is provided to contracted providers. Through self-audits and routine education and training, staff awareness is enhanced. The School will self-report issues when identified.

West Seneca Central School District recognizes the advantages in self-disclosure and understands the following benefits as:

- Forgiveness or reduction of interest payments for up to two years;
- Extended repayment terms;
- Waiver of penalties and/or sanctions;
- Timely resolution of the overpayment;
- Decrease in the likelihood of imposition of an OMIG Corporate Integrity Program;
- Possible preclusion of subsequently filed NYS False Claims Act qui tam actions based on the disclosed matters.

Self-reporting will be conducted for substantial routine errors, systemic errors, patterns of errors and potential violations of fraud and abuse that are identified. The School will report overpayments and/or inappropriate payments, if they meet reporting requirements.

The School understands that OMIG contrasts significant issues with “minor or insignificant matters” and “simple, more routine occurrences of overpayment”. The federal OIG office also clarified their position on self-reporting. Billing errors and overpayments are not to be resolved through the federal self-disclosure process.

All issues require careful analysis and if possible, the advice of experienced counsel.

The process to be followed before self-disclosing is to:

- Discuss whether or not a self-disclosure is warranted.
- Discuss to whom self-disclosure should be made.
- Conduct or advice about the provider’s internal investigation.
- Review the existing compliance plan for efficacy.

If a determination is made to self disclose a problem, a series of steps must be followed and the steps are set forth in the Self Disclosure Policy of the OIG and OMIG.

An initial report is prepared and will include:

- The basis for the disclosure;
- How it was discovered;
- The time period involved;
- An approximation of any financial impact;

- The regulations implicated;
- Any corrective actions that may have been taken.

Unlike the federal self-disclosure policy, OMIG encourages providers to repay amounts owed as early as possible even when there is no agreement about the amount of loss. Payments made will be credited toward the final settlement amount upon completion of the investigation process and a full payment is finalized.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

RETALIATION POLICY & PROCEDURES

Purpose

The purpose of this policy and procedures on retaliation is to further The School's commitment to requiring its employees and agents to report activity or conduct that they suspect is not consistent with the School's Compliance Program, and Federal, state and local laws and regulations, because the likelihood of employees and agents reporting suspected improper or illegal activity or conduct would likely be reduced if they feared that they would be the subject of retaliation for reporting the activity or conduct.

Policy

It is the policy of the School that individuals who report activity or conduct that they suspect is not consistent with the School Compliance Program, and Federal, state and local laws and regulations, will not be subject to retaliation of any kind.

Further, those who retaliate against individuals who report activity or conduct that they suspect is not consistent with the School Compliance Program, and Federal, state and local laws and regulations, will be subject to discipline consistent with the School's discipline policy.

Procedure

1. Retaliation can take several different forms-some examples include demotion, termination and harassment.
2. If someone reported activity or conduct that they suspected was not consistent with the School Compliance Program, and Federal, state and local laws and regulations (improper or illegal conduct or activity) and they believe that they have been subject to retaliation as a result of the report, they should report the suspected retaliation to someone on the Compliance Committee.
3. The members of the Compliance Committee will investigate and consider the facts regarding the suspected retaliation. Considerations may include the following:
 - Past performance evaluations
 - The timing of the suspected retaliation in relation to the reporting of the suspected improper or illegal activity or conduct;
 - The documented reason for the demotion or termination;
 - The facts surrounding the conduct or event that led to the suspected retaliation.

4. The Compliance Committee should consult with the Board of Education in determining if retaliation has occurred and if appropriate, take corrective action.
5. Corrective action may include:
 - Discipline of the individual(s) taking the retaliatory action; and
 - Reverse the retaliatory conduct

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

EMPLOYEE SCREENING

Purpose

The law provides that no Federal health care program payment may be made for items or services: (1) furnished by an excluded individual or entity; or (2) directed or prescribed by an excluded physician. Further, the Office of Inspector General may impose civil monetary penalties against providers and entities that submit claims to a Federal health care program for health care items or services provided, directly or indirectly, by an excluded individual. The purpose of the “Employee Screening Policy” is to document the School’s policy and procedures that are in place to confirm that its employees are not excluded from a Federal health care program.

Policy

The School requires that all employees assigned with providing Medicaid reimbursable service be screened to assure that they have not been excluded from a Federal health care program. The following procedures will be required – (1) the employment application will require applicants to disclose if they are, or ever have been, excluded from a Federal health care program; (2) The School will check the OIG’s List of Excluded Individuals/Entities for every employee; and (3) The School requires employees to notify management if, subsequent to their employment, they are excluded from a federal health care program or are under investigation and may be excluded from a Federal health care program.

Procedure

Every applicant will be required to indicate if they are, or ever have been, excluded from participation in a Federal health care program on their employment application.

If the applicant indicates that they are excluded from a Federal health care program, the applicant is not eligible for employment. If the applicant indicates that they have been excluded from a Federal health care program, the applicant must provide documentation verifying that they have been reinstated into the Federal health care program(s) before the School will consider them for employment. In these situations, contact the Director of Human Resources.

1. The School will check the OIG’s *List Of Excluded Individuals/Entities* for every employee. The Administrator of each facility should designate an individual to perform this check. The following are steps that are required to complete the check:
The OIG’s *List Of Excluded Individuals/Entities* can be found on the OIG website which is located at www.oig.hhs.gov. After you search the OIG homepage, complete the following steps to get the searchable database of excluded individuals/entities-
 - Click “exclusions database”

- Click “List of Excluded individuals/entities” (LEIE)
- Click “Online Searchable Database”
- Enter the search information such as last name and first name at the next screen.
- Click “Search” button
- A listing of potential matches will be displayed or no matches will be found.
- Click on the last name of the potential match – the name, address, general and specialty practice areas, date of birth, sanction type and sanction date will be displayed.
- Print if there is a match.

Compare the displayed information with the potential employee’s information. Complete the “OIG Exclusion List Check” form. The form must be signed and dated when complete by the person completing the form.

Definite Match

Contact the Compliance Officer.

If the applicant is a match, they must not be hired.

If an employee’s name appears as a definite match, the employee must be terminated and a copy of the exclusion list check placed in the personnel file.

Potential Match

Contact the Compliance Officer.

If the applicant’s or employee’s name appears as a potential match, management should question the employee regarding the information and document the disposition of the matter on the “OIG Exclusion List Check” form. If the applicant or employee confirms that he/she is excluded, follow the procedures for a definite match.

No Match

Place the “OIG Exclusion List Check” form in the employee’s personnel file.

2. The School requires employees to notify management if, subsequent to their employment, they are excluded from a federal health care program or are under investigation and may be excluded from a Federal health care program. If the Director of Human Resources or other employee is informed that an employee is proposed for exclusion during his/her employment, the facility should take all appropriate actions to ensure that the responsibilities of that employee do not adversely affect the quality of care rendered to any resident or the accuracy of any claims submitted to any Federal health care program. Contact the Compliance Officer.

**WEST SENECA CENTRAL SCHOOL DISTRICT
COMPLIANCE POLICIES**

OFFICE OF INSPECTOR GENERAL EXCLUSION LIST CHECK

Federal law prohibits employment of individuals who have been excluded from participation in Federal or State health care programs. It is School policy to screen employees to assure that they have not been so excluded.

OIG WEB SITE: www.oig.hhs.gov

Name of Employee : _____

Other name by which the person is known (from application):

Social Security Number:_____

Results of Check:

_____ Not Found on OIG's list of excluded individuals/entities

_____ Found on OIG's list of excluded individuals/entities

If "found" notify the Compliance Officer at once.

Person conducting Check

Date

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

UNIFORM EMPLOYEE DISCIPLINE

West Seneca Central School District has established disciplinary procedures, which maintain consistency of enforcement across the organization. Explanations of standard disciplinary sanctions for non-compliance have been communicated and provided during new hire orientation. Each employee is required to sign an affirmation statement that they participated in the orientation and understand the information presented. The statement is kept in each individual's employee file.

Investigations resulting in a decision that an employee has violated the School's policies and procedures, laws or regulations will result in sanctions against the employee if necessary.

Individuals failing to detect and report an offense may also be subject to discipline. Employees are encouraged to report any and all misconduct, suspected illegal activity, fraud, waste and/or abuse. Sanctions imposed will be documented in the individual's permanent personnel record.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

COMMUNICATION

The West Seneca Central School District employees are afforded many opportunities to learn and participate in the success of the organization. Effective communication is necessary to promote and enhance the ethical behavior required in a health care environment. This is accomplished by:

- Distributing an affirmative statement of management's commitment to compliance and identification of those responsible for training employees;
- Explaining the Code of Conduct;
- Identify the School Compliance Officer and others on the Compliance Committee;
- Explain the Standards and procedures to be followed by all;
- Describing a method to communicate ethical standards and expected procedures;
- Documenting and describing long standing efforts to ensure compliance;
- Describing the method to enforce ethical and legal behavior;
- Describing the method to report any apparent illegal activity
- Describing the investigation process and the mechanism to investigate alleged violations and concerns; provide employees with access to needed resources and sources for more information
- Describing a system for regular reviews of compliance efforts
- Developing schedules for training all existing employees and business associates;
- Training and dispersing materials and Code of Conduct on an as needed basis to ensure that employees are current with relevant laws and regulations;
- Documenting the employees participation in the initial training process by employee certification forms; and
- Maintaining records of educational activities including methods, agendas and attendance.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

TRAINING AND EDUCATION

Management and staff will be required to attend a training session, conducted by the Compliance Officer or his designee, with the objective to ensure that all participants understand and appreciate all aspects of the Compliance Program, including the risks of non-compliance.

- All relevant staff and management affected by compliance shall receive a pamphlet explaining the Compliance Program, including notification of how and where they can receive more extensive information and details on the program.
- The pamphlet explaining the Compliance Program shall be included in all new employees' orientation training packets and included with all new agent contracts. The employee handbooks will include a section on the Compliance Program.
- Compliance Program information shall be posted to assist communication of policy and procedures of program.
- Training will be included in The School In-service Program.
- Staff will be informed of any new pertinent laws and regulations.

The following topics are included in the School Compliance Training Program:

- Compliance with Medicare Conditions of Participation
- Prohibition on paying or receiving remuneration to induce referrals
- Improper alterations to clinical or financial records
- Employee's rights (covered in new employee orientation)
- The duty to report misconduct or fraud.
- Proper documentation in clinical and financial records.
- Identity Theft

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

INTERNAL AUDIT AND MONITORING POLICY

Internal compliance audit/monitoring process at West Seneca Central School District is an independent appraisal activity established for the review of compliance in all departments. It is policy of The School to maintain an internal audit/monitoring function as an integral component of the internal control environment. This policy sets forth internal compliance audit's purpose, authority and responsibilities as approved by the Compliance Officer.

Purpose

To assist management in the effective discharge of its responsibilities by providing impartial analysis, appraisals, recommendations and pertinent concerns on:

- The adequacy of operational controls
- The efficiency and effectiveness of uses of the health system's resources
- The reliability of information provided to management
- Compliance with established policies and procedures
- The presence of or possibility of potential matters of business risk, fraud, waste, abuse, theft, mismanagement and other similar matters
- Other matters at the direction of management and the committee when and as they arise.

Authority

All areas and phases of West Seneca Central School District including all documents, papers and records pertinent to an audit and without exception, are subject to examination. The Compliance Officer will authorize the Internal Auditor complete and unrestricted access to all records, personnel and properties of West Seneca Central School District and its subsidiaries relevant to the performance of audits. However, the Internal Auditor has no authority over or responsibility for activities they audit. Employees of West Seneca Central School District may not restrict the activities of the internal audit in any manner.

Independence

Independence and objectivity are essential to the effectiveness of the internal audit/monitoring function. The internal audit/monitoring is a compliance function and as such does not exercise direct authority over other persons whose work is reviewed. While the Internal Auditor is free to review and appraise policies, plans, procedures and resources, the review does not in any way relieve other persons in the organization of the responsibilities assigned to them. The Internal Auditor's objectivity is not adversely affected, nor is the department requesting the review negatively viewed, when the auditor recommends internal controls or reviews procedures before

they are implemented. Moreover, the Internal Auditor has the responsibility and authority to recommend necessary improvements and to follow the progress toward implementing appropriate improvements.

Responsibilities

The establishment and maintenance of acceptable business practices and adequate effective internal controls is the responsibility of management. To assist management in carrying out this responsibility, the Internal Auditor monitors, reviews and evaluates business practices and systems of internal control, reports to management any identified weaknesses together with recommendations for improvements, and follows the progress of corrective actions. The Internal Auditor activity has responsibility to:

- Develop flexible and long range and annual audit plans based on an assessment of risks and special requests by management and submit that plan to the Compliance Officer for review and approval as well as periodic updates.
- Implement the annual audit plan as approved, including as appropriate any special tasks or projects requested by management.
- Report to the Compliance Officer quarterly or more often if necessary to summarize audits conducted and to discuss the audit plans and priorities for the ensuing quarter.
- Keep the Compliance Officer informed of emerging trends and successful practices in internal auditing
- Provide a list of significant measurement goals and results to the Compliance Officer.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management of the results.
- Consider the scope of work of the external auditors and regulators. As appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

Audit Standards And Ethics

The Internal Auditor has the responsibility to maintain high standards of conduct, independence and character to carry on proper and meaningful internal auditing within the system. In addition, the Internal Auditors activities and conduct shall be consistent with the policies of West Seneca Central School District.

WEST SENECA CENTRAL SCHOOL DISTRICT COMPLIANCE POLICIES

IT AND DOCUMENT RETENTION/STORAGE

Health care document retention and storage follows specific government and state regulations. Records must be kept for various lengths of time and years vary according to HR, financial or medical records.

West Seneca Central School District Information Technology Department provides security awareness and training for all members of the workforce and management prior to access and periodically as necessary. Various protection mechanisms are in place to protect electronic records that include but are not limited to varying levels of encryption, virus protection and confidentiality standards that employees follow.

Risk assessment is performed routinely in an effort to identify potential threats that are communicated to the Compliance Officer, management and staff. Risk assessment includes introduction of new systems, upgrades to the existing system, retirement or disposal of systems, relocation of IT assets, introduction of new business lines and reorganization of management or business lines.

The School also recognizes the importance of workstation privacy and equipment and processes are in place to minimize visual contact by unauthorized staff.

WEST SENECA CENTRAL SCHOOL DISTRICT REGULATORY SUMMARY

Introduction and Purpose

The Regulatory Summary is intended to serve as a resource for The School's employees. The Regulatory Summary is not an in-depth analysis of all applicable regulations; it is only an overview or general statement of some of the laws that apply to the health care industry. Reliance should not be put on the Regulatory Summary for legal advice, nor should it be a substitute for consultation with legal counsel.

Compliance with Laws

The School is committed to satisfying applicable laws and regulations in its activities. Each employee must be aware of the legal requirements and restrictions applicable to his/her position and duties. Any questions regarding the legality or propriety of actions taken or to be taken on behalf of the organization should be directed to your supervisor, the Compliance Officer or another member of the Compliance Committee.

Antitrust

State and Federal antitrust laws are designed to protect competitive markets for consumers through regulation of various types of activities that restrain competition and trade. Antitrust laws are enforced through civil and criminal proceedings by the U.S. Department of Justice, The federal Trade Commission and State Attorneys General. Criminal violations may be punishable by imprisonment and fines. Parties who have suffered damages caused by anti-competitive conduct may also file private civil suits. Plaintiffs in civil suits may be awarded damages equal to three times (3X) the damages caused by anti-competitive action.

False Claims Act

The False Claims Act, 31 U.S.C. § 3729 *et seq* is a federal law designed to prevent and detect fraud, waste and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who "knowingly" submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of \$5,500 to \$11,000 for each false claim submitted.

New York State has also enacted a State False Claims Act as an amendment to the State Finance Law. It is modeled after the federal False Claims Act and is expected to operate similarly. The NY FCA establishes liability through actual knowledge, reckless disregard or deliberate ignorance of truth. Liability can also be established when a person delivers a document verifying receipt of property to be used by the state or local government without completely knowing that the information on the receipt is true. Acts that might subject a person to liability are not actionable if they are caused by mere negligence or an honest mistake.

Each false claim creates a basis for liability and civil penalties of \$6,000 to \$12,000 per false claim can be assessed- on top of an amount three times the actual damages sustained by the state and local governments.

The definition of “knowingly” to include a person who:

- Has actual knowledge of falsity of information in the claim;
- Acts in deliberate ignorance of the truth or falsity of the information in the claim; and
- Acts in reckless disregard of the truth or falsity of the information in a claim.

False Claims suits can be brought against individuals and entities. The False Claims Act does not require proof of a specific intent to defraud the Government. Providers can be prosecuted for a wide variety of conduct that leads to the submission of a false claim. Some examples include knowingly making false statements, falsifying records, submitting claims for services never performed or items never furnished, double-billing for items or services, using false records or statements to avoid paying the Government, or otherwise causing a false claim to be submitted.

Whistleblower or “Qui Tam” Provisions

In order to encourage individuals to come forward and report misconduct involving false claims, the False Claims Act contains a “Qui Tam” or whistleblower provision.

The Government, or an individual citizen acting on behalf of the Government, can bring actions under the False Claims Act. An individual citizen, referred to as a whistleblower or “Relator,” who has actual knowledge of allegedly false claims may file a lawsuit on behalf of the U.S. Government. If the lawsuit is successful, and provided certain legal requirements are met, the whistleblower may receive an award ranging from 15% - 25% of the amount recovered if the attorney general prosecutes the case. The recovery increases to 25% - 30% if the whistle blower brings the case alone.

The False Claims Act prohibits discrimination by The School against any employee for taking lawful actions under the False Claims Act. Any employee who is discharged, demoted, harassed, or otherwise discriminated against because of lawful acts by the employee in False Claims actions is entitled to relief. Such relief may include reinstatement, double back pay, and compensation for any special damages.

Billing Practices

The billing of government and privately paid health care services is regulated. The improper billing of Medicare, Medicaid or other federal or state health care programs can be crimes or it can result in significant civil penalties. Both jail time and substantial financial penalties can result. Also, the false or fraudulent billing of insurance and employee benefits programs may be a crime under state laws. The submission of false or inaccurate claims or statements to federal and state health care programs is one type of fraud and abuse that is receiving increased attention from government regulators and investigators. The outcome associated with a particular claim will vary based on the intentions and actions of the individuals involved.

Any billing activity that results in payment by a state or federal health plan of amounts in excess of what should have been paid for services actually performed can lead to government action and must be addressed. The knowing and willful submission of a false or inaccurate claim can be a federal criminal offense. All of the following can be included under these prohibitions:

- Billing for services not rendered;
- Misrepresenting the services actually rendered;
- Falsely certifying that services were medically necessary;
- Failing to maintain adequate documentation of services performed;
- Intentionally falsifying a medical record to make service appear medically necessary;
- Up-coding claims to increase reimbursement

The government can recoup payments in connection with claims that include unintentional mistakes or errors, including inaccurate coding. Generally unintentional mistakes or errors will not lead to additional penalties unless the mistakes are found to be actually intentional or part of a larger scheme to defraud the government. However, repetitive or systemic mistakes must be avoided because they can be construed as evidence of intent to defraud.

Bills submitted to private payers must also be truthful and accurate. Criminal penalties can be applied to knowingly false or fraudulent claims and all claims that are submitted for services that are not provided are subject to possible repayment.

Federal fraud and abuse laws as well as state laws prohibit the waiver of Medicare Part B deductibles and co-insurance, except in circumstance related to financial hardship of a Student or resident.

Fraud Waste And Abuse

Numerous laws, in the state and federal criminal codes and in statutes relating to healthcare programs prohibit actions that can be broadly characterized as “fraud, waste and abuse”. Sanctions against individuals for violating the fraud waste and abuse prohibitions can include monetary penalties, exclusion from federal and state health care programs and imprisonment. To reach the level of criminal sanctions, the violations of law must be knowing and willful, but a lower standard can be applied in connection with monetary penalties and program exclusion. Further, “knowing and willful” has at times been construed to mean nothing more than the intent to do the act, such as, an intent to send out the bill.

Examples of Fraud are:

- Routine waiver of Part B deductibles to influence the referral of government paid services, except in particular cases of a Student’s financial hardship.
- Incentives to encourage referrals
- Billing for services not rendered.
- Up-coding claims for increased reimbursement.

Stark Anti-Referral Prohibitions

The financial arrangements between physicians and health care providers are highly regulated. Physicians are prohibited from referring Medicare or Medicaid paid services to a business in which the physician or immediate family member of the physician has an ownership, investment or compensation arrangement, unless the financial arrangement complies with one of the exceptions for acceptable relationships. To meet a particular exception, very specific requirements must be met that are not mentioned in this context.

Prohibited arrangements do not include forgiveness of amounts owed for inaccurate tests or procedures, minor billing errors, or a payment to satisfy a claim for the furnishing of health services by the physician.

Bribes And Improper Payments

The promising, offering, giving of a bribe or payment to any officer, director, agent or trustee, either public or private, with the intent to influence his or her opinion, action or judgment, is improper and can be a federal and state crime. It is likewise illegal to accept or solicit such a bribe or payment. Similarly, the giving, offering or promising, and the acceptance of a gift or gratuity under circumstances that would make an employee disloyal or unfaithful to his/her employer is also improper.

Under federal law, the intentional payment of a bribe or kickback in return for the referral of health care services to be paid by a federal or state health care program is illegal. The bribe or kickback is referred to as illegal remuneration and is direct or indirect, in cash or in kind. Similar prohibitions are included in state laws, prohibiting the payment of bribes or kickbacks in connection with state medical assistance.

Bribes and kickbacks can occur at all levels of an organization's structure and all of them improper. For example, Requesting and/or accepting bribes to remove or include items or information from files or records are improper. Similarly supplying the names and identity of residents in exchange for cash payments is improper and a violation of the HIPAA regulation.

Conflicts Of Interest

Conflicts of interest can arise in a number of settings. The term generally describes a situation where an individual's personal interest may be at odds with other interests, such as, the interests of the employer.

Conflicts of interests can arise in situations when an employee is responsible for influencing, recommending, negotiating or approving School actions, when the employees, or members of the employee's family, have a financial or other interest in the result of the actions, direct or indirect.

Copyright

Copyright law, grounded in federal statutory law, provides protection to the owner of copyrighted materials. Under the “fair use doctrine” work is not an infringement of copyright where the use is for purposes such as criticism, comment, news reporting, research and teaching.

Summary

The Regulatory Summary exists for the benefit of the School and its employees and all who do business with the School. The Regulatory Summary is in addition to, and does not limit, specific policies and procedures of The School and staff members must perform their duties in accordance with such policies and procedures.

All employees are encouraged to suggest changes. It is the duty of each employee to uphold the standards set forth in the Regulatory Summary and to report violations or suspected violations by following the reporting procedures.

Officers and Management have a special duty to adhere to the principles set forth in the Regulatory Summary, to support members of the community in their adherence to the Regulatory Summary, to recognize and detect violations of the Regulatory Summary or other policies and procedures.

Alleged Violations of the Regulatory Summary or other policies and procedures will be investigated by persons designated by and pursuant to procedures established by the School. Disciplinary action for violations of the Regulatory Summary policies and procedures shall be enforced through disciplinary policies and procedures of the School.