

CODE OF CONDUCT

Purpose of the Code of Conduct:

This Code of Conduct provides all employees, directors and owners of **ECC Affiliated Facilities** guidance in carrying out their regular daily activities within appropriate ethical and legal standards. This code of conduct applies to the Facility's relationships with residents, vendors, consultants and each other.

Introduction:

The Code of Conduct is a critical component of the Corporate Compliance Program. It contains **principles** that state the policies of the organization. Further, some principles have **standards** to give more specifics and to help make expectations clear.

If you need any assistance in understanding the Code of Conduct, the Compliance Program or need to discuss any concerns please contact:

Corporate Compliance Officer
Extended Care Consulting, LLC
2201 Main Street
Evanston, IL 60202
Phone: (847) 905-3206 Fax: (866) 539-3585
complaine@extendedcarellc.com

Compliance Hotline: 877-772-6744

Administration and Application of this Code of Conduct

ECC Consulted Facility expects each person to follow the Principles and Standards in this document and to conduct the business and affairs of **ECC Consulted Facility** in a manner consistent with the general statement of principles set forth.

Failure to follow this Code of Conduct or the guidelines for behavior may lead to disciplinary action. This disciplinary action may range from oral correction to termination depending on the seriousness of the offense, prior actions and other factors that may be deemed relevant. In the event that an employee is covered by the terms of a collective bargaining agreement, discipline will be in accordance with the provisions of the collective bargaining agreement.

Any changes made to this Code of Conduct will be communicated to all employees.

Principle 1- Legal Compliance

ECC Consulted Facility will strive to make certain all activity by or on behalf of the organization is in compliance with applicable laws, regulations and relevant guidance.

Standard 1.1- Fraud and Abuse

We expect that all employees will follow policies and laws prohibiting fraud and abuse. These laws expressly forbid: (1) payments in cash, gift or otherwise for referrals of Medicare or Medicaid residents directly, indirectly or disguised; (2) submitting of false, fraudulent or misleading bills to any governmental entity or third party payor. This includes bills for goods and or services not given or performed, bills which state the service differently than the service actually performed or bills which do not otherwise comply with the program or contract requirements.

Standard 1.2 - Discrimination

The fair and equal treatment of employees, residents and other persons is critical to fulfilling the vision and goals of the Facility, as well as, applicable laws.

It is the Facility's policy to recruit, hire, promote and terminate employees based on their own ability, achievement, experience and conduct and to admit residents to the facility without regard to race, color, religion, sex, sexual orientation, ethnic origin, age or disability.

No form of harassment or discrimination of residents or employees will be tolerated on the basis of race, color, religion, sex, sexual orientation, ethnic origin, age, disability or any other classification prohibited by law. Each reported allegation of harassment or discrimination will be promptly investigated.

Principle 2 - Business Ethics

ECC Consulted Facility is commitment to the highest standards of business ethics requires that employees will accurately and honestly represent the facility. This principle requires honesty from individuals in the performance of their responsibilities and in communication with the Facility's attorneys, auditors and governmental agencies.

Principle 3 - Confidentiality

ECC Consulted Facility employees shall strive to maintain the confidentiality of resident records and other business-type confidential information in accordance with all laws.

3.1 - Resident Information, HIPAA, and Hi-Tech

All employees have a responsibility for protecting the confidentiality of resident information. Employees must not reveal in any form of communication: (verbal, written, fax, electronic); any personal or confidential information such as diagnosis or treatments, etc., unless disclosure is supported by the applicable laws and/or the information is treated as required in the HIPPA regulations. If questions arise regarding confidential information or releasing information, employees should seek guidance from the Administrator. If any questions should arise regarding the proper security and maintenance of personal and confidential resident information and the procedures to follow to prevent its disclosure, employees should refer to the Hi-Tech policy or ask their administrator.

3.2 - Business Information

Information, ideas and some business information are important aspects to an organization's success. Information regarding the competitive position or business strategies, payment and reimbursement information and negotiations with employees or third parties should be protected and remain confidential.

3.3 - Personnel Actions / Decisions

All persons who have access to personal information of employees (salary, benefits, disciplines, etc.) because of their job function will take every available measure to prevent the release of such information beyond those who may need it to fulfill their job duties. Any questions or concerns regarding the confidentiality or release of such information should be forwarded to the facility Administrator.

Principle 4 - Conflict of Interest

Officers and Covered Persons, which include: Compliance committee members and department heads, owe a special duty of undivided and unqualified loyalty, consistent with state and federal laws, to the organization. Persons holding such positions may not use their position for profit or gain or to assist others in profiting in any way at the expense of the facility or organization.

4.1 - Services for Competitors / Vendors

Officers of the facility should divulge to the Corporate Compliance officer any - potential conflict of interest with regard to any other business entity they may be involved in initially when the Code is implemented, upon starting of new involvement and annually thereafter.

No covered persons should perform work or services for any competitor of the Facility or for any organization with which the Facility does business with or which seeks to do business with the Facility without written approval of the Compliance Liaison which will receive approval of the Corporate Compliance

Committee.

Nor should any employee allow their name to be used in any fashion that would tend to indicate a business connection with other organizations without the prior written approval of the Compliance Liaison which will receive approval of the Corporate Compliance Committee.

4.2 - Participation on Board of Directors / Trustees

Covered persons must obtain approval from the Corporate Compliance Liaison which will receive prior approval of the Corporate Compliance Committee to serve as a member of the Board of Directors / Trustees of any organization whose interests may potentially or actually conflict with the Facility. Any questions regarding whether or not Board / Trustee participation might present a conflict of interest should be discussed with the Corporate Compliance Committee.

Once approved the covered person must disclose all Board / Trustee activities in a written Conflict of Interest disclosure statement that should be submitted to the Corporate Compliance Committee before such activity is undertaken, and again annually.

ECC Consulted Facility reserves the right to prohibit membership on any Board of Directors / Trustees where in the judgment of the Compliance Committee such membership might conflict with the Facility best interest.

Principle 5 - Business Relationships

Business transactions with vendors, contractors and other third parties should be transacted in accordance with state and federal laws free from offers or solicitation of gifts, favors or other improper inducements. The following standards below are to guide employees in determining the appropriateness of the listed activities or behaviors within the Facility's business, and relationships with vendors, providers, contractors, third party payors and governmental entities. It is the intent that this policy be viewed broadly to avoid conduct with even the appearance of improper activity. Any questions regarding whether or not a relationship might present a violation of this policy should be discussed with the Corporate Compliance Liaison who, may bring the concern to the Committee.

5.1 - Gifts and Gratuities

It is the Facility's desire to, at all times preserve and protect the Facility's reputation and to avoid the appearance of impropriety or wrong-doing.

A. Unsolicited gifts of nominal value may be accepted or given from/to existing or potential vendors but must be disclosed to the Corporate Compliance Liaison or the Compliance Officer.

An unsolicited gift of nominal value is defined as a gift, cash or the cash equivalent of market value of \$100.00 or less per source, per occasion, however, the total per source may not exceed \$200.00 in a calendar year.

B. Employees should not accept nor offer gifts, favors, services, entertainment or other items of value to the extent that decision-making or actions affecting **ECC Consulted Facility** might be influenced. Similarly, the offer or giving of money, services, gifts or other things of value with expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer, governmental official or any other person is also prohibited.

C. Employees are prohibited from soliciting or accepting tips, gratuities or gifts from residents and or families.

5.2 - Workshops, Seminars and Training Sessions

Attendance at seminars, workshops and training sessions at a vendor's expense is permitted only with the written approval from the Corporate Compliance Liaison which will receive approval of the Corporate Compliance Committee.

5.3 - Contracting

All business relations with contractors must be conducted at arms length both in fact and in compliance with the facility's policies and procedures. Questions regarding particular relationships, etc. may be referred to the Compliance Liaison.

5.4 - Business Inducements

Employees should not seek to gain any unlawful advantage through the improper use of payments. The offering, giving, soliciting or receiving any form of bribe is prohibited.

From time to time appropriate commissions, rebates, discounts and allowances are customary and acceptable provided they are approved by the Corporate Compliance Committee. Any such payments must be reasonable in value, competitively justified, properly documented and made to the business entity to which the original agreement or invoice was made or issued. Such payments should not be made to individuals. Any such payments, which are legally appropriate, must be passed on to the appropriate governmental unit.

Principle 6 - Protection of Assets

All employees will strive to preserve and protect the Facility's assets by making prudent and effective use of the Facility's resources and properly and accurately reporting its financial condition. It is the Facility's intent to guide with this principle and the following standards the Facility's expectations as they relate to activities and behaviors which may impact the Facility's financial health.

6.1 - Financial Reporting

All financial reports, accounting records, expense accounts, time sheets and other documents must accurately and clearly represent the facts or the true nature of a transaction to the preparer's knowledge. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of **ECC Consulted Facility** and may be in violation of applicable laws and therefore is prohibited.

6.2 - Travel and Entertainment

Travel and entertainment expenses should be consistent with the employee's job responsibilities and the organization's needs and resources. Employees are expected to exercise reasonable judgment. Employees must also comply with all policies relating to travel and entertainment which require prior approval of the Administrator.

This Code of Conduct is part of the overall Corporate Compliance Program. All employees should be familiar with this Program. The program highlights Facility's intent to ensure that all employees follow all applicable laws and regulations.

Disclosure Information:

All employees are required to report their good faith belief of any violation of the Compliance Program, fraudulent activity, or applicable law. **ECC Consulted Facility** at the request of the employee will provide anonymity to the employee(s) who report violations to the extent possible under the circumstances. **ECC Consulted Facility** will investigate employee concerns and take necessary corrective action.

There will be no retaliation in the terms and conditions of employment as a result of such reporting.

Employees will report their good faith belief of violations of the compliance program, fraudulent activity, or applicable laws either orally or in writing to their Supervisor, Administrator (Compliance Liaison), Compliance Committee member or Compliance Officer.

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