

**Fulton County Chapter NYSARC Inc. (dba Lexington Center)
Lexington Community Services, Inc.
Fulton County Community Residential Project, Inc.
Lexington Assets, Inc.**

LEXINGTON CORPORATE COMPLIANCE PLAN

As a not-for-profit health and human resources organization dedicated to improving the everyday lives of people with developmental disabilities, Lexington is committed to complying with the rules and regulations of federal, state and local government, including but not limited to those promulgated by the U.S. Centers for Medicare and Medicaid Services (“CMS”) and the New York State Office of Persons with Developmental Disabilities (“OPWDD”). The Lexington seeks to provide a work environment where high standards of ethical and legal behavior are recognized and practiced.

Because Medicaid funding makes up a significant portion of the Lexington’s operating budget, we are under ongoing scrutiny to ensure that our services are appropriate, timely and properly reimbursed. As Medicaid providers, we are subject to the federal and state laws that govern this program.

In developing this Corporate Compliance Plan, we have relied upon a number of resources including NYSARC’s Corporate Compliance Plan and numerous government issuances. In summary, in order to demonstrate that we have developed an effective compliance program, we must demonstrate that we have (1) developed standards and procedures in order to reduce the prospect of improper conduct; (2) designated a high-level individual to oversee compliance; (3) not delegated authority to individuals who have exhibited a propensity for misconduct; (4) taken steps to communicate the standards to our employees and agents; (5) engaged in auditory and monetary compliance and established a reporting system in which employees can report potential misconduct without fear of retribution; (6) taken appropriate disciplinary measures against individuals found to have violated the Corporate Compliance Plan or related policies and procedures; (7) taken reasonable steps to respond and prevent future violations; and (8) Whistleblower Provisions and Protections.

The Corporate Compliance Plan was instituted by the Board of Directors on September 08, 2009. The board of directors reviews the plan on at least an annual basis. Our Corporate Compliance Plan also supports and complies with the NYSARC Board of Governors’ policy requiring that each chapter of NYSARC implement an effective Corporate Compliance Plan.

Lexington developed this Corporate Compliance Plan, supported by a wide array of policies and procedures that address key risk areas, to guide our best efforts to operate under ethical and legal standards. Lexington expects that all aspects of consumer care and business conduct will be performed in compliance with this Corporate Compliance Plan, professional standards and applicable governmental laws, rules and regulations.

Element I: Corporate Compliance Plan – Policies and Procedures

Our compliance philosophy is expressed within this Corporate Compliance Plan and related documents, including our policies and procedures related to compliance, clinical operations, human resources and fiscal management. Collectively, these documents establish standards and procedures that must be followed by Lexington employees and, as applicable, independent contractors and the Board. Understanding and following these standards will reduce the prospect of unethical, illegal and criminal conduct.

A. Policies regarding Conduct

Principles guiding the conduct of our employees, independent contractors and board members are defined in the employee guidebook and other specific policies pertaining to conflict of interest and compliance. The purpose of the policies is to provide information and guidance to all employees, independent contractors and the Board to assist in carrying out the day-to-day responsibilities within legal and ethical standards. In addition, all employees, board members and independent contractors will receive the attached summary, titled, Code of Conduct.

B. Policies and Procedures

The Lexington has developed and will continue to develop policies and procedures to implement the Corporate Compliance Plan. These policies and procedures establish the activities and processes that the Lexington will undertake to operate in conformance with all applicable laws and regulations. Lexington will review, revise and develop new policies and procedures, as necessary, to ensure that Lexington's operations are conducted with "best practices." The policies and procedures of not only the health regulatory components of Lexington, but also those related to human resources, environmental health and safety and financial operations shall apply broadly to each employee through this Corporate Compliance Plan.

Element II: Compliance Program Structure and Oversight Responsibilities

Lexington is committed to the operation of an effective compliance program and has assigned compliance oversight responsibilities to individuals at the management level. Individuals with day-to-day compliance oversight authority occupy high levels in the Lexington's organizational structure, including a Corporate Compliance Officer, and are empowered to implement the Corporate Compliance Plan, investigate compliance concerns, and report compliance concerns directly to those in higher positions of authority, up to and including, Lexington Board of Directors and the Executive Director. The Corporate Compliance Officer will be an employee of Lexington and will report directly to the Executive Director or other senior administrator designated by the Executive Director. General Counsel, Chief Financial Officer and their staff will be excluded from serving in this role.

We have established a Corporate Compliance Committee comprised of key management and operations staff and Lexington leadership with responsibility to meet regularly to advise the Corporate Compliance Officer, to identify and resolve compliance concerns and to continue to improve and refine Lexington's overall compliance activities. Lexington Board of Directors will be an integral part of the Corporate Compliance Plan, will be knowledgeable about the content and operation of Lexington's Corporate Compliance Plan, and will exercise oversight with respect to the implementation and effectiveness of the Corporate Compliance Plan. The Corporate Compliance Officer will personally appear before and report to the Board periodically on the activities of the compliance program.

Element III: Due Care in Assignment of Responsibilities – Background Checks

Lexington will use due care not to employ, contract with or delegate substantial discretionary authority to any individual with a propensity to engage in illegal activities. In order to maintain the integrity of our services and financial and business operations, it is critical that Lexington hire and contract with individuals and entities that have the same respect for applicable legal and ethical obligations that Lexington has. This standard applies to personnel in positions with "substantial" control over Lexington, including, but not limited to those having the ability to affect and determine policy and to negotiate contracts. All current and prospective employees will be required to disclose, on hire, whether he or she has committed a crime, including health care related crimes. Criminal background checks will be conducted on all employees. Local arrest records will routinely be checked to determine if any employee has been arrested for criminal conduct. The Human Resource department will individually review each case and take appropriate action.

Lexington will check to determine if new hires or existing employees and independent contractors have been excluded from participation in the federal healthcare programs by checking the OIG's "List of Excluded Individuals/Entities," a database which provides a list of parties excluded from

participation in federal healthcare programs. Additionally, Lexington, in compliance with OMIG uses “KChecks” software which performs a nationwide search for excluded individuals.

Lexington will also comply with requirements promulgated under state law with respect to background checks and appropriate screening activities as those requirements apply to personnel within Lexington operations. Credentials required to qualify for each position will be verified upon hire.

Element IV: Education and Training

The Board of Directors, all employees and, as applicable, independent contractors, must be informed about regulatory requirements Lexington policies and procedures that implement these requirements, as they apply to each individual. Therefore, the Lexington will adequately educate the Board, high-level personnel, substantial authority personnel, employees and independent contractors on the organization’s standards and procedures. Lexington will continuously identify training topics, including those arising as a result of self-monitoring, audits by regulatory agencies and regulatory developments.

New employees will receive training in Lexington’s expectation regarding their conduct and responsibilities, their role in ensuring compliance and those policies and procedures relevant to their job duties as part of an orientation program. The Lexington will tailor its training based on the roles and responsibilities of each group of individuals and in a manner that the individual can understand.

Element V: Auditing and Monitoring

Internal Auditing and Monitoring

Lexington is committed to routinely conducting internal audits of concerns that have regulatory or compliance implications. Appropriate individuals in key management positions will be responsible for engaging in self-monitoring processes conducted within specific departments/divisions. We believe that a combination of various compliance reviews will permit us to maintain a consistent conformity to relevant laws and regulations, while fulfilling a commitment to identify and share best practices.

Annual Review

The Corporate Compliance Program itself is evaluated minimally once a year to determine if it is effective in meeting the eight required elements of a Corporate Compliance Plan as identified on page 1 of Lexington Corporate Compliance Plan - Overview

Element VI: Disciplinary Action and Incentives

Failure to comply with the Corporate Compliance Plan, Lexington's conduct expectations and/or laws and regulations applicable to Lexington and our operations may result in disciplinary action. Retraining of staff will occur if misconduct is based on a lack of awareness or understanding of a regulatory obligation, policy or procedure. Resolution of disciplinary issues will be determined through the Corporate Compliance Plan structure in direct cooperation with the appropriate manager and the Corporate Compliance Officer and, as appropriate, the Executive Director of Lexington.

The degree of discipline may range from counseling, verbal warnings, written warnings, recommended change or discontinuation of privileges, termination of a contract, termination of employment or removal from a particular position or function – and Lexington will endeavor to be consistent in its approach to discipline with the same disciplinary action for similar offenses. Any Lexington employee, agent or contractor who is found to have misrepresented information on Agency documentation or violated our service delivery or billing practices can be terminated from employment and possibly subject to criminal prosecution.

Element VII: Detection and Response

Lexington is committed to fostering our culture of compliance through detecting, correcting and preventing non-compliance behaviors. Through the process of our corporate compliance reporting structure and the articulation of compliance-related roles and responsibilities at every level of Lexington's operations, detection and correction of problems is expedited. If an internal investigation substantiates a reported violation, then it is our policy to engage in a two-fold process: (1) to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary; and (2) to implement systemic changes to prevent a similar violation from recurring in the future.

Lexington will report significant issues, as required by law. The governing board, employees and persons associated with Lexington understand mandatory reporting requirements.

The governing board, employees and persons associated with Lexington are aware of how to and are able to initiate, through designated individuals, Lexington's mandatory reporting process.

A process is in place to ensure overpayments are identified, promptly repaid and are not rebilled. When appropriate, timely reporting is made to the Office of Medicaid Inspector General/Office of Inspector General. Self-disclosures are appropriate for the following:

1. a pattern of inappropriate coding, billing, claiming or unethical or illegal behavior.
2. a significant compliance issue in terms of size, scope or ethical or legal implications.

Compliance Officer reviews policies and procedures to ensure that appropriate measures are in place to maintain a record of refunded overpayments.

Element VIII Non-Intimidation and Non-Retaliation , False Claims Act

The Deficit Reduction Act of 2005 instituted a requirement for healthcare entities which receive or make \$5 million or more in Medicaid payments during a federal fiscal year establish written policies and procedures informing and educating their employees, contractors and agents about federal and state false claims acts and whistleblower protections.

A. Whistleblower Protection

Any employee, contractor, or agent shall be entitled to all relief necessary to make that employee, contractor, or agent whole if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, or agent on behalf of the employee, contractor, or agent, or associated others in furtherance of an action or other efforts to stop 1 or more violations of subchapter Section 3730(h)

B. Reporting by Employees

Each employee has a responsibility to report through our compliance processes any activity by any colleague, clinician, independent contractor or client that appears to violate applicable laws, rules, regulations, accreditation standards, standards of medical practice or the Corporate Compliance Plan. We encourage a culture in which all employees feel free to report behaviors or actions, which they believe, should be reported.

Therefore, the effectiveness of our Corporate Compliance Plan depends on the willingness and commitment of the employees in all parts and at all levels of Lexington to step forward, in good faith with questions and concerns. Likewise, we are committed to making every effort to maintain, within



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the limits of the law, the confidentiality of the identity of any individual who reports a concern in good faith.

It is an expected good practice, when one is comfortable with it and thinks it is appropriate under the circumstances, for concerns to be raised first with a supervisor. If this is not comfortable or not a viable option, then employees are encouraged to contact the Nurturing Environment Program Hotline at 1-800-831-5602 where reports may be made anonymously or confidentially. The Corporate Compliance Officer can also be reached to address face-to-face concerns or questions at 518-773-2050.

Lexington will not retaliate against any employee or contractor for participating in and legally protected whistleblower activities including but not limited to reported false claims. However, any employee who intentionally makes a false accusation with the purpose of harming or retaliating against a colleague will be subject to appropriate disciplinary action.