PT Solutions Holdings, LLC

COMPLIANCE PLAN

The Basis of Our Success

July 1, 2012
GENERAL OVERVIEW

The Office of the Inspector General (“OIG”) has indicated that an effective compliance plan should contain the following seven elements:

1. The development and distribution of written standards of conduct, as well as written policies and procedures that promote a commitment to compliance (e.g., by including adherence to compliance as an element in evaluating managers and employees) and that address specific areas of potential fraud, such as claims development and submission processes, code gaming, and financial relationships with physicians and other healthcare professionals;

2. The designation of a chief compliance officer and other appropriate bodies, e.g., a corporate compliance committee, charged with the responsibility of operating and monitoring the compliance plan, and who report directly to the CEO and the governing body;

3. The development and implementation of regular, effective education and training programs for all affected employees;

4. The maintenance of a process, such as a Post Office box to receive concerns, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation;

5. The development of a system to respond to allegations of improper/illegal activities and the enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or federal healthcare program requirements;

6. The use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas; and

7. The investigation and remediation of identified systemic problems and the development of policies addressing the non-employment or retention of sanctioned individuals.

This Compliance Plan provides the Policies and Procedures implemented by PT Solutions Holdings, LLC to make every effort to be in compliance with the laws and regulations established by both the federal government as well as the states with which we conduct our business.
ADDITIONAL RESOURCES:

There will be occasions where questions or situations will arise that the Compliance Plan (the “Plan”) does not seem to answer. Whenever such a question arises, the employee involved is encouraged to seek guidance from one or more of the following resources:

1. Supervisor or Manager
2. Human Resource Representative
3. Compliance Officer
Message from the Leadership Team

Our success and reputation are not only dependent on the quality of services provided to our patients, but also on the way in which we do business. The ambition of PT Solutions Holdings, LLC (the "Company") is to become the preferred provider in its core business of physical therapy services. For us, becoming the preferred provider in our geographical area means not only establishing clinic locations in our targeted area where we provide cutting-edge physical therapy services, but also setting the standard of excellence through exemplary business practices and ethical behavior.

The Company has a long history of adhering to and promoting strong professional ethics. It is, and must continue to be, a key part of our culture. Integrity enters into everything we do and is a central part of our philosophy to "do the right thing." We have developed the PT Solutions Holdings, LLC Compliance Plan to establish a shared vision of standards and practices for the organization, grouping them in a single document. Its principles must guide each one of us in the performance of our daily functions.

The long-term success of the Company depends on the attention paid by each one of us to uphold the highest ethical standards and business practices.

The Leadership Team of the Company has pledged its support to uphold and support the Compliance Plan. Your commitment is essential to the shared values that unite us as an organization, guide our decisions and actions, and promote the highest quality of care. We expect each one of you to make every effort to be in compliance with the rules defined in the Compliance Plan. In this way, will we be able to achieve our ambition of leadership in our community, which goes hand in hand with the ethical and professional manner in which we must conduct our business on a daily basis.

Rocky Barnes, Owner

Dale Yake, Owner
RESOLUTION TO IMPLEMENT COMPLIANCE PLAN

WHEREAS, it has and shall continue to be one of the primary goals of PT Solutions Holdings, LLC (the “Company”) to operate in a legal and ethical manner and to comply with all laws and regulations applicable to its business; and

WHEREAS, the focus on compliance with healthcare regulations continues to increase by regulatory agencies;

WHEREAS, the Board of Directors, in its best efforts to establish compliance with the applicable federal and state laws and regulations for the Company, its employees and agents, has elected to implement a Compliance Plan for the Company.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Company that:

a. In order to take all reasonable measures to develop an effective compliance plan for the Company, the Board hereby appoints Stephanie Hamil to become the Compliance Officer.

b. The Compliance Officer shall be responsible for assembling a Compliance Committee.

c. The Compliance Committee shall be responsible for developing an effective Compliance Plan to be approved by the Board of Directors.

d. The Compliance Officer and Compliance Committee shall organize, plan and direct the compliance efforts of the Company.

Approved this 15\textsuperscript{th} day of June 2012.

Board Members:

Name: Rocky Barnes

Name: Dale Yake

Signature: 

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PT Solutions Holdings, LLC
STANDARDS OF CONDUCT
PURPOSE:

Our values and standards, outlined in the Plan, have always formed the basis of our success. They inspire trust and confidence on the part of our patients, referral sources, government officials, and regulatory agencies, all of whom are essential to our success. Even more important, these values inspire the confidence and trust of our employees, creating a sense of pride and a desire in each of us to achieve great things. Yes, we care a lot about the results we achieve, but, we care just as much about how we achieve them.

ACCOUNTABILITY:

Each of us is responsible for adhering to the values and standards set forth in this Plan, for compliance with relevant company policies, and for asking questions if we are uncertain as to whether or not the standards are being met. Violation of the Plan may result in a variety of corrective actions, and in some cases, may result in disciplinary action up to and including termination of employment.

RELATIONSHIPS WITH CUSTOMERS:

We value our relationships with our customers. Above all, we value our ability to serve patients who can benefit from the appropriate use of our services. We are dedicated to providing the highest level of professional excellence. We strive to identify the most critical needs of our patients, and we devote our resources to meeting those needs.

RELATIONSHIPS WITH OUR EMPLOYEES:

Our ability to succeed depends on the integrity, knowledge, imagination, skill, diversity, flexibility, and teamwork of our employees. To this end, we strive to create an overall environment of mutual respect, encouragement and teamwork; a working environment that rewards commitment and performance; and a personal environment which is responsive to the needs of our employees.

We seek to provide a workplace atmosphere that attracts highly talented people and helps them achieve their full potential. Each of us is responsible for creating a climate of trust, respect, and productivity. These responsibilities are embodied in our leadership principles:

- Know and develop yourself
- Know and develop your business
- Know, support, and develop our team
- Communicate clearly
RELATIONSHIPS WITH OUR BUSINESS ASSOCIATES:

We believe in developing mutually beneficial relationships with our business associates. We recognize they are important for our success, and we treat them with honesty, fairness, and respect. We also expect they will conduct business activities for or on our behalf in accordance with business standards and values that align with our own.

RELATIONSHIPS WITH OUR COMMUNITY AND SOCIETY:

Being a good corporate citizen means we make every reasonable effort to comply with all applicable laws, rules, and regulations. We also serve our communities by supporting programs that advance knowledge and improve health care. In addition to these priorities, we support programs to protect the environment, promote art and cultural activities, foster civic institutions.

DECISION TEST:

In an effort to assist our employees in making compliance related decisions, the Company has developed this decision test.

Ask yourself:

• Does the action you are about to take comply with the letter of our standards and policies?
• Does the action you are about to take comply with the spirit of our standards and policies?
• Will this action result in non-compliance of known state and/or federal requirements?
• Will this action be subject to misinterpretation?
• Is there an existing policy or procedure that can guide me to the right answer?
• Is there a resource, either internally or externally, that I should consult to determine if the action is appropriate?
Mission:

Our mission at PT Solutions is to exceed expectations.

Vision:

Our vision is to provide service that exceeds expectations. In doing so, we provide:

- Professionals Endowed with Superior Technical and Customer Service Skills
- Facilities which are Clean, Efficient, and Service-Oriented
- Atmosphere of Teamwork and Compassion for Our Patients, Colleagues and Associates
- Innovation in Education and Training
- Community Involvement

Focus:

Our focus is on providing care in an enjoyable customer service environment and treatment delivery unique to each individual and condition.
PT Solutions Holdings, LLC
COMPLIANCE PLAN
FREQUENTLY ASKED QUESTIONS

1. Who does this Plan apply to? Unless specifically stated otherwise, the policies set forth in this Plan apply to all directors, officers, and employees, and independent contractors doing business with or on behalf of the Company.

2. What are my responsibilities as an employee? As an employee, you are expected to conduct yourself in a manner appropriate for your work environment, and to be sensitive to and respectful of the concerns, values and preferences of others including your fellow employees, patients and clients. As an employee, you are expected to familiarize yourself with the policies in this Plan and to abide by them in the daily performance of your job responsibilities. You are encouraged to promptly report any practices or actions that you believe to be inappropriate or inconsistent with the policies and procedures set forth in this Plan or that you believe may compromise the ethical standards or integrity of the Company.

3. How do I report misconduct or other matters that I believe should be reported under the policies and procedures set forth in this Plan? Taking proactive steps to prevent problems is part of the Company culture. Speaking to the right people is one of your first steps to understanding and resolving what often can be difficult questions. All employees are encouraged to promptly report any practices or actions that they believe are inappropriate or inconsistent with the policies and procedures set forth in this Plan. Anyone reporting misconduct in good faith will be protected against retaliation.

Employees are encouraged to report to their immediate supervisor or alternatively may choose to report to the Human Resource Department or the Corporate Compliance Officer. An anonymous means of reporting will be provided.

4. What is an anonymous means of reporting?
   a. Post Office Box: A Post Office box provides a risk-free way for you to anonymously report suspected violations of compliance policies or procedures.

5. What should I report to the “Post office box”? You should use the Post Office box to report any and all compliance concerns that you have about the Company, your fellow teammates, clients and patients. However, the “Post Office box” should be used exclusively to report suspected non-compliance with clearly stated billing rules and
possible violations of Company compliance policies and any suspected violations of federal, state, or local law

6. **Who do I contact if I have a question?** The Plan can only serve as a general standard of conduct. It cannot substitute for personal integrity and good judgment and cannot spell out the appropriate response to every type of situation that may arise. If you have questions about the interpretation or application of the policies or procedures of this Plan to a particular situation or if you believe that there is a conflict between the policies of this Plan and other Company policies, please consult your immediate supervisor, Human Resources, or the Compliance Officer.
INTRODUCTION TO STANDARDS AND POLICIES

The compliance policies and procedures described in this Plan are intended to establish a framework to be used by the Company for current products and services as well as business development to make every effort to be compliant.

The Company recognizes the need to conduct its business with honesty and to make every reasonable effort to be in compliance with applicable federal and state laws. This recognition is supported by an organizational commitment to promote ethical and compliant business operations through the implementation of a systematic plan. The Company is committed to conducting its business according to the highest standards of honesty and fairness. This commitment to observing the highest ethical standards is designed not only to make every reasonable effort to be in compliance with the applicable laws and regulations in the various jurisdictions where we operate, but also to earning and keeping the continued trust of clients, personnel, and community members.

This Plan is not intended to be an exhaustive guide to all the detailed rules and regulations governing the services provided by the Company. Rather, it is intended to establish certain guiding principles and corporate-wide policies designed so personnel have a common vision of the Company’s ethical standards and operate in accordance with those standards.

The Plan is directed at providing business conduct and operational guidance to employees, independent contractors, and consultants who may be engaged in activities that pose specific areas of risk or vulnerability for the Company. Some specific areas of potential risk or vulnerability include: daily activities related to contracting; sales and marketing; claims processing; integrity of data systems; and record retention. The Plan establishes minimum standards to be observed by all Company employees, independent contractors, consultants, and Board members.
QUALITY OF CARE POLICY

We will respect each person’s dignity and their right to privacy of their medical information in accordance with operative rules and regulations, including HIPAA privacy regulations. We will listen to our patients, customers and clients, their families, and visitors to understand any concerns in the decision-making process regarding their care and quickly and efficiently respond to their questions, concerns and needs.

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

CONTRACT REVIEW POLICY

The term “contract” is defined as any written agreement, including Memorandum of Understanding, Letter of Intent, Letter Agreement, Countersigned Letter of Understanding, Proposal, etc. the Company is a party to, assumes obligations under, or incurs liability for. (A “material contract” is a contract with an annual expenditure greater than $5000 or a term longer than one year for which the Company has no ability to terminate without reason or cause prior to expiration of that term.)

The Company will have all contracts where the other party is a referral source or potential referral source reviewed by legal counsel prior to the Company entering into such agreements. Directors, or other authorized representatives of the Company, may not enter into, or sign, any contract with a referral source or potential referral source prior to completion of a contract review and approval by legal counsel.

All other material contracts to which the Company is a party shall be reviewed by management; legal counsel will be involved on a case-by-case basis where applicable.
POLICY AGAINST KICKBACKS

The Company will not offer, pay, solicit or accept any compensation including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind in exchange for a referral for physical therapy or athletic training services; or to induce purchasing, leasing, ordering, arranging for, or recommending the purchase, lease, or order of any good, facility, service or item covered under a federal healthcare program.

The Company will not knowingly engage in transactions that violate relevant and applicable federal or state Anti-Kickback Statutes.

ACCURATE BOOKS AND RECORD KEEPING POLICY

The Company will maintain accurate books and records in support of all claims filed for reimbursement from any federal, state, or private healthcare programs. The Company employees and contractors are prohibited from making false statements in any of the Company books or records, including but not limited to, all business records, patient medical records and medical billing records, or on any document prepared for or filed with any government, private entity, or person.

RECORD RETENTION POLICY

The Company shall retain all recorded information, regardless of the medium, that is generated and/or received in connection with Company transactions and legal obligations, for the applicable required retention period(s) as set forth under federal and state law, or for a period of seven years, whichever is longer.

Company records will be destroyed after all applicable retention periods have expired. Records shall be kept in their original form or in an acceptable form for storage. All records shall be maintained in a usable condition and in an appropriate environment to secure the integrity of the information. Confidentiality of all records pertaining to patient care of billing will be maintained in accordance with applicable federal and state laws and regulations.
BILLING AND CODING POLICY

The Company is committed to fair and accurate billing in accordance with all applicable federal and state laws and regulations, payer rules and procedures. We understand that all claims for services submitted to any private insurance program or payer, Medicare, Medicaid, or other federally funded healthcare programs have to be accurate and correctly identify and document the services ordered and performed. The Company will bill only for services actually provided and documented in the patient medical record. The Company will not engage in and/or permit known up-coding or unbundling of services rendered and/or other improper billing practices intended to increase reimbursement.

The Company will require payment of insurance co-payments and deductibles and will only adjust required fees following determination of patient financial need in accordance with applicable Company policies and procedures; and after reasonable collection efforts have failed. The Company will use various methods for analyzing the payments received and will reconcile any overpayments in a timely manner after discovery, review and confirmation that overpayment should not be applied to any outstanding accounts receivable owed to the Company. The Company will assign diagnostic, procedural, and other billing codes that accurately reflect the services provided. The Company will periodically review coding practices and policies, including software edits, to facilitate compliance with all applicable federal, state, and private health care program requirements and will investigate inaccurate billings and payments to determine whether changes to current protocol or remedial steps are necessary.

TESTING OF PERIODIC CLAIMS SYSTEM POLICY

The Company will periodically audit its manual and automated billing systems to make every reasonable effort to determine that the steps required in generating claims for healthcare services are being followed properly. Comprehensive audits may be conducted monthly and quarterly for the timely detection and corrective action of system failures or errors. The department manager responsible for the audit should immediately consult with the Compliance Officer to determine whether failure necessitates corrective action.
REGULATORY INQUIRIES, INVESTIGATIONS AND LITIGATION POLICY

Government agencies, regulatory organizations and their authorized agents may, from time to time, conduct surveys or make inquiries that request information about the Company, its patients or others that generally would be considered confidential or proprietary. All regulatory inquiries concerning the Company should be handled by the facility manager, Compliance Officer and/or Human Resources.

Regulatory inquiries may be received by mail, e-mail, telephone or by personal visit. In the case of a personal visit, demand may be made for the immediate production or inspection of documents. The Company employees receiving such inquiries should contact the Compliance Officer immediately and follow the instructions provided.

ACCOUNTING AND FINANCIAL REPORTING POLICY

All accounting entries, as well as all internal and external financial reports, must be prepared accurately and on a timely basis. The Company shall maintain a high level of accuracy and completeness in the documentation and reporting of financial records. These records serve as a financial basis for managing the business and are important in meeting our obligations to our patients, employees, suppliers and others. They are also necessary for compliance with tax and financial reporting requirements. The Company maintains a system of controls to provide reasonable assurances that all financial transactions are executed in accordance with management authorization and are recorded in a proper manner so as to protect and maintain accountability of company assets.
COMPLIANCE POLICIES RELATING TO AN EFFECTIVE COMPLIANCE PLAN
The Company Compliance Committee will administer the Company’s Corporate Compliance Plan. The Compliance Officer will chair the Corporate Compliance Committee. The purpose of this Committee is to monitor the organization to make every effort for the consistent application of relevant laws and rules, including those relating to billing and collection practices, to proactively identify problem areas, and to recommend, establish, and implement, as appropriate, solutions and system improvements.

The Corporate Compliance Committee may consist of representatives from the following departments and/or groups:

- Compliance
- Human Resources
- Reimbursement
- Physical Therapy Clinical Representative

The Company may engage outside legal counsel and/or expert consultants to assist the Corporate Compliance Committee, as appropriate. The Company’s Leadership Team may also approve changes to the Compliance Committee members, from time to time.

The Compliance Officer and the Compliance Committee report to the CEO and the Board of Directors.

We recognize and understand that ongoing investment in and commitment to effective training at all levels is essential to attain the desired standards of excellence in service and to adhere to our Compliance Plan. A commitment to compliance and ethical behavior begins at new employee orientation.

All employees undergo annual training that contains, as necessary, policies or procedures regarding billing, documentation, confidentiality, privacy, security, and other pertinent company policies and procedures. Ad hoc training for appropriate department management is also utilized, including training in response to auditing and monitoring findings.

Evidence of all training shall be documented for each employee and filed with the Compliance Officer. The Compliance Officer shall be responsible for ensuring each employee obtains the appropriate amount of training on an annual basis.
PROCESS TO RECEIVE COMPLIANCE RELATED CONCERNS

It is the policy of the Company that all employees, contractors and agents shall have a means to effectively and confidentially report observed instances that could be potential compliance violations.

The Company has elected to use a locked Post Office box.

The locked Post Office box will be located P.O. Box 241686 Montgomery, AL 36124. The Post Office box will be opened and the contents removed once per week by the Compliance Officer or a member of his/her staff. The contents will be logged and reported; proper investigation will follow and be documented.

When filing a concern, the employee should complete a Compliance Concern Form (Attachment B) when submitting the concern to the Post Office box. The form requires …

- The concern be legible
- The concern list specific facts
- Date the concern is filed
- Codes at issue, if known
- Supporting documentation if any

All concerns reported shall be investigated. All investigations will be performed by the Compliance Team and completed in a timely manner.

The Company will attempt to maintain the confidentiality and privacy of the person reporting the potential violation.

If someone has submitted compliance-related concerns or becomes a whistleblower, the Company shall make every attempt to protect the anonymity of that person. However there may be times during an investigation when the name is revealed.

The Company shall also make every attempt to protect any person filing a concern or whistleblower from retaliation of his/her peers (retaliation of another employee against a whistleblower may result in the termination of the retaliating employee).

If someone is retaliating in any manner against another employee as a result of the compliance concern submitted, the observing individual should immediately notify the Corporate Compliance Officer or submit the allegation through the Post Office box.

The Company takes it very seriously when an employee observes a potential compliance violation and does not report the incident; non-reported observations, if discovered, could be grounds for termination.
SYSTEM FOR RESPONDING TO
ALLEGATIONS OF IMPROPER/ILLEGAL
ACTIVITIES

1. Any allegations of suspected improper or illegal activity should be reported to the
Compliance Officer.

2. The Compliance office will review the information and make a determination if a
violation has indeed occurred.

3. If no violation has occurred, the Compliance Officer shall document the findings and
communicate the findings to the individual making the allegations and provide training
to the individual so they may understand why the suspected violation was not an actual
violation.

4. If the Compliance Officer determines that an actual violation may have occurred, the
Compliance Officer shall document his/her findings and contact legal counsel to
determine the appropriate course of action. The course of action may include but not be
limited to the following:
   a. Reporting of the incident to the applicable government payer;
   b. Voluntary disclosure to the Office of Inspector General;
   c. Refund of overpayments to the applicable payer.

5. Regardless of the result of the findings (actual violation or a non-violation), all
allegations reported to the Compliance Officer shall be documented and communicated
to the Compliance Committee.

DISCIPLINE OF VIOLATIONS POLICY

The Company will discipline, as appropriate, any employee or independent contractor who
knowingly and willingly engages in activities that violates the Company Compliance Plan
policies or procedures and/or applicable federal and state laws. Disciplinary action will be
dispensed in an appropriate manner without regard to seniority, position, and/or title of the
violator, including the possibility of termination for serious violations.

All acts of discipline relating to compliance activities shall be reported to the Compliance
Officer as well as the Compliance Committee.
IDENTIFICATION OF RISK AREAS
SPECIFIC RISK AREAS

As a physical therapy provider, you should review specific risk areas as part of an effective compliance plan. Please see Attachment A for the Specific Risk Areas. The Specific Risk Areas are included as an Attachment to the Compliance Plan as they should be reviewed and updated on an annual basis to make every effort to be in compliance with current and ever-changing rules and regulations.

ANNUAL RISK ASSESSMENT / ANNUAL UPDATE TO THE COMPLIANCE PLAN

Annually the Company will review key areas of potential compliance risk and set forth a system to make every effort to identify risk elements in each key area. The Annual Risk Assessment will take into consideration the Annual Work Plans published by the Office of Inspector General of the Department of Health and Human Services as well as a review of the Specific Risk Areas. Applicable risk elements will be converted to routine monitoring and auditing activities and an update to the Compliance Plan may be made at that time.

The Company will also make every effort to review the updated Compliance Plan with employees and identify the changes being made. In addition, the Company will make every effort to obtain attestation statements from employees acknowledging their review and understanding of the updates.
THE USE OF AUDITS AND/OR OTHER EVALUATION TECHNIQUES TO MONITOR COMPLIANCE AND ASSIST IN THE REDUCTION OF IDENTIFIED PROBLEM AREA(S)

The Company recognizes the need for ongoing internal auditing and monitoring for a successful business and Compliance Plan. As such, ongoing internal compliance auditing and monitoring will be performed through the coordination of activities administered by appropriate personnel under the direction of the Compliance Officer. Areas of concern or vulnerability are addressed, when applicable, by way of corrective action plan with appropriate follow-up.

The Company will establish a compliance calendar on an annual basis that includes monitoring activities as well as informal and formal routine audit activities.

The Company may also recognize the need for ongoing external auditing and monitoring to demonstrate to our clients and employees that its commitment to compliance is supported objectively. Compliance monitoring and auditing may be conducted externally through payer audits and independent third-party examination.

The Company has adopted the following ongoing auditing/monitoring system to monitor compliance. In addition, these systems will be utilized to assist in the reduction of identified problems area(s) found during the Company’s annual risk assessment or discovered through the ongoing auditing/monitoring process.

1. On a quarterly basis, the Compliance Officer or a member of his/her team will conduct at least two (2) chart audits for each therapist employed by or contracted with the Company.

2. The chart audits will be documented and the results shared with the appropriate personnel.

3. If issues of non-compliance are discovered during an audit, an appropriate course of action should be taken based on the Corrective Actions Plans policy.

4. To make every effort to be compliant with issues of non-compliance that have been discovered, the Company will implement monthly concurrent audits for a minimum of 6 months focusing primarily on the problem area.

5. Areas of vulnerability identified during the Annual Risk Assessment may also become the focus of monthly concurrent audits.
THE INVESTIGATION AND REMEDIATION OF IDENTIFIED SYSTEMIC PROBLEMS

Any identified systemic problem discovered through the use of audits, the Annual Risk Assessment and/or other evaluation techniques shall be investigated, documented and resolved according to the Corrective Action Plans Policy.

CORRECTIVE ACTION PLANS

When an alleged compliance violation has been identified/reported, the Compliance Officer will be responsible for documenting the findings, contacting legal counsel, and developing a Corrective Action Plan that must be approved by the Compliance Committee. The Corrective Action Plan may include but not be limited to the following:

a. Reporting of the incident the applicable government payer;
b. Voluntary disclosure to the Office of Inspector General;
c. Refund of overpayments to the applicable payer.

Medicare has clear guidelines for handling overpayments.

1. An overpayment that is identified must be reported and returned within 60 days from the date the overpayment was identified.
2. Known concealment or avoidance of refund for an identified overpayment may create reverse claims act liability under the False Claims Act (FCA).
3. Overpayments that resulted from a simple mistake must still be refunded if a material condition of payment is not satisfied.
4. There may not be any False Claims Act liability for overpayments that were identified prior to May 20, 2009. However if a claim paid before May 20, 2009 was identified as an overpayment after May 20, 2009, the claim would need to be reported and refunded within 60 days of identifying the overpayment.

Identification of Overpayments:

It should be noted that an overpayment occurs when a material condition of payment is not satisfied - for example, if there were improper supervision, services were provided by an unlicensed provider, the service was absolutely not provided, or some other material condition has not been met. Poor documentation does not indicate that an overpayment has occurred. If during an audit documentation cannot be located, further investigation and analysis should be conducted, and if there is evidence of the truth that services were performed as billed, an overpayment may not have occurred.

The Company may seek legal advice regarding the return of overpayments made by commercial third party payors in the state in which it conducts business. Some states like Pennsylvania, for example, impose no statute or regulation requiring the refund of overpayments to third-party payors with the exception of Medical Assistance.
The corrective action plan should include training to make every effort that a recurrence of the violation does not occur again; and

A system for reviewing/monitoring/auditing should be established to make every effort the same compliance violation does not occur in the future.

If the compliance violation requires disciplinary action, the Compliance Officer should communicate with Human Resources to determine the appropriate disciplinary action.

EMPLOYEE BACKGROUND CHECK POLICY TO ADDRESS THE NON-EMPLOYMENT OR RETENTION OF SANCTIONED INDIVIDUALS

The Company may conduct routine and customary background checks and investigations for state licensure including sanctions and/or exclusions from any federal healthcare program, for identified employment applicants and independent contractors who are offered a position and who are (i) licensed healthcare providers, or (ii) whose employment or contract duties involve information technology, finance, billing or claims processing. The Company will not employ or contract with individuals or entities, when a background check or investigation demonstrates that the individual or entity has been convicted of any felony criminal offense, or sanctioned by and/or excluded from any health care program within the past five years (e.g., including but not limited to Medicare fraud, money laundering, mail fraud, Stark Law violation, anti-kickback violation). In addition, the Company will immediately suspend and/or terminate any current employee, or independent contractor, if the Company learns of any said convictions, sanctions, and/or exclusions.

All employment applicants are required to disclose at the time of application any criminal convictions, sanctions, and/or exclusions from any federal health care program or commercial health plan. Any and all employment offers extended on behalf of the Company to the identified persons subject to this policy are contingent upon successful passage of a criminal background investigation.

The Company also may require background checks from any temporary agency providing contracted persons to perform services for the Company. The Company requires written proof
that any said temporary personnel has not been subject to any criminal conviction or sanction and/or exclusion from any federal health care program or commercial health plan prior to starting work.

Individuals subject to this policy may be subject to periodic background investigations during the term of their employment or independent contract relationship with the Company as follows:

- Criminal background checks; and
- Office of Inspector General’s (OIG) list of excluded providers (annually).

**EXIT INTERVIEWS**

In an effort to try and identify compliance related issues the Company will make every attempt to conduct exit interviews with terminating employees. Exit interviews will be conducted by a member of the Human Resources department or other individual as assigned. The Exit Interview will be documented on the Exit Interview Form (see Attachment C) and maintained in the employee’s personnel file.

As part of the exit interview the employee will be asked if he or she believes there are any compliance related issues.

Any compliance concerns that are raised should be directed to the Compliance Officer for immediate investigation and corrective action.

Source(s):
Federal Register / Vol. 63, No. 35 / Monday, February 23, 1998 / Notices
Federal Register / Vol. 65, No. 194 / Thursday, October 5, 2000 / Notices