



QUALITY *Life* SERVICES™

Code of Conduct

Our Mission

“A family business woven with traditional values dedicated to providing quality living opportunities and services to our communities.”

Purpose

One of our most important objectives at Quality Life Services is to provide and promote a family culture that respects and values all of our care partners. Our Code of Conduct is a resource we have adopted that reinforces our mission and values by highlighting the important standards by which all Quality Life Services employees, contractors, students and volunteers are expected to follow when performing responsibilities on behalf of our organization. These standards promote organization-wide integrity and enhance our ability to further our mission of providing quality care to our residents and to continually improve the performance of our organization.

In your daily work, if you have questions, encounter a situation that violates the Code of Conduct or if you observe or are personally involved in any activity that does not appear or feel right, please discuss the situation with your supervisors, the Human Resources Director, or the Corporate Compliance Officer (866-278-8659 or compliance@qualityliveservices.com). You may also report any concern on our Quality Care and Compliance Line (“Q-Line”) at 866-884-8652.

Our Values

Conduct

Quality Life Services, through its employees, volunteers, contractors, officers and directors is committed to acting with fairness, honesty, integrity and in a manner that complies with all applicable laws, regulations and standards applicable to the long-term care industry.

Communication

Quality Life Services creates an environment where open communication is the expectation and will be maintained.

Quality

All of our care partners strive to provide care that meets the unique needs of each individual and is rendered with respect, dignity and compassion. Quality Life Services is committed to quality improvement and is continually striving to better serve our customers through our Quality Standards: *Safety, Compassion, Relationships and Appearance.*

Organizational Principles

1. Promoting Quality Care

Quality Life Services shall provide the necessary nursing care and continuum of services to attain and maintain our residents' highest practicable physical, mental and psychosocial well-being in accordance with a comprehensive assessment and plan of care. As part of our ongoing efforts to deliver safe, effective and compassionate care to our residents in accordance with our Quality Standards of *Safety, Compassion, Relationships and Appearance*, we will ensure that:

- There is a comprehensive, accurate assessment of each resident's functional capacity and a comprehensive care plan that includes measurable objectives and a timetable to meet the resident's medical, nursing, rehabilitative, spiritual, mental and psychosocial needs;
- Each resident receives appropriate treatment and services to address his / her clinical conditions and human spirit needs;
- Medically appropriate, individualized measures and processes are followed to help reduce the incidence of pressure ulcers, dehydration, malnutrition, incontinence of the bladder, falls and mental or psychosocial problems;
- Prescription drug usage (including psychotropic medications) is properly prescribed, administered and monitored and efforts are made to safely reduce psychotropic medication usage as appropriately directed by a physician;
- Staffing levels and competencies are appropriate for the resident population;
- Appropriate services are provided to assist residents with activities of daily living (e.g., feeding, dressing, bathing, etc.); and
- A life enrichment (activities) program is provided that meets the individual needs of all residents and provides enjoyment and meaning.

2. Promoting Honest Activities and Communications

Quality Life Services strives to ensure integrity in all activities conducted by or on behalf of our organization and promotes honesty in all levels of interaction within the organization. Our employees will honestly represent Quality Life Services at all times in the performance of their responsibilities including their communications with residents, family members, members of the health care team, supervisors, vendors, consultants, legal counsel, agents of federal governmental bodies and auditors, among others.

3. Ensuring Ethical Business Transactions

- a. Gifts. Business transactions shall be free of soliciting, accepting or offering inappropriate gifts, which could be viewed as inducements to influence business decisions. Employees shall not accept gifts, favors, services, entertainment or other things of more than nominal value (*generally less than \$5.00*). (*Items such as flowers or food to be shared by staff members are acceptable.*) Similarly, the offer or giving of money, services or other things of more than nominal value with the expectation of influencing the judgment or decision-making of any purchaser, supplier, customer, government official or other person is absolutely prohibited. *Any questions or*

concerns shall be brought to the attention of the Chief Quality Officer or Administrator for review and approval. (Please refer to The Gift and Gratuities Policy for more specific information.)

- b. Conflicts of Interest. It is the policy of Quality Life Services that all directors, officers, employees and other representatives avoid actual or any potential conflicts of interest. A *conflict of interest* exists whenever a director, officer or other representative has an outside financial, ownership or investment interest, which may be direct or indirect through a family member or friend, which conflicts with the individual's duties or responsibilities on behalf of Quality Life Services *or* may adversely affect the individual's judgment in the discharge of his or her responsibilities to Quality Life Services. Any actual or potential conflict shall be brought to the immediate attention of the administrator of the home or to the Chief Quality Officer, depending on your position. Officers, directors, nursing home administrators and other employees whose duties may involve the selection and retention of vendors shall be required to accurately complete and submit a conflict of interest disclosure statement when requested to do so by Quality Life Services.

4. Ensuring the Privacy and Security of Information

Our employees shall maintain the confidentiality of Quality Life Service's business, strategic and financial information and shall use this information only as needed to perform their specific job duties on behalf of Quality Life Services. In addition, employees shall maintain the confidentiality of residents' protected health information in accordance with applicable laws and regulations, as well as the policies, procedures and training materials provided by Quality Life Services. Use and disclose only the minimum amount of information necessary to perform your job duties or to comply with a request for specific health information.

5. Preserving Financial Assets

Our employees shall strive to preserve and protect Quality Life Services' assets by making prudent and effective use of resources. All transactions, payments, receipts, accounts and assets shall be completely and accurately recorded on a consistent basis. No payment shall be approved or made with the intention or understanding that it will be used for any purpose other than as described in the supporting documentation.

6. Ensuring Residents' Rights are Protected

Residents have the right to dignity and to a care environment that promotes freedom of choice, self-determination and reasonable accommodation of individual needs. In furtherance of these rights, Quality Life Services will ensure that policies are implemented and effective processes exist and are followed to ensure that:

- Residents are not excluded from, denied benefits to, or otherwise discriminated against on the grounds of race, color, national origin, disability, age, sex or gender

identity in admission to, participation in, or receipt of the services and benefits under any of Quality Life Services' programs and activities;

- Residents have appropriate access to care and services;
- Residents are informed and are provided with written information about their right to accept or refuse medical or surgical treatment and, at their option, to formulate an advance directive;
- To the extent reasonably necessary, there is appropriate use of restraints;
- Residents receive personal privacy and a commitment to uphold their dignity;
- Residents receive timely access to their personal health records upon request and measures are in place to protect the privacy of the residents' medical records as provided by law;
- Residents' rights to participate in their care and treatment are respected, including the right to use a physician of his or her own choice;
- Residents are permitted to purchase prescribed medications from the pharmacy of their choice, in accordance with the residents' and pharmacy's responsibilities to comply with the facility's policies and State and Federal laws regarding packaging and labeling requirements; and
- The residents' financial affairs are appropriately safeguarded.

RESIDENTS' RIGHTS:

PROCEDURES TO FOLLOW IN THE EVENT OF CERTAIN ADVERSE CONSEQUENCES

Employees and contractors must immediately 1. Inform the resident; 2. Consult with the resident's physician; 3. If known, notify the resident's legal representative or an interested family member and 4. If the resident has elected and is participating in a hospice program, notify the hospice administrator when any of the following has occurred:

1. An accident involving the resident which results in injury and has the potential for requiring physician intervention;
2. A significant change in the resident's physical, mental or psychosocial status (i.e., a deterioration in health, mental or psychosocial status in either life-threatening conditions or clinical complications);
3. A need to alter treatment significantly (i.e., a need to discontinue an existing form of treatment due to adverse consequences or to commence a new form of treatment); or
4. A decision to transfer or discharge the resident from the home (facility).

In the event there is an alleged violation involving mistreatment, neglect or abuse, including injuries of unknown source and/or misappropriation of resident property, please follow the procedures outlined in Quality Life Services' Resident Protection from Abuse Policy which generally provides as follows:

1. The alleged incident must be reported immediately to the administrator of the home. The administrator shall be responsible for reporting such matters in accordance with State law including to the Area Agency on Agency and to the Pennsylvania Long Term Care Division. Personal care administrators shall report the event to the regional office of the Department of Public Welfare.

2. The alleged violation will be thoroughly investigated and evidence of the investigation will be maintained. While the investigation is in progress, measures will be implemented to prevent any further potential abuse.
3. The results of all investigations must be reported to the administrator or his / her designated representative and to other officials in accordance with State law and QLS policy. If the alleged violation is verified, appropriate corrective action will be taken.
4. An employee who has reasonable cause to suspect that a resident is a victim of "abuse", "serious bodily injury", "serious physical injury" or "sexual abuse" shall make an oral and written report to the Area Agency on Aging within 24 hours of the event. In cases involving "serious bodily injury", "serious physical injury", "sexual abuse" or suspicious death, a written report shall also be made to the local police department within 2 hours of the event.

PLEASE NOTE THE SPECIFIC RESPONSIBILITIES OF EMPLOYEES AND CONTRACTORS TO REPORT POSSIBLE CRIMINAL ACTIVITY UNDER THE ELDER JUSTICE ACT.

The Elder Justice Act is a law which went into effect as part of the "Affordable Care Act" and which is designed to uncover crimes against care recipients in long-term care facilities.

The Elder Justice Act requires each owner, operator, employee, manager, agent or contractor of a nursing home facility (a "covered individual") to report to the Department of Health and Human Services and at least one local law enforcement entity, "any reasonable suspicion of a crime" (as defined by the law of the applicable political subdivision) against any individual who is a resident of, or is receiving care from, the facility. Covered individuals should report to the Pennsylvania Department of Health and to the local police department serving the community where the resident is receiving care. The report should contain the name of the person making the report as well as the date and time of his / her awareness of the incident.

Generally, suspicious events must be reported within 24 hours; however, any event resulting in "serious bodily injury" must be reported no later than two (2) hours after forming the suspicion. "Serious bodily injury" is defined as "an injury – (i) involving extreme physical pain; (ii) involving substantial risk of death; (iii) involving protracted loss or impairment of the function of a bodily member, organ, or mental faculty; or (iv) requiring medical intervention such as surgery, hospitalization or physical rehabilitation."

7. Accuracy of Billing and Cost Reporting

Quality Life Services will comply with all applicable rules and standards for submitting claims for reimbursement and will implement appropriate measures designed to ensure that:

- We bill for items or services actually rendered;
- We submit claims for items and services that are medically necessary;

- We submit claims to Medicare Part A and Medicare Replacement plans that we have contracts with for residents who meet eligibility criteria for Part A;
- We provide accurate information about a resident's medical condition on the Material Data Sheet ("MDS") and with respect to the determination of the Resource Utilization Group ("RUG") score assigned to the resident for reimbursement;
- We accurately code the level of service provided;
- We bill for all necessary items that are required to be included in our per diem rate from Medicare or the Medicare Replacement plan.
- We maintain sufficient documentation to support the diagnosis, justify treatment, document the course of treatment and results and promote continuity of care; and
- We will prepare and file cost reports that are complete and accurate.

8. Avoiding Kickbacks, Inducements, and Self-Referrals

Certain arrangements with physicians, residents, vendors and other persons and entities may violate the federal Anti-Kickback Statute and / or the Physician Self-Referral Law ("Stark Law"). We will avoid all arrangements that violate the law, including the following:

- routinely waiving coinsurance or deductible amounts without a good faith determination that the resident is in financial need or absent reasonable efforts to collect the cost-sharing amount;
- accepting or offering financial remuneration or anything else of value to or from an actual or potential referral source in exchange for the referral of federal healthcare program business;
- financial arrangements with physicians that exceed fair market value or fail to meet legal requirements; and
- arrangements with vendors that result in the nursing home receiving free services or non-covered items at below market prices or at no charge;

9. Providing Education on The False Claims Act

Quality Life Services is committed to conducting its operations so as to prevent any violation of the fraud and abuse laws and regulations that apply to the billing and payment of claims. The law defines fraud as the making of false statements or representations of material facts to obtain some benefit or payment for which no entitlement would otherwise exist. The False Claims Act is a federal law which imposes civil liability on any person or entity that knowingly submits, or causes to be submitted, a false or fraudulent claim for payment or approval to the U.S. government or its contractors or agents. Entities found to have violated the FCA are subject to a civil penalty of not less than \$5,500 and not more than \$11,000 per false claim, plus three times the amount of damages which the Government sustains. The FCA also prohibits knowingly making or using (or causing to be made or used) false records or statements in order to get a claim paid or approved by the

federal government or its contractors or agents. *Additional information about the False Claims Act is attached to this Code of Conduct in Exhibit A.*

Communication

Quality Life Services promotes and maintains a culture of open communication that encourages all of our employees and customers to ask questions and to report any concerns or problems. Employees are encouraged to ask questions and report concerns to their immediate supervisor first. If reporting the matter to the supervisor is not suitable for the issue or concern, the matter may be reported to a member of the Human Resources Department, to the Compliance Officer at 866-278-8659 or by email to compliance@qualityliveservices.com or through our Quality Care and Compliance Line (“Q-Line”) at 866-884-8652.

The Q-Line is confidential and is available to all employees, contractors, residents, family members and the community to report concerns regarding quality, care, ethics or known or suspected instances of non-compliance with a law or regulation: 1) when the individual is uncomfortable using the normal chain of command; and 2) when the individual desires to report the matter without releasing his / her name or other identifying information. All reported concerns and issues are logged and responded to promptly, including implementing any necessary changes to policies or practices as a result of the report.

It is the policy of Quality Life Services that employees and contractors who raise questions and concerns in good faith shall not suffer any retaliation or other reprisal.

PLEASE NOTE: All employees, contractors and vendors must report promptly all known or suspected violations of an applicable law or regulation, or any Quality Life Services policy to their supervisor, the Corporate Compliance Officer or to any member of the of the QLS management team.

Hiring/Contracting with Non-Excluded Persons

Quality Life Services may not employ or contract with any person or entity that is debarred, suspended or excluded from or declared ineligible to participate in any federal health care program. You must immediately notify the administrator or the Human Resources Department if, subsequent to your employment or contractual relationship, you are convicted of an offense that precludes employment in a nursing facility or if you are excluded from participation in any Federal health care program, or if an exclusion action is pending against you.

Disciplinary Guidelines

This Code of Conduct is an essential component of our organizational policies and procedures. All employees, contractors, volunteers, vendors, officers and directors are expected to comply with all provisions of this Code applicable to their job duties or relationship with Quality Life Services. Failure to comply with any component of this Code will result in discipline up to and including termination of employment, contract or relationship with Quality Life Services. Appropriate disciplinary measures shall be imposed on a case-by-case basis consistent with our current policies.

OUR CORPORATE COMPLIANCE AND ETHICS PROGRAM

Quality Life Services' Corporate Compliance Program and its *Code of Conduct* reinforce our mission and values by promoting organization-wide integrity and lessening the risk of harm to our residents and to our organization. Additional benefits of our Compliance Program include the ability to:

- provide quality care to our residents;
- promote awareness of the laws, regulations and standards that impact our business and the services we provide;
- encourage the reporting of any concerns or compliance issues;
- correct identified issues and minimize potential penalties; and
- continually improve the performance of our organization.

Our Corporate Compliance Program is managed by our Corporate Compliance Officer with oversight provided by a compliance committee. A detailed description of the role and responsibilities of the Compliance Officer and the compliance committee is set forth in Attachment "B".

Your Responsibility

It is your responsibility to know that our culture consists of our Mission and Values, and our standards regarding ethical conduct and open communication. It is our expectation that you will commit yourself to the following:

- To understand the Purpose of our Code of Conduct, and to act fairly, honestly and with the utmost integrity in all of your activities on behalf of Quality Life Services;
- To understand and fully follow the expectations described in our Code of Conduct and other policies of Quality Life Services that are relevant to your position;

- To faithfully participate in and complete all educational and training programs as required by Quality Life Services;
- To participate fully in all investigations, audits, monitoring plans, corrective action plans and related activities;
- To understand and comply with your obligations in the event a resident suffers any abuse or in the event of any adverse consequences as described under "*Residents Rights*" in this Code of Conduct;
- To exercise common sense and good judgment when performing your job; and
- To ask questions if you are not sure that something is right and to report all matters that are or could be a quality, care, legal, regulatory, policy or ethical issue.

EXHIBIT "A"

Summary of the False Claims Act

The False Claims Act ("FCA") provides, in pertinent part, that:

(a) Any person who (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval; (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; (3) conspires to defraud the Government by getting a false or fraudulent claim paid or approved by the Government; . . . or (7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government, is liable to the United States Government for a civil penalty of not less than \$5,500 and not more than \$11,000, plus 3 times the amount of damages per false claim.

(b) For purposes of this section, the terms "knowing" and "knowingly" mean that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required. 31 U.S.C. § 3729.

In addition to its substantive provisions, the FCA provides that private parties may bring an action on behalf of the United States. 31 U.S.C. 3730 (b). These private parties, known as "*qui tam* relators," may share in a percentage of the proceeds from an FCA action or settlement. The FCA provides protection to *qui tam* relators who are discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. 31 U.S.C. 3730(h).

Suspected Medicare Fraud and Abuse may be reported as follows:

OIG Hotline

Phone: 1-800-HHS-TIPS (1-800-447-8477)

Fax: 1-800-223-8164

E-mail: HHSTips@oig.hhs.gov

TTY: 1-800-377-4950

<https://oig.hhs.gov/fraud/hotline/report-fraud-form.aspx>

Mail: US Department of Health and Human Services, Office of Inspector General, Attn: OIG Hotline Operations. P.O. Box 23489. Washington, DC 20026

OR to our local Medicare Carrier, FI, or MAC

Pennsylvania Law

The Pennsylvania Department of Welfare, Bureau of Program Integrity (BPI), ensures Medical Assistance (MA) recipients receive quality medical services and that MA recipients do not abuse their use of medical services; applies administrative sanctions; refers cases of potential fraud to the appropriate enforcement agency and evaluates medical services rendered by medical providers and managed care organization provider networks. The Bureau monitors MA recipient overuse and abuse of medical services; maintains ongoing working relationships with federal and state enforcement agencies involved in monitoring potential health care fraud and abuse and ensures feedback is provided to the Department of Public Welfare to enhance program performance.

Suspected fraud or abuse of services provided under the MA Program, can be reported to the Bureau of Program Integrity at 1-866-DPW-TIPS (1-866-379-8477), by completing and submitting the MA Provider Compliance Hotline Response Form on the DPW website or write to:

Department of Public Welfare
Office of Administration
Bureau of Program Integrity
P.O. Box 2675
Harrisburg, PA 17105-2675

EXHIBIT "B"

Management of the Corporate Compliance and Ethics Program

Corporate Compliance Officer

Quality Life Services' Corporate Compliance Officer has the primary responsibility to oversee and monitor the implementation and activities of the Compliance Program. The Corporate Compliance Officer shall periodically update or revise the Program in light of changes in the organization's needs, legal and regulatory developments and reports and identified risk areas affecting the long term care industry. The Corporate Compliance Officer shall be an employee of Quality Life Services and shall report to the Quality Life Services Board of Directors. The Corporate Compliance Officer shall report the objectives, compliance and status of major initiatives of the Compliance Program to the Board of Directors at least annually.

The Compliance Officer's primary responsibilities include:

- To conduct risk assessments and all necessary follow-up actions in response to Office of Inspector General (OIG) and Center for Medicare and Medicaid Services (CMS) audits and reports, the annual OIG Workplan, educational programs sponsored by professional associations such as the Health Care Compliance Association and the American Health Lawyers Association, licensure surveys, reported complaints and issues and risks which are internally reported or discovered;
- To establish a process to ensure that independent contractors and agents who furnish physician, nursing, or other health care services to the residents of the nursing facility are aware of and agree to comply with the legal rights of residents and other applicable requirements described in the Code of Conduct;
- To verify that a process is in place to ensure that no QLS employees, independent contractors, vendors or medical staff are "excluded individuals" with respect to their ability to participate in federal health care programs by conducting regular checks of the OIG's List of Excluded Individuals and Entities and other relevant governmental lists;
- To investigate and act on matters related to compliance, including the flexibility to design and coordinate internal investigations, and to recommend appropriate corrective action (e.g., making necessary improvements to policies and practices and verifying that appropriate disciplinary action was taken);
- As appropriate, participating with external legal counsel in the appropriate reporting of self-discovered violations of federal or state laws, regulations or program requirements;

The Compliance Officer has the authority to review all documents and other information that are relevant to compliance, including but not limited to internal and external communications, contracts with referral sources, financial records, personnel records, medical and billing records and documents regarding the marketing efforts of Quality Life Services and its arrangements with other health care organizations and providers.

Compliance Committee

A Compliance Committee shall be comprised of the Quality Life Services management team, all nursing home administrators, the Compliance Officer and certain other personnel who are engaged in activities that present potential regulatory and operational risk including the risk areas identified in this Code of Conduct or which are otherwise applicable to our organization. The Compliance Committee shall also include personnel whose job duties are required for the effective implementation of the Compliance Program and for the identification and effective mitigation of potential risks. Such personnel include staff performing functions in the areas of reimbursement, human resources and clinical services.

The Committee may meet as a formal committee when necessary or appropriate in the event of a significant change in the law or issue affecting our organization, however, the Compliance Committee shall generally serve in an operational and oversight capacity by providing the organization and the Compliance Officer with additional expertise and resources and ensuring that compliance activities are effectively implemented within our nursing homes, pharmacy and living communities.

The Committee members shall be responsible for the development and implementation of compliance policies and procedures, relevant educational programs and the establishment of controls to monitor compliance, monitoring and auditing plans and measurement tools to monitor compliance in identified risk areas.

The Committee's specific responsibilities include:

- To understand the legal and regulatory requirements, rules and standards that apply to our organization;
- To periodically assess our policies, procedures, operational practices and facilities, including periodic "peer reviews" of our nursing homes, and make necessary additions or changes based on identified deficiencies, risk areas or changes to laws, regulations or standards;
- To report the results of internal and external audits, licensure surveys, corrective action plans, monitoring plans, complaints, reports (including calls to the "Q-Line") and investigations for the purpose of identifying deficiencies in quality, customer service or regulatory compliance, and identifying and implementing appropriate follow-up and / or corrective action;
- To provide appropriate education regarding our Code of Conduct and our policies and procedures that promote compliance with legal, regulatory and ethical requirements;
- To determine the appropriate strategies to promote compliance within our organization, including the reporting, detection and response to all potential violations through a hotline and internal reporting mechanisms;
- To develop, coordinate and / or participate in educational and training programs that focus on the key elements of Quality Life Service's Corporate Compliance Program, as well as all appropriate federal and state laws, regulations and standards;
- To ensure that new employees receive compliance training within 60 days of hire, and existing employees receive a minimum of one (1) to three (3) educational hours per year in corporate compliance, which may include web-based training, webinars, training conducted during staff meetings or in-person seminars conducted either on-site or off-site.