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FOR MEDICAL CARE

CORPORATE COMPLIANCE PROGRAM 2022



Dear Fellow Employees:

The Monroe Plan Board of Directors (Board) is committed to ensuring that the Corporation conducts all of its business activities in accordance with applicable state and federal laws and regulations;

In order to achieve this goal, the Board has determined that it is appropriate for the Corporation to adopt and implement a corporate compliance program consistent with applicable industry standards and relevant guidance provided by government agencies.

The management of the Corporation has developed a proposed corporate compliance program which is attached.

The Board has reviewed the Program and has concluded that the Program will provide a strong framework for detecting and preventing fraud, waste and abuse within the Corporation, and ensuring the Corporation's compliance with applicable laws and regulations.

If you have any questions regarding the Corporate Compliance Program please contact the Corporate Compliance Office.

Thank you for your attention and adherence to this program.

Dennis J. Graziano
President and Chief Executive Officer



I. The Purpose of This Compliance Program

The Monroe Plan for Medical Care (“Monroe Plan”) Corporate Compliance Program (the “Program”) is designed to promote Monroe Plan’s compliance with all applicable federal, state and local laws and regulations as well as government contracts and conditions of participation in public programs. The primary goals of the Program are to:

- Prevent fraud, abuse and other improper activity by creating a culture of compliance within Monroe Plan;
- Detect any misconduct that may occur at an early stage before it creates a substantial risk of civil or criminal liability for Monroe Plan; and
- Respond swiftly to compliance problems through appropriate disciplinary and corrective action.

The Program reflects Monroe Plan’s commitment to operating in accordance not only with the strict requirements of the law, but also in a manner that is consistent with high ethical and professional standards. The Program applies to the full range of Monroe Plan’s activities.

All members of Board of Directors (the “Directors”), officers, employees, contractors, volunteers and vendors (collectively “Covered Persons”) have a personal obligation to assist in making the Program successful. Covered Persons are expected to: (1) familiarize themselves with the Program’s Code of Conduct and compliance procedures; (2) review and understand the key policies governing their particular job functions; (3) report any fraud, abuse or other improper activity through the mechanisms established under the Program; (4) cooperate in internal and government audits and investigations; and (5) carry out their jobs in a manner that demonstrates a commitment to honesty, integrity and compliance with the law.

The Program is regularly reassessed and is constantly evolving to address new compliance challenges and maximize the use of Monroe Plan’s resources. Directors, officers and employees are encouraged to provide input on how the Program might be expanded or improved.

II. The Elements of the Program

The Program’s design is based on compliance guidance provided by the U.S. Department of Health and Human Services Office of Inspector General and the requirements imposed on health care providers under Section 363-d of the New York Social Services Law and Part 521 of Title 18 of the New York State Codes, Rules and Regulations and related guidance. The key elements of the Program, which are discussed in greater detail in the Program sections referenced below, are as follows:

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- A Code of Conduct that includes basic standards and references more detailed policies that guide Monroe Plan's activities (Section III);
- The assignment of personnel to oversee the Program, including the Compliance Officer and Compliance Committee (Section IV);
- Compliance training for all Covered Persons (Section V);
- Mechanisms for reporting compliance problems, including an anonymous reporting option, and a prohibition on retaliation against Covered Persons for making such reports (Section VI);
- Procedures for investigating reports of suspected compliance problems and cooperating in government investigations (Section VII);
- A system of compliance audits and reviews to detect noncompliance with contractual and statutory obligations, the Code of Conduct and potential fraud, abuse or other improper activity (Section VIII);
- Procedures for taking corrective action in response to identified compliance problems (Section IX); and
- The imposition of disciplinary measures against Covered Persons who engage in misconduct or fail to adhere to the terms of the Program (Section X); and
- Non-retaliation and non-intimidation for good-faith reporting of compliance concerns (Section XI); and
- False Claims (Section XII).

III. Code of Conduct

The Code of Conduct sets forth the basic principles that guide Monroe Plan's decisions and actions and assist Covered Persons with making the right choice when confronted with difficult situations. All Covered Persons are responsible for creating and maintaining an environment in which compliance concerns can be raised, reported, and addressed. All Covered Persons are expected to familiarize themselves with the Code of Conduct, which is available on the Monroe Plan intranet site, actively participate in the Program, and should abide by the standards contained in the Code in carrying out their duties.

The Code of Conduct is not intended to address every potential compliance issue that may arise. Monroe Plan has adopted more detailed written policies governing key aspects of its operations. Some of these policies are referenced in the Program; others may be provided to employees by their supervisors. Covered Person are required to review

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and carry out their duties in accordance with the policies applicable to their job functions or role or relationship with Monroe Plan. The Code of Conduct's standards are set forth below.

a. Reporting Non-Compliance with the Code, Misconduct, or Fraud, Waste or Abuse

All Covered Persons are required to report compliance concerns or potential fraud, waste and abuse or misconduct to the Compliance Officer. Staff may choose to first report the concern to their supervisor, and the supervisor is then responsible for reporting the concern to the Compliance Officer. The Compliance Hotline may be accessed 24 hours a day, 7 days a week by dialing (800) 233-4038 or reporting online via website which allows for anonymous reporting: <http://intranet/department/spcompliance.aspx>.

Covered Persons may also contact the Compliance Officer directly by reaching out through the methods set forth at the end of the Program.

b. Providing Access to Medically Necessary Services

Monroe Plan is committed to ensuring that all patients and members receive prompt access to the full range of medically necessary health care services to which the member is entitled under the applicable government program. All decisions regarding the medical necessity of proposed services must be made in accordance with the standards set forth in applicable law and Monroe Plan policies.

c. Submitting Complete and Accurate Reports

All financial, operational and other records and reports must be prepared accurately and reliably. Monroe Plan may be required to submit regular reports to the health plans with which it contracts. The information in these reports may be incorporated by health plans in their own reports, which are submitted to and may be used by the government for rate-setting, oversight or other purposes. All employees involved in the process of preparing and submitting cost reports must strive to ensure that these reports are accurate and complete. Expenses reflected on cost reports must have been actually incurred and properly recorded.

The same standards of accuracy and completeness apply to any other reports or data regarding Monroe Plan's operations submitted to government agencies or private parties.

Among other things, it is a violation of the False Claims Act to knowingly submit a false or fraudulent claim for payment to a federal program such as Medicaid or Medicare. The Monroe Plan may be subjected to treble damages (i.e., three times the amount of the false claims) and civil monetary penalties of up to \$21,562.80 per claim under the False Claims Act. Other state and federal laws impose civil and criminal penalties on Monroe Plan and its employees for improper billing activity. These laws are set forth in detail in at

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the end of this Code and in our Deficient Reduction Act of 2005 (“DRA”) Policy. (Exhibit 9)

d. Avoiding Kickbacks and Referral Fees

Under the federal Anti-Kickback Statute, it is illegal for any person to knowingly and willfully solicit, receive, offer or pay anything of value to another person in return for the referral of a member, or in return for the purchasing, leasing, ordering or arranging for any item or service reimbursed by a federal health care program such as Medicaid or Medicare. Penalties for violating the Anti-Kickback Statute include imprisonment, criminal fines, civil monetary penalties and exclusion from government health care programs. A similar New York law prohibits the exchange of remuneration for referrals for items or services covered by the state’s Medicaid program.

Monroe Plan has adopted an Anti-Kickback Policy (Exhibit 1) that describes the restrictions imposed under the Anti-Kickback Statute in greater detail. All Covered Persons involved in purchasing items or services from vendors, or managing relationships or conducting business transactions with sources or recipients of member referrals, should familiarize themselves with this Policy.

e. Avoiding Conflicts of Interest

Covered Persons are required to act solely in the best interests of Monroe Plan when carrying out their responsibilities on behalf of Monroe Plan and must avoid all activities that constitute or create the appearance of a conflict of interest. Covered Persons are prohibited from using their position with Monroe Plan for personal benefit. For example, employees are prohibited from accepting gifts of more than nominal value from vendors of Monroe Plan or facilitating contracts between Monroe Plan and companies in which they have a financial interest.

Monroe Plan has adopted an Employee Conflicts of Interest Policy (Exhibit 2) that contains standards and procedures for avoiding conflicts of interest. All employees are expected to familiarize themselves with this policy. Employees involved in procurement or other sensitive job duties may be required to submit annual conflict of interest disclosure forms.

Monroe Plan’s Directors and Officers are also required to avoid conflicts of interest. Among other things, they are prohibited from voting on or otherwise influencing the implementation of business arrangements between Monroe Plan and the Director/Officer or a company in which the Director/Officer has a financial interest. Monroe Plan has adopted a Directors and Officers Conflicts of Interest Policy (Exhibit 3). All Directors and Officers are expected to familiarize themselves with this policy. Directors and Officers are required to submit annual conflict of interest disclosure forms.

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f. Using Resources Exclusively for Monroe Plan Business

Covered Persons who have access to Monroe Plan resources may use Monroe Plan resources solely for the purpose of carrying out their responsibilities related to the services provided to Monroe Plan. Monroe Plan's facilities, equipment, staff and other assets may not be used by an employee for personal benefit or to engage in any outside business or volunteer activity without the prior approval of the Compliance Officer. Covered Persons may not use their affiliation with Monroe Plan to promote any business, charity or political cause without the Compliance Officer's approval. Covered Persons shall seek reimbursement for expenses only to the extent such expenses have been incurred in the course of carrying out their duties on behalf of Monroe Plan and in accordance with Monroe Plan's expense reimbursement policies.

g. Ensuring Equal Opportunity for all Members, Employees and Contractors

Monroe Plan is committed to serving all members on an equal basis without regard to race, age, creed, color, national origin, religion, gender, sexual orientation, military status, disability or any other personal characteristic with respect to which discrimination is barred by law. Discrimination on these grounds is also prohibited in connection with the hiring and treatment of employees and contractors. In addition, sexual harassment of employees, contractors or members will not be tolerated. Monroe Plan seeks to create an environment in which the dignity of each individual is fully respected.

h. Maintaining the Confidentiality of Patient/ Member Records

All Patient/member records must be kept confidential in accordance with applicable privacy laws and regulations. As a health home provider and "business associate" of the health plans with which it contracts, Monroe Plan must comply with the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder ("HIPAA"), which limits the use and disclosure of protected health information. Monroe Plan must also comply with special state confidentiality laws governing HIV-related and genetic testing information. Monroe Plan has adopted a comprehensive privacy compliance program governing the use and disclosure of member records. All Covered Persons who have access to such records must familiarize themselves with this program's policies and procedures, and adhere to their terms.

i. Complying with Government Contracts

Monroe Plan is a health home provider and subcontractor to health plans operating under state and federal government contracts. In this capacity, Monroe Plan may be required by contract to comply with rules and standards governing Medicaid, Medicare and other state and federal health care programs. Employees and contractors are expected to familiarize



themselves with the contract requirements applicable to their duties and carry out their responsibilities in a manner consistent with these obligations.

j. Complying with Applicable Law

Monroe Plan is committed to carrying out its business in full compliance with both the letter and spirit of all applicable local, state and federal laws and regulations. Illegal conduct by Covered Persons will not be tolerated. Covered Persons are expected to seek clarification from their supervisor, the Compliance Officer or other Monroe Plan personnel whenever they are unsure about the interpretation of applicable laws or regulations.

k. Conducting all Business With Honesty and Integrity

Monroe Plan is committed to conducting all of its activities with honesty and integrity. Employees, contractors, volunteers and Directors are expected to act in a manner that promotes Monroe Plan's reputation as an organization that exceeds the strict requirements of the law and operates in accordance with the highest ethical standards.

l. Complying with other Monroe Plan Policies and Procedures

In accordance with federal and state requirements, as well as industry best practices, Monroe Plan has additional policies and procedures that address, among other things:

- Billing Payments
- Medical Necessity and Quality of Services
- Governance
- Mandatory Reporting
- Credentialing; and
- Other Risk Areas

Covered Persons are required to comply with these policies and procedures as though they were expressly included in this Code of Conduct.

IV. Compliance Oversight Personnel

a. Compliance Officer

The Compliance Officer's name and contact information is listed at the end of the Code and Program. The Compliance Officer is responsible for overseeing the implementation and modification of the Program. The Compliance Officer's chief duties include, but are not limited to, the following:

- Developing policies and procedures governing the operation of the Program;
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- Managing day-to-day operation of the Program;
- Periodically reviewing and updating the Code of Conduct and related policies;
- Overseeing operation of the Compliance Hotline described in Section VI below;
- Receiving, evaluating and investigating compliance-related complaints, concerns and problems;
- Ensuring proper reporting of violations to duly authorized enforcement agencies as appropriate or required;
- Working with the Human Resources Department and others as appropriate to develop the compliance training program described in Section V below;
- Regularly evaluating the effectiveness of and strengthening the Program; and
- Working with the Human Resource Department to ensure that disciplinary action is enforced consistently for violations of this Code or law or regulations and ensuring that no Covered Person is retaliated against for, in good-faith, raising a compliance concern or participating in a compliance investigation.

The Compliance Officer reports directly to the Chief Executive Officer (the “CEO”). The Compliance Officer also makes regular reports to the Audit and Finance Committee of the Board of Directors on the operation of the Program.

Covered Persons should view the Compliance Officer as a resource to answer questions and address concerns related to the Code, Program or compliance issues. As discussed in Section VI below, the Compliance Officer maintains an “open door” policy and may be contacted directly by any Covered Person regarding a compliance-related matter.

Depending on the level of resources available to Monroe Plan, the Compliance Officer may be assisted by a Compliance Manager and/or other personnel. The Compliance Officer may delegate certain day-to-day Program responsibilities to these individuals.

b. Compliance Committee

The Compliance Committee is comprised of the Compliance Officer, Chief Financial Officer, Chief Medical Officer and any other employees designated by the CEO. The CEO seeks to appoint members to the Compliance Committee with varying backgrounds and experience to ensure that the Compliance Committee has the expertise to handle the full range of clinical, administrative, operational and legal issues relevant to the Program.

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The Compliance Committee's functions include, but are not limited to, the following:

- Receiving regular reports from the Compliance Officer and providing him or her with guidance regarding the operation of the Program;
- Approving the auditing plan carried out under the Program (see Section VII below);
- Approving the compliance training program provided to all employees;
- Reviewing and confirming the adequacy of all investigations of suspected fraud or abuse and any corrective action taken as a result of such investigations; and
- Recommending and approving any changes to the Program.

The Compliance Committee is chaired by the Compliance Officer. The Compliance Committee meets no less than quarterly. Minutes of each Compliance Committee meeting are maintained by the Compliance Officer.

c. Board of Directors

The Board of Directors has ultimate authority for the governance of Monroe Plan, including oversight of Monroe Plan's compliance with applicable law. The Board of Directors created a Finance, Audit and Compliance Committee of the Board that has been delegated authority for overseeing the activities of the Compliance Officer and Compliance Committee as well as the general operation of the Program.

The Audit and Finance Committee receives reports on the operation of the Program directly from the Compliance Officer at least once every quarter. The Compliance Officer has the right to bring matters directly to the Audit and Finance Committee's attention at any time. On an annual basis, the Board of Directors evaluates the effectiveness of Program and offers an executive session to the Compliance Officer where the Program can be discussed.

V. Compliance Training

Every staff member must attend the basic compliance training session offered by Monroe Plan within 45 days of the commencement of employment. This session covers the contents of the Code of Conduct and the key elements of the Program. Attendees must acknowledge in writing that they have received this training and understand the Code of Conduct. Employees must also attend refresher training sessions as required by the Compliance Officer or the Compliance Committee. Staff members are required to participate in any advanced compliance training sessions organized by their

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department, which are designed to focus on the specific compliance issues associated with the department's functions. All training activities are conducted in accordance with Monroe Plan's Employee Learning and Development Policy (Exhibit 4).

To the extent that an issue arises through an audit or issuance of new laws, rules regulations or otherwise, the Compliance Officer will work with management on developing and disseminating appropriate training points and educational materials.

Vendors and contractors receive on-boarding and training appropriate to the services they are rendering to Monroe Plan and receive a copy of, or access to the Program, Code of Conduct and how to report compliance concerns. Additionally all Directors receive training at appointment and annually.

VI. Reporting Compliance Problems

a. Reporting Options

In accordance with its Fraud and Abuse Reporting Policy, Monroe Plan maintains open lines of communication for the reporting of suspected improper activity. Covered Person are expected to promptly report any such activity of which they become aware in one of the following ways:

- Notifying their supervisor (and if it is a compliance issue, then the supervisor is expected to notify the Compliance Officer); or
- Notifying the Compliance Officer; or
- Notifying any other member of the Compliance Committee with whom they feel comfortable who shall notify the Compliance Officer; or
- Filing a report through the Compliance Hotline, the Compliance Dropbox located on the intranet or any of the Compliance Dropbox's located throughout the building.

b. Compliance Hotline and Dropboxes

The Compliance Hotline may be accessed 24 hours a day, 7 days a week by dialing (800) 233-4038. The Intranet dropbox may be accessed from the Compliance page located on the company's intranet site. The physical dropbox's are located on the first and third floors of the Bushnell Basin building. To encourage full and frank reporting of suspected fraud or abuse, Monroe Plan gives employees the option of filing complaints through the Compliance Hotline or drop boxes anonymously. The Compliance Officer is responsible for reviewing all Compliance Hotline/Dropbox reports, assessing whether they warrant further investigation and ensuring that any compliance problems are identified and corrected. A person who reports suspected fraud or abuse through the Compliance Hotline, whether anonymous or not, shall have his or her identity kept

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confidential unless the matter is turned over to law enforcement.

Employees should understand that the Compliance Hotline/Dropboxes are designed solely for the reporting of fraud, abuse and other compliance problems; they are not intended for complaints relating to the terms and conditions of an employee's employment. Any such complaints should be directed to the Director of Human Resources.

c. Non-Retaliation

Under Monroe Plan's Whistleblower Policy (Exhibit 5), no Covered Person who files a report of suspected fraud, abuse or other improper activity in good faith will be subject to retaliation by Monroe Plan in any form. Prohibited retaliation includes, but is not limited to, terminating, suspending, demoting, failing to consider for promotion, harassing or reducing the compensation of any person due to the person's intended or actual filing of a report. In the event that any Covered Person believes he or she is being retaliated against, the individual should immediately report any such retaliation to the Compliance Officer.

VII. Investigations

a. Internal Investigations

All reports of fraudulent, abusive or other improper conduct, whether made through the Compliance Hotline or otherwise, are promptly reviewed and evaluated by the Compliance Officer. The Compliance Officer determines, in consultation with the legal counsel and other Monroe Plan personnel as necessary, whether the report warrants an investigation. If so, the Compliance Officer coordinates the investigation, issues a written report of its findings and proposes any corrective action that may be appropriate. The Compliance Officer shall maintain a log of all such reports including the disposition of such reports. All reports of non-compliance will be reported to the CEO and Board of Directors.

b. Government Audits and Investigations

In accordance with Monroe Plan's Government Investigations Policy (Exhibit 6), employees and contractors are expected to fully cooperate in all government audits and investigations. Any staff member who fails to provide such cooperation will be subject to termination of his or her relationship with Monroe Plan.

All subpoenas and other governmental requests for Monroe Plan documents will be forwarded to legal counsel, who is responsible for reviewing and responding to such requests. Covered Persons are strictly prohibited from destroying, improperly modifying or otherwise making inaccessible any documents that the employee knows are the subject of a pending government subpoena or document request. Covered Persons are also barred from directing or encouraging another person to take such



action. These obligations override any document destruction policies that would otherwise be applicable.

If an employee, contractor or Board member receives a request from a government investigator to provide an interview, such persons should immediately contact his or her supervisor (a Board member should contact the CEO) and inform the Compliance Office. Monroe Plan's legal counsel will seek to coordinate and schedule all interview requests with the relevant government agency. All Covered Persons are expected to answer all questions posed by government investigators truthfully and completely.

VIII. Compliance Audits and Reviews

Monroe Plan seeks to identify compliance issues proactively. One of the key methods of achieving this goal is the performance of routine and periodic monitoring and audits and compliance reviews.

In accordance with Monroe Plan's Auditing Policy (Exhibit 7), at the beginning of each year, the Compliance Officer develops a work plan setting forth a schedule of internal and external monitoring and audits activities and compliance reviews. The work plan is approved by the Compliance Committee. The audits cover aspects of Monroe Plan's operations that pose a heightened risk of non-compliance, including, but not limited to, provider credentialing, provider billing, and cost reporting and ensuring access to necessary medical care. When determining audit areas, the following will be considered:

- the OMIG and OIG work plans;
- Monroe Plan's history of non-compliance in certain areas;
- results of previous government and internal audits;
- changes in laws and regulations;
- issues identified by the Corporate Compliance Committee; and
- issues identified by regulatory bodies pursuant to audits, pronouncement or otherwise.

Risk will be prioritized according to the following: (i) the frequency of each risk; (ii) the likelihood that a negative outcome will result; (iii) impact on the delivery of services; (iv) impact on other contracts and operations; or (v) financial impact.

The Compliance Officer serves as a resource to all of the departments in the development of the work plan. A written report is prepared summarizing the findings of each audit, and recommending any appropriate corrective action. These written reports are provided to the Finance, Audit and Compliance Committee of the Board.

All employees and contractors, and where key functions are delegated to other Covered Persons, then such Covered Persons, are required to participate in and cooperate with internal audits as requested by the Compliance Officer. This includes assisting in the production of documents, explaining program operations or rules to auditors and implementing any corrective action plans.

IX. Corrective Action

Monroe Plan is committed to taking prompt corrective action to address any non-compliance and fraud, abuse or other improper activity identified through audits, investigations, and reports by Covered Persons or other means. The Chief Executive Officer is generally responsible for reviewing and approving all corrective action plans. However, the Compliance Officer is authorized to recommend corrective action directly to the Finance, Audit and Compliance Committee of the Board of Directors if the Compliance Officer believes, in good faith, that the Chief Executive Officer is not promptly acting upon such a recommendation. In cases involving clear fraud or illegality, the Compliance Officer also has the authority to order interim measures, such as a suspension of billing, while a recommendation of corrective action is pending.

Corrective action may include, but not be limited to, any of the following steps:

- Modifying existing policies, procedures or business practices;
- Providing additional training or other guidance to Covered Persons;
- Seeking interpretive guidance of applicable laws and regulations from government agencies;
- Disciplining employees (see Section X below), terminating contractors, or removing Directors;
- Notifying law enforcement authorities of criminal activity by employees, contractors or others;
- Returning overpayments or other funds to which Monroe Plan is not entitled to the appropriate government agency or program; or
- Self-disclosing through established state and federal self-disclosure protocols.

X. Discipline

It is expected that Covered Persons will report compliance issues immediately. If it is found that Covered Persons did not report compliance issues that they were aware of, they will be subject to discipline. The imposition of discipline may be based on, among other things, the person's unlawful or unethical actions, negligent or reckless conduct, deliberate ignorance of the rules that govern their job (including the applicable Code, compliance policies and procedures and applicable laws, rules and regulations), encouraging, directing, facilitating or permitting noncompliant behavior, condoning or not reporting unlawful actions by others, or retaliation or intimidation against those who report suspected wrongdoing, or other violations.



Such discipline may range from oral warnings to suspension, privilege revocation (subject to applicable peer review procedures), or termination or financial penalties, as appropriate, and may require reporting to federal and/or state oversight bodies. Disciplinary action will be taken on a fair and equitable basis. Staff who engage in noncompliance, fraud, abuse or other misconduct are subject to disciplinary action in accordance with Monroe Plan's Employee Discipline Policy (Exhibit 8). Any such sanctions will be carried out by the Human Resources Department in consultation with the Compliance Officer.

No Staff member shall be disciplined on the basis that he or she reported, in good-faith, what was reasonably believed to be an act of wrongdoing or a violation of the Program or Code.

XI. Non-Retaliation/Non-Intimidation

A key element of the Program is the ability of Staff members and Directors to express problems, concerns or opinions, and participate in and cooperate in a compliance investigation, without fear of retaliation or intimidation, in full compliance, with among other laws and regulation, New York State Labor Law Sections 740 and 741 (A copy of which is attached to Whistleblower Policy). Monroe Plan will not tolerate any retaliation or intimidation against any staff member or Director for complying with any aspect of the Program and/or who in good faith raises a compliance concern, otherwise participates in the Program, including, but not limited to, reporting and/or investigating compliance issues, engaging in self-evaluations, audits or remedial actions, or for reporting to appropriate officials as defined in New York State Labor Law Sections 740 and 741.

Retaliation or intimidation in any form taken against an individual for raising a compliance concern or fraud, waste and abuse concern by any Covered Person is strictly prohibited and is itself a serious violation of the Code.

Managers have the responsibility to maintain an environment whereby employees and contractors feel comfortable raising issues or asking questions. Managers should also take appropriate steps to address concerns that are raised and communicate the results of corrective action whenever possible or appropriate. Any Staff member who commits or condones any form of retaliation will be subject to discipline up to, and including, termination.

XII . False Claims

Employees are expected to report any suspected False Claims to the compliance Officer in accordance with Monroe Plan's DRA Policy (Exhibit 9).



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How to Contact the Compliance Officer?

You may contact the Compliance Officer by emailing ComplianceDepartment@monroeplan.com or calling 1-585-256-8473.

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Monroe Plan has adopted the Program with the goal of carrying out all of its activities in accordance with law and the highest ethical standards. The effectiveness of the Program hinges on the active participation of all employees in preventing, detecting and appropriately responding to fraud, abuse or other misconduct. Working together, we can make Monroe Plan a model of excellence and integrity in the community.



EXHIBIT 1

ANTI-KICKBACK POLICY

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ANTI-KICKBACK POLICY

Purpose of Policy

The purpose of this policy is to ensure compliance by Monroe Plan with the federal and state anti-kickback statutes.

Applicable Law

The federal anti-kickback statute prohibits any person from knowingly and willfully soliciting, receiving, offering or paying anything of value to another person in return for the referral of a patient, or in return for the purchasing, leasing, ordering, or arranging for any item or service, reimbursed by a federal health care program such as Medicare or Medicaid (42 U.S.C. § 1320a-7b). Penalties for violating the statute include imprisonment, criminal fines, exclusion from government health care programs and civil monetary penalties. A similar New York law prohibits the exchange of remuneration for referrals for items or services covered by the state's Medicaid program (N.Y. Social Services Law § 366-d).

Statement of Policy

Prohibition on Exchange of Remuneration for Member Referrals

Employees are prohibited from offering or paying anything of value, whether in cash or in kind, to another party in return for the referral of a member to Monroe Plan. Likewise, employees are prohibited from soliciting or receiving anything of value, whether in cash or in kind, from another party in return for the referral of a member by Monroe Plan to another health care provider.

Acceptance of Gifts from Vendors

The acceptance of gifts from current or prospective vendors of Monroe Plan may also constitute an improper kickback under state and federal law. Accordingly, employees may not solicit or receive any such gifts except as permitted by Monroe Plan's Employee Conflict of Interest Policy.

Examples of Potential Kickbacks

Examples of conduct that violates this policy include, but are not limited to, the following:

- An employee accepts free meals or tickets to a cultural event from a vendor in return for entering into a contract with the vendor. An employee conditions a participating provider's contract and reimbursement rate on the referral of patients by the provider to Monroe Plan or the performance of other marketing
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activities on Monroe Plan's behalf.

- An employee accepts something of value from a provider in exchange for being granted a contract.
- An employee provides free space, free services or other items of value to a community-based organization in return for the referral of potential members to Monroe Plan.

Structuring Business Arrangements to Comply with Safe Harbors

Certain common business arrangements between parties exchanging referrals may be structured to fit within "safe harbors" to the anti-kickback statute. Complying with a safe harbor ensures that no portion of the compensation flowing under the arrangement may be characterized as an improper inducement for referrals. Although compliance with a safe harbor is not legally required, Monroe Plan seeks to fit business arrangements with vendors and member referral sources into a safe harbor whenever feasible.

In particular, Monroe Plan generally requires that any financial concessions offered by vendors or providers in return for business be in the form of discounted prices or rebates rather than separate remuneration paid to Monroe Plan outside the negotiating pricing. In addition, any lease with a source or recipient of member referrals should be reflected in a written agreement that provides for aggregate rent that is fixed in advance for a period of at least one year and is consistent with fair market value. Service agreements should be structured in a similar manner.

Monroe Plan may enter into a financial arrangement with a vendor or a source or recipient of member referrals that does not satisfy a safe harbor only with the approval of the Compliance Officer, who shall consult with counsel as necessary. Oral agreements with vendors or sources or recipients of member referrals for space or services, including oral supplements to or amendments of existing written agreements are strictly prohibited. Whenever feasible, Monroe Plan will seek to verify the fair market value of space or services through a third party expert or data source. This process may include a review of comparable real estate listings in the community, the purchase of proprietary databases or the retention of an independent valuation expert.

Handling Questions and Concerns

The anti-kickback statute is complex and Monroe Plan expects that, from time to time, employees may have questions as to whether a particular activity or arrangement is consistent with this policy. Employees are encouraged to ask their supervisors for guidance in this area. In addition, employees may directly contact the Compliance Officer for assistance in interpreting this policy.

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Enforcement

Employees who do not comply with this policy will be subject to disciplinary action by Monroe Plan. Depending on the facts and circumstances of each case, Monroe Plan may reprimand, suspend or dismiss any employee who fails to comply with this policy.



EXHIBIT 2

EMPLOYEE CONFLICT OF INTEREST POLICY

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EMPLOYEE CONFLICT OF INTEREST POLICY

Purpose of Policy

The purpose of this policy is to ensure the integrity of decisions made on behalf of Monroe Plan. Business decisions should be free of personal bias, interest or gain. The intent of this policy will be met when decisions are made fairly and objectively, with the interests of the organization in mind.

Personal interests will be disclosed when they present actual or potential conflicts with the interests of the organization, or appear to conflict with the objectivity and integrity of professional roles and responsibilities.

Definitions

Conflict of Interest - Competing personal and professional interests whereby personal interests may be in conflict with professional roles and responsibilities.

Personal Interest - Motivated by personal gain, which may involve financial interests, personal relationships or activities outside of work.

Financial Interest - Driven by the potential for personal financial gain. Financial interests may include stocks, bonds, securities, and other investments in which an individual, or someone with whom they have a personal relationship, has a financial stake.

Personal Relationship - Any relationship other than a professional one. Personal relationships have the potential to impact professional objectivity. Examples are the relationship you have with a spouse, relative, friend, romantic partner, someone who lives in your household or with whom you have a financial connection.

Outside Activities - Engaging in activities outside work that appear to be in conflict with professional roles. Examples include serving on the board of a competitor, working for a competitor or having financial interest (ownership or investment) in a competitor.

Statement of Policy

Employees must refrain from participating in any activity or business venture that could conflict with the interests of Monroe Plan. Specifically, you may not accept personal payment or other benefits from any supplier, provider or enrollee of the organization, nor should you take any action as a representative of the organization for personal gain. Outside employment may constitute a conflict of

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interest; therefore your employment with any provider, enrollee or similar entity must be approved in writing in advance by your manager and the Human Resources Department.

Disclosure and Assessment

When a conflict of interest is identified, there will be self-disclosure or disclosure by others aware of the situation. Disclosure should be to a member of management or the Compliance Officer who can objectively assess the situation. Each situation will be assessed on a case-by-case basis to determine if personal interests are compromising, or have the potential to compromise, professional integrity.

Common Examples for Potential Conflicts of Interest

Purchasing and Contracting

Contracting decisions should be based on vendor history, quality, service, price and other factors necessary to advance the interests of the organization. Individuals who have the ability to make or influence a purchasing or contracting decision should be free of personal bias or gain. Personal relationships with a potential vendor or contractor, financial interests, gifts or favors received and other forms of influence should be disclosed. When a potential conflict of interest exists, there may be exclusion from the selection, negotiation, purchasing and contracting process.

Staffing

Staffing decisions should be based on academic credentials, skills, experience, professional qualifications and achievements and other factors necessary to excel in the role. Individuals who have the ability to make or influence staffing decisions should be free of personal bias or gain. Staffing decisions involving immediate family members, relatives and other individuals where a personal relationship exists should be disclosed. When a potential conflict of interest exists, there may be exclusion from the screening, selection or hiring process, career development, advancement and other staffing decisions.

Gifts and Gratuities

Substantial gifts, favors or excessive business entertainment from providers and enrollees or suppliers are strictly prohibited. A gift, favor or entertainment is considered substantial or excessive if it might influence your business relationship with

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the donor. Cash should never be accepted. Substantial gifts and gratuities could include, but are not limited to, loans, tuition, seminars and conferences. When a potential conflict of interest exists, there may be exclusion from the process and decision that is subject to influence by the acceptance of such gifts and gratuities.

Corporate Assets

The privilege to access and use corporate assets is granted to advance the interests of the organization and should not be abused for personal gain. Financial, personal and other incentives to misuse cash, property, equipment, supplies and other company resources should be disclosed. Waste and abuse of corporate assets may result in disciplinary action.

Information Integrity

The management and communication of information should be free of personal bias or gain. Financial, personal and other incentives that may compromise the integrity of information documentation and reporting should be disclosed. When a potential conflict of interest exists, there may be exclusion from access, analysis and presentation of information.

Outside Activities

Outside activities that may conflict with professional roles and responsibilities should be disclosed and include, but are not limited to, serving on competitor boards, working for competitors, ownership in a competing business, investments in competitors, political activities, contributions, or activities that go against the core values of the organization.

Procedure

Monroe Plan Human Resources in conjunction with the Monroe Plan Compliance Officer require all employees on an annual basis to read the Conflict of Interest Policy and sign that they have read the policy and understand the policy. If an employee has other employment they will also be required to complete a conflict of Interest form.

Upon the form completion the Monroe Plan Compliance Officer and Human Resources will review potential Conflict of Interests.

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Violations

Violation of this policy may result in disciplinary action, up to and including termination for employees, termination of vendor, contractors or consultant contracts, or dismissal for interns and volunteers. Additionally individuals may be subject to loss of access privileges and/or civil or criminal prosecution.



EXHIBIT 3

DIRECTORS AND OFFICERS CONFLICT OF INTEREST POLICY



DIRECTORS AND OFFICERS CONFLICT OF INTEREST POLICY

Purpose of Policy

The purpose of this policy is to protect the interests of Monroe Plan when it is contemplating entering into a transaction or other business relationship that might, directly or indirectly, benefit the private or outside interests of one of Monroe Plan's directors or officers.

Conflicts of interest potentially place personal or outside interests at odds with the fundamental duty of loyalty owed by Monroe Plan's officers and directors as fiduciaries of Monroe Plan. The appearance of a conflict of interest can also damage Monroe Plan's institutional credibility and Monroe Plan's ability to fulfill its mission and programmatic goals. The Board of Directors expects that directors and officers will respect their obligations to act in the best interests of Monroe Plan in fulfilling its non-profit mission.

Definitions

Conflict of Interest. "Conflict of Interest" means any Transaction involving Monroe Plan and an Interested Person.

Interested Person. "Interested Person" means, with respect to any Transaction to which Monroe Plan is a party, any of Monroe Plan's directors or officers if such person:

Is a party to the Transaction;

Is a director or officer of any other corporation, firm, association or other entity that is a party to the Transaction (or holds a position in such corporation, firm, association or other entity with responsibilities or powers similar to those of a director or officer); or

Has a direct or indirect Substantial Financial Interest in such Transaction.

Substantial Financial Interest. A person has a "Substantial Financial Interest" in any corporation, firm, association or other entity if such person receives compensation (i.e., wages, fees, other direct or indirect remuneration, gifts or favors that are substantial in nature, etc.) from or has, directly or indirectly, through business, investment or Family, an aggregate beneficial equity interest of 10 percent or more in such corporation, firm, association or other entity.

Family. The "Family" of an individual shall include (i) such individual's parents, spouse, children, brothers and sisters, (ii) the parents, brothers and sisters of the individual's spouse and (iii) the spouses of the individual's parents, children, brothers and sisters.

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Transaction. The term “Transaction” means any contract, investment, loan, lease, joint venture, or other business or financial arrangement, whether direct or indirect.

Statement of Policy

Per Se Conflicts of Interest

Monroe Plan shall not make a loan to (i) any of Monroe Plan’s current directors or officers; (ii) any corporation, firm, association or other entity in which any current director or officer is a director, officer or employee (or holds a position in such corporation, firm, association or other entity with the responsibilities or powers similar to those of a director or officer); or (iii) any corporation, firm, association or other entity in which any director or officer has a direct or indirect Substantial Financial Interest.

The ordinary deposit of funds in a bank or the purchase by Monroe Plan of bonds, debentures, or similar obligations of a type customarily sold in public offerings shall not be considered loans for purposes of this policy. In addition, notwithstanding the above prohibition, Monroe Plan may make a loan to another not-for-profit corporation that is a “Type B” corporation under applicable New York State law, subject to the disclosure and approval requirements of this policy if such loan represents a Conflict of Interest.

Compensation Decisions

No director who receives compensation from Monroe Plan for services shall vote on matters pertaining to such director’s compensation; provided, however, this prohibition shall not include determinations regarding the fee schedule established by Monroe Plan for all participating physicians, even if the director is paid under such fee schedule. Compensation to officers shall require the affirmative vote of a majority of the Board of Directors, unless a higher proportion is set in the Certificate of Incorporation or By-laws.

Procedures in Other Conflict of Interest Cases

If any director or officer is an Interested Person in connection with any Transaction to which Monroe Plan is a party, the director or officer must disclose in good faith to the Board or the Board Committee that is considering the Transaction any material facts relevant to why such Transaction may present a Conflict of Interest.

If the Board or Committee that is considering a Transaction has been informed or is otherwise aware of a potential Conflict of Interest:

Any Interested Person may make a presentation to the Board or Committee regarding the Transaction, but after making such presentation he or she shall leave the Board or Committee meeting while the remaining Board or Committee members discuss the Transaction and the possible existence of a Conflict of Interest; and

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the remaining Board or Committee members shall decide if the Transaction presents a Conflict of Interest.

If the Interested Person is a director, such person may not be counted in determining the presence of a quorum for any vote concerning the existence of a Conflict of Interest. No Interested Person shall participate in, or use personal influence with regard to, the deliberations concerning the existence of a Conflict of Interest.

Following due deliberation pursuant to this policy, the Board or Committee may determine that a Transaction does not present a Conflict of Interest. In such cases the Board or Committee need take no further action prior to approving the Transaction, other than its usual procedures for approving Transactions.

If the Board or Committee determines that a Conflict of Interest exists, the Transaction may be authorized (a) by the Board of Directors, but only by a vote sufficient to approve the Transaction without including the vote of any director that is an Interested Person; or (b) by the members of Monroe Plan that are entitled to vote thereon, if any, by a vote sufficient to approve the Transaction.

Additional Guidelines for Officers, Directors and Committee Members

Officers and directors shall not use their position with Monroe Plan to benefit the interests of a particular organization, constituency, or special interest group by any means, including but not limited to, providing information not available to potential transaction partners or grantees, lobbying on behalf of or serving as spokesperson to Monroe Plan for an organization or interest group with which he or she is affiliated, or attempting to effect a positive decision for such organization or interest group through his or her position within Monroe Plan.

Officers and directors will maintain the confidentiality of all non-public information about Monroe Plan of which they become aware. Officers and directors shall not use confidential information for any purpose other than as required to carry out their duties on behalf of Monroe Plan.

Records of Proceedings

The minutes of the Board and all Committee meetings shall contain:

- The names and positions of directors and officers who disclosed that they were Interested Persons or otherwise were found to be Interested Persons, a description of the nature of the relationship and/or Substantial Financial Interest which gave rise to such disclosure or identification, and a description of the Transaction at issue;
 - The names of the directors who were present during the taking of the action to
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determine whether a Conflict of Interest was present, and the basis for there being a quorum for the taking of such action;

- The steps taken by the Board or Committee to determine whether a Conflict of Interest was present. The Board's or Committee's decision as to whether a Conflict of Interest was present and the basis for such decision; and
- The Board's or Committee's decision as to whether to proceed with the Transaction and the names of the persons who voted to approve the Transaction.

Annual Statements

Each director and officer shall annually sign a Disclosure and Affirmation Statement describing their relationships with outside parties.

Referral to Counsel

Questions regarding interpretation or application of this policy should be referred to Monroe Plan's counsel for clarification.

Enforcement of Policy

If the Board or a Committee has reasonable cause to believe that a director or officer has failed to make disclosure when there was a Conflict of Interest and such director or officer knew or should have known that there was a Conflict of Interest, the Board or Committee shall inform such director or officer of the basis for such belief and afford such director or officer an opportunity to explain the alleged failure to disclose. If, after receiving the response of such director or officer and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that such director or officer has in fact failed to disclose a Conflict of Interest, it shall take appropriate disciplinary and corrective action. Failure to disclose a Conflict of Interest may constitute grounds for the director or officer's removal from his or her position for cause.



EXHIBIT 4

EMPLOYEE LEARNING AND DEVELOPMENT POLICY

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EMPLOYEE LEARNING AND DEVELOPMENT POLICY

Purpose of Policy

The purpose of this policy is to insure that each employee has the skills, knowledge and abilities necessary to be a productive and satisfied member of the Company's team and readily meet the objectives of their current role. In addition, Monroe Plan wants employees to have access to the resources and developmental experiences that can help prepare them for future roles.

Applicability of Policy

This policy is applicable to all Monroe Plan employees.

Statement of Policy

Learning and Development is a competitive tool that organizations and individuals can use to improve their financial viability, their position in the market place and ultimately their ability to optimize the product, services, and value they bring to their customers.

Orientation

Each new hire is required to complete a series of on-the-job, classroom and online programs to assist them in learning about our Organization, their role, and provide the critical information needed regarding business conduct and regulatory compliance.

Ongoing Staff Development

Monroe Plan is committed to the training and development of each staff member. Annual career planning, training and development assessments are conducted as a key component of our Performance Planning and Appraisal System. Detailed training and development plans are developed and incorporated into our performance review process. Periodic reviews are conducted to review and provide feedback on the staff member's performance versus plan. Training includes formal classes, seminars, conferences, in-services, and on-the-job training. The staff member is ultimately responsible for his or her growth and development however, managers are responsible for ensuring that a formal plan is developed and implemented. Managers are also responsible to provide ongoing mentoring and feedback during the year. The effectiveness of the training program is evaluated annually.

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Tuition Assistance

Tuition assistance is available for employees who are approved to attend accredited courses and programs. Each employee has access to up to \$3000 a calendar year for tuition assistance. Allocated tuition amounts are subject to change by the Company.



EXHIBIT 5

WHISTLEBLOWER POLICY



WHISTLEBLOWER POLICY

Purpose of Policy

The purpose of this policy is to promote Monroe Plan's compliance with applicable laws and government standards by requiring all Monroe Plan members of Board of Directors (the "Directors"), officers, employees, contractors, volunteers and vendors (collectively "Covered Persons") to report non-compliance suspected fraud or abuse, and ensure that all reports are handled appropriately and Covered Persons filing such reports in good faith are not subject to retaliation.

This policy further ensures that Covered Persons are protected from intimidation or retaliation related to any instance in which the individual has, in good faith, participated in the Compliance Program, including but not limited to reporting potential issues, investigating issues, self-evaluations, audits and remedial actions, and reporting to appropriate officials as provided in Sections 740 and 741 of the New York Labor Law.

Applicability of Policy

This policy is applicable to all Covered Persons

Statement of Policy

Reporting Responsibilities

It is the responsibility of all Covered Persons to report observed or suspected non-compliance, violations of the Code of Conduct and fraud, abuse or other improper activity relating to the operation of Monroe Plan. For purposes of this policy, **fraud** means any type of intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or herself or to Monroe Plan or another person. **Abuse** means practices that are inconsistent with sound fiscal, business or medical practices and result in an unnecessary cost to the state or federal government or Monroe Plan, or in reimbursement of services that are not medically necessary or fail to meet professionally recognized standards for health care. Fraud or abuse may be committed by Monroe Plan employees, contractors, patients or others.

Examples of the types of activities that must be reported by employees include, but are not limited to, the following:

- Billing the government for individuals who are not members.
 - Duplicate billing.
 - Failing to provide all medically necessary services for which the Monroe
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Plan receives reimbursement.

- Inflating or otherwise misrepresenting the Monroe Plan's costs on cost reports filed with government agencies or private funders.
- Billing the government for a member if the employee is aware that the member or his or her family has obtained coverage fraudulently.
- Submitting inaccurate or misleading data or reports to government agencies. Theft or other misuse of Monroe Plan's funds or property by employees or contractors.
- Violations of Monroe Plan's compliance policies or other guidance.
- Violations of laws, regulations or government contracts.

Reporting Mechanisms

Covered Persons have several options for reporting fraudulent, abusive or other improper conduct. Employees may file reports with their supervisor or department director, the Compliance Officer or any other member of the Compliance Committee with whom the employee feels comfortable.

Monroe Plan has also established a toll-free telephone hotline, and drop boxes located on the Corporate Intranet Site and Bushnell Basin cafeteria that Covered Persons may call to file reports anonymously. The hotline may accessed by calling 1-800-233-4038. The Compliance Officer will be responsible for overseeing the operation of the hotline, responding to complaints filed through the hotline or drop boxes and ensuring that all Covered Persons are aware of the hotline number and all employees are aware of drobox locations and understand that reports may be filed through the hotline/drop boxes on an anonymous basis. The Compliance Officer will also publicize the availability of the hotline/drop boxes through regular reminders, posters and organized compliance awareness events.

Employees may also exercise their rights under Sections 740 and 741 of the New York Labor Law (these provisions are summarized in our DRA Policy).

Investigations

All reports of fraudulent, abusive or other improper conduct, if not made to the Compliance Officer or through the hotline, will be promptly forwarded to the Compliance Officer for review. The Compliance Officer, in consultation with other Monroe Plan staff and counsel as appropriate, will determine whether the report warrants an investigation. If the Compliance Officer determines an investigation is warranted, he or she will promptly coordinate an investigation in accordance with counsel as may be

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necessary.

Non-Retaliation

No individual who files a report under this policy in good faith may be subject to retaliation in any form. Retaliation is also prohibited against a Covered Person refusing to carry out any activity that is the subject of a report made under this policy in good faith. No Covered Person may threaten to retaliate against another Covered Person for filing a report. In addition, no retaliation may be taken against an employee for reporting to appropriate officials as provided in Sections 740 and 741 of the New York Labor Law.

Prohibited retaliation includes, but is not limited to, terminating, suspending, demoting, failing to consider for promotion, harassing or reducing the compensation of an employee due to the employee's intended or actual filing of a report under this policy. Retaliation is prohibited even if it is determined that the allegedly improper conduct was proper or did not occur, provided that the report was made in good faith. Monroe Plan reserves the right to take disciplinary action against any employee who maliciously files a report he or she knows to be untrue.

Any actual or threatened retaliation should be reported by the affected Covered Person or any other Covered Person to the Compliance Officer. The Compliance Officer will investigate such allegations in the same manner as other investigations carried out under this policy.

Enforcement

Employees who do not comply with this policy will be subject to disciplinary action by Monroe Plan. Depending on the facts and circumstances of each case, Monroe Plan may reprimand, suspend or dismiss any employee who fails to comply with this policy. For non-employed Covered Person, Monroe Plan reserves the right to take any and all actions necessary against a Covered Person who fails to comply with this policy.



EXHIBIT 6

GOVERNMENT INVESTIGATIONS POLICY



GOVERNMENT INVESTIGATIONS POLICY

Purpose of Policy

The purpose of this policy is to establish a mechanism for the orderly response to government investigations of Monroe Plan or its employees, and to ensure that all Monroe Plan personnel and contractors cooperate appropriately with such investigations.

Applicability of Policy

This policy is applicable to all Monroe Plan employees and contractors.

Statement of Policy

Types of Government Agencies that May Investigate Monroe Plan

A variety of federal, state and local government agencies may be involved in investigating Monroe Plan. These agencies include, but are not limited to, the U.S. Department of Health and Human Services' Office of Inspector General, Centers for Medicare and Medicaid Services, Federal Bureau of Investigation, United States Attorney's Office, New York State Attorney General's Medicaid Fraud Control Unit ("MFCU"), New York State Department of Health ("DOH"), New York State Insurance Department and District Attorneys' offices.

General Guidelines for Responding to Government Investigators

If contacted by government investigators, employees will be expected to be polite and to request the following information: (1) the name, agency affiliation, business telephone number and address of all investigators; (2) the reason for the contact; and (3) if the investigator visits in person, the investigator's identification and business card. Except as specified otherwise in this policy, employees will direct investigators to the Compliance Officer. If an employee is not contacted by an investigator but learns of a government investigation through other means, the employee will immediately notify the Compliance Officer.

Subpoenas and Other Requests for Documents

If an employee receives a subpoena or any other written request for documents from a government agency, the employee will immediately forward the request to the Compliance Officer who coordinates the request with Counsel. Legal counsel will be responsible for reviewing the request, verifying its authenticity and confirming that the production of documents or witnesses is not restricted by any applicable laws, including HIPAA or other confidentiality statutes. If there is no such restriction, counsel or his or her designee will coordinate the production of documents with the investigating agency. It is Monroe Plan's policy to fully cooperate with all appropriate requests for documents

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issued by government agencies. All documents will be provided by Monroe Plan without charge.

Government investigators may seek documents by contacting employees by telephone or in person at the Monroe Plan's offices. It is Monroe Plan's policy to cooperate with these requests in an orderly manner. Any employee who is contacted by a government investigator to provide documents will immediately notify the Compliance Officer who will coordinate with Counsel. Legal counsel or his or her designee will coordinate the provision of any requested information. It is Monroe Plan's general policy to provide documents to government investigators only in response to a written request. However, counsel, after verifying the authority of the requesting official, has the authority to waive this requirement on a case-by-case basis as appropriate and permitted by law.

Requests for Interviews and Other Testimony

Monroe Plan will cooperate fully with government investigators, including DOH and MFCU staff, in making its employees available in person for private interviews, consultations, grand jury proceedings, pre-trial conferences, hearings and trials. The Monroe Plan's contractors will be required to cooperate in the same manner by making their own employees available.

All employees are required to make themselves available for interviews requested by government investigators. Although individuals have a constitutional right not to incriminate themselves, any failure by an employee to provide an interview, testify or otherwise cooperate in a government investigation will constitute a violation of the employee's employment obligations and be grounds for termination.

All requests by government agencies to interview employees, whether by a subpoena or in any other written or oral form, will be directed to the Compliance Officer who will coordinate the request with counsel. Legal counsel or his or her designee will be responsible for scheduling all such interviews at appropriate times and locations.

In some cases, investigators may contact employees at their homes or other locations off Monroe Plan's premises, in person or by telephone, to request an interview. Employees are encouraged in such circumstances to advise the investigator of their willingness to cooperate in an interview scheduled by counsel during normal business hours at Monroe Plan's offices or another appropriate location. Employees should request the investigator's business card and promptly report the contact to their supervisor, who will inform the Compliance Officer. Counsel or his or her designee will be responsible for coordinating the scheduling of interviews with investigators.

Monroe Plan will generally seek to have counsel attend an employee's interview to the extent permitted by the investigating agency. Monroe Plan's counsel will represent the interests of Monroe Plan and not the individual employee. Any privilege attaching to information provided to Monroe Plan's counsel belongs to Monroe Plan and not to the

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employee. An employee may consult with an attorney of his or her own choosing to represent his or her individual interests. Employees may request reimbursement of attorneys' fees by Monroe Plan. Counsel will evaluate such requests for reimbursement on a case-by-case basis in accordance with the indemnification provisions of Monroe Plan's Bylaws.

During the interview, employees will be expected to adhere to the following guidelines:

- Always tell the truth. It is a crime to lie under oath or obstruct a government criminal investigation.
- In talking with the government investigator, employees should be very careful to answer questions completely, accurately and concisely so that there will be no misunderstanding as to what is said.
- It is important for employees to make clear to the government representative whether the information he or she is providing is first-hand knowledge, or information that the employee has heard or otherwise obtained from another individual.
- Do not speculate. If employees do not recall something or have no knowledge or insufficient knowledge about the topic, they should say so.

If, during the course of the interview, the investigator requests copies of any Monroe Plan documents, the employee will forward the request to counsel, who will handle all requests for documentation. It is essential that counsel review all documents prior to submission to government investigators to ensure that they are fully responsive to the investigator's request and that they are not protected by the attorney-client or any other legal privilege.

If the Monroe Plan counsel is not present during the interview, the employee should contact counsel promptly after the interview to conduct a debriefing. Employees are encouraged to make detailed notes during the interview.

Searches of the Monroe Plan's Premises

If DOH, its authorized representatives or the MFCU appear at the Monroe Plan's offices and request to search the premises, the employee receiving the request will immediately contact the Compliance Officer and request that the investigator wait in the reception area for counsel to appear. Counsel or his or her designee will immediately appear in person or direct other staff on the premises as to how to handle the request. If the investigator refuses to wait for counsel, the employee will not deny admission to the premises.

Counsel or his or her designee will accompany the investigator on the search.

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Counsel or his or her designee will keep a record of the search, including, but not limited to: (1) the date and time period of the search; (2) the names and positions of all the investigators; (3) the areas and files searched; (4) which files were seized; (5) the names of any employees questioned by the investigators and (6) the subjects covered by any questioning.

If permitted by the investigator, a copy will be made of all documents that are seized. If this is not permitted, an inventory of the seized documents will be requested from the investigator. Any requests during the search to speak with employees will be handled in accordance with the provisions of this policy governing employee interviews.

If any government investigators other than those representing DOH or the MCFU request to search the Monroe Plan's offices, the same policy as referenced above will be followed, except that counsel or his or her designee will not be required to permit the search unless a duly authorized search warrant is presented. Counsel will request to see a copy of the warrant and any supporting affidavit, and confirm that the search and any documents seized are within the scope of the warrant. If no search warrant is presented, counsel may determine, in his or her discretion, whether to permit the search.

Record Retention

Once counsel becomes aware of a government investigation, he or she or his designee will ensure that all relevant Monroe Plan employees are promptly notified, and that, until further notice is issued, they are prohibited from altering, removing or destroying any paper or electronic documents or records of Monroe Plan relating to the subject matter of the investigation. Counsel will define with sufficient specificity the range of documents subject to the notice. The provision of notice by counsel will supersede any record destruction that would otherwise be carried out under Monroe Plan's ordinary record retention policies. Counsel will ensure notification of all relevant employees upon completion of the investigation and direct how records relating to the investigation should be handled.

Enforcement

Employees who do not comply with this policy will be subject to disciplinary action by Monroe Plan. Depending on the facts and circumstances of each case, Monroe Plan may reprimand, suspend or dismiss any employee who fails to comply with this policy.



EXHIBIT 7

AUDITING POLICY

INTERNAL AUDITING POLICY

Purpose of Policy

The purpose of this policy is to prevent fraud, abuse and other illegal activity by establishing a framework for regular internal audits of Monroe Plan's operations.

Applicability of Policy

This policy is applicable to all Monroe Plan employees.

Statement of Policy

Oversight of Internal Auditing Process

The Compliance Officer will be responsible for overseeing Monroe Plan's internal auditing system. The Compliance Officer is authorized to delegate auditing duties to other Monroe Plan personnel as well as outside attorneys, accountants and vendors as necessary and appropriate.

Subjects for Auditing

Internal audits will cover at least the following subjects:

- Provision of accurate and complete information by Customer services staff to individuals contacting Monroe Plan's Customer services call center.
- Compliance with utilization reviews time frames and notice requirements set forth in Monroe Plan's contracts and applicable law.
- Appropriate utilization of health care services (including preventive care) and the approval of all medically necessary covered services.

Audit Procedures

The Compliance Officer will develop audit tools and procedures for carrying out the audits required by this policy. The Compliance Officer, with the approval of the Chief Executive Officer, may contract with outside companies to conduct audits as appropriate. The Compliance Officer will oversee the services provided by any outside vendors.

The Compliance Officer will, whenever feasible, utilize separate audit staff to carry out internal audits. It is understood, however, that it may be appropriate or necessary for staff to perform audits of their own department's activities. If a department audits its own activities, the Compliance Officer will design audit procedures that minimize

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auditing by employees of their own work.

In the event the Compliance Officer determines it is in the best interests of Monroe Plan to keep the contents and/or findings of any audit confidential, the Compliance Officer will arrange for counsel to conduct the audit. In such event, employees will be advised that the audit is being conducted under the attorney-client privilege and the audit report will indicate that such privilege is applicable.

Audit Schedule

On an annual basis, the Compliance Officer will develop a schedule for internal audits for the upcoming year, which will be approved by the Compliance Committee. The schedule will specify the subject of each audit, the audit methodology, the time period during which the audit will be carried out and the personnel or contractors to be used to perform the audit. Audit subjects will be selected from among the topics specified in this policy and will include any other topics deemed appropriate by the Compliance Officer. The Compliance Officer will select audit subjects based on the level of risk associated with the subject, any prior history of violations, and the length of time that has passed since the most recent audit on the same subject and the cost of performing the audit. The Compliance Officer will ensure that any internal audits mandated by law or contract be carried out on a schedule consistent with such requirements. Nothing in this policy is intended to require internal auditing on all of the matters specified herein each year or on any other specific schedule. The Compliance Officer will use best efforts to minimize any disruption of Monroe Plan's business activities caused by internal audits.

Audit Reports

Upon completion of an audit, the Compliance Officer will arrange for the preparation of an audit report. The report will set forth the subject of the audit, the audit methodology, the audit findings and any recommended corrective action. The report will be provided to the Compliance Committee, the Chief Executive Officer and any appropriate Department Heads. The Compliance Officer will work with the relevant Department Head to ensure that all recommended corrective action is taken and will require the Department Head to report to the Compliance Officer when implementation is completed. All audit reports will be maintained by Monroe Plan for six years.

Enforcement

Employees who do not comply with this policy will be subject to disciplinary action by Monroe Plan. Depending on the facts and circumstances of each case, Monroe Plan may reprimand, suspend or dismiss any employee who fails to comply with this policy.



EXHIBIT 8

EMPLOYEE DISCIPLINE POLICY

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EMPLOYEES DISCIPLINARY POLICY

Purpose of this Policy

In order for our organization to operate efficiently and safely, it is necessary for all personnel to observe the policies and procedures governing our work environment. If an employee's conduct interferes with the orderly and efficient operations of a department, disciplinary measures will be taken.

Initial Discussions

Before taking corrective action, the supervisor will meet with the employee to explain why the need for corrective action is warranted.

Grounds for corrective discipline, up to and including immediate discharge, may include but are not limited to: violation of organization policies, confidentiality or safety rules; insubordination; poor performance; excessive absenteeism and/or tardiness; possession of firearms; theft or dishonesty; willful destruction of organization property; physical, verbal or sexual harassment of employees, suppliers or providers and enrollees; possession, use or sale of illicit drugs on organization property; possession, use or sale of alcohol unless for or at an authorized event; reporting to work under the influence of drugs or alcohol, fraud or abuse, falsifying company records or documents (e.g. time sheet, expense report, etc.) or other misconduct.

Corrective Action

Depending upon the severity of the matter, disciplinary measures may include a verbal warning, written warning, suspension, or discharge. The appropriate corrective action will be determined by the organization. The organization does not guarantee that one form of action will necessarily precede another.

While on corrective action a staff member may not apply for another position. The individual also will not be eligible to receive a salary increase. After successfully completing the corrective period the manager will establish the next performance review date at which time the staff member may become eligible to receive an increase. All increases will be based on the individual's job performance.

Exhibit 9

DRA POLICY



Federal Deficit Reduction Act of 2005: Policy Regarding the Detection & Prevention of Fraud, Waste and Abuse and Applicable Federal and State Laws (DRA)

Purpose of Policy

Monroe Plan is committed to complying with the requirements of Section 6032 of the Federal Deficit Reduction Act of 2005, and to detecting and preventing any fraud, waste and abuse in the services that it provides. In furtherance of this policy and to promote compliance with the Deficit Reduction Act, Monroe Plan disseminates this policy to all personnel (including management, contractors and other agents) to ensure that such persons are aware of relevant federal and state laws regarding the submission of false claims. A summary of the relevant federal and state laws are on Appendix A.

Applicability of Policy

This policy is applicable to all Covered Persons.

Statement of Policy

Monroe Plan prohibits the submission of a false claim for payment from a federal or state funded health care program or any federal or state funded contractors, such as a Medicaid managed care plan. The submission of a false claim (i) violates federal and state law; (ii) may result in significant administrative and civil penalties under the federal False Claims Act and/or New York State False Claims Act, respectively; and (iii) may also violate federal and state criminal laws. A summary of these laws are attached as Appendix A.

To assist Monroe Plan in meeting its legal and ethical obligations, any individual who reasonably suspects or is aware of the preparation or submission of a false claim or report, or any other potential fraud, waste or abuse related to a federal or state funded health care program, is required to report such information to the Monroe Plan's Compliance Officer.

Any individual who reports such information will have the right and opportunity to do so anonymously, and will be protected against retaliation and intimidation for reporting such information under our internal compliance policies and procedures, as well as federal and state law. However, Monroe Plan retains the right to take appropriate action against an individual who has participated in a violation of federal or state law or Monroe Plan policy.

Monroe Plan is committed to the prompt and thorough investigation of actual or potential fraud, waste and/or abuse, and requires all personnel to assist in such investigations. If an individual believes that Monroe Plan is not responding to his or her report within a reasonable period of time, he or she is required to bring the matter to the attention of the Compliance

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Officer or if the matter involves the Compliance Officer, then to the CEO. Failure to report and disclose, or assist, in an investigation of fraud, waste and/or abuse is a breach of the duty that all personnel have to Monroe Plan and may result in disciplinary action, up to and including termination.

Records

The Monroe Plan Compliance Officer, coordinating with the General Counsel where necessary, shall be responsible for maintaining all records generated in connection with this policy. Documents created in connection with this policy will be maintained for at least ten (10) years from their date of creation, unless they are subject to a subpoena or other legal proceeding, or Monroe Plan is otherwise required by federal or state laws or regulations.

Questions/Compliance

If you are aware of a situation that you believe may violate this Policy, you must promptly contact your supervisor or the Monroe Plan Compliance Officer. In addition, if you have any questions or concerns about this Policy, you may raise them with any of the individuals identified above. Non-compliance with this Policy shall lead to disciplinary action.

References: 42 U.S.C. § 1396a(a)(68); 31 U.S.C. § 3729; 31 U.S.C. § 3730; 31 U.S.C. §§ 3801–3812; 42 U.S.C. 401.305; N.Y. State Fin. Law §§ 187-194; N.Y. Soc. Serv. Law §§ 145–145-C; N.Y. Soc. Serv. Law § 366-b; N.Y. Penal Law Art. 155; N.Y. Penal Law Arts. 175–177; N.Y. Lab. Law §§ 740, 741

Appendix A:

Federal & New York State Statutes Relating To False Claims

Following is a brief summary of federal and New York State laws regarding false claims and whistleblower protections.

1. Federal Laws

***a.* The Federal False Claims Act (31 U.S.C. §§ 3729-3733)**

The federal False Claims Act (“FCA”) provides, in pertinent part, that:

(1) (a) In general. Subject to Paragraph (2), any person who –

(A) knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval; (B) knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim; (C) conspires to commit a violation of subparagraphs (A), (B), (D), ... or (G); (D) has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property; ... or (G) knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases 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 \$5,000 and not more than \$10,000,¹ ... plus 3 times the amount of damages which the Government sustains because of the act of that person.

(2) Reduced Damages.

If the court finds that – (A) the person committing the violation of this subsection furnished officials of the United States responsible for investigating false claims violations with all information known to such person about the violation within 30 days after the date on which the defendant first obtained the information; (B) such person fully cooperated with any Government investigation of such violation; and (C) at the time such person furnished the United States with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced

¹ Although the statutory provisions of the FCA authorize a range of penalties between \$5,000 and \$10,000, as of the effective date of this policy, those amounts have been adjusted for inflation and increased by regulation to not less than \$10,957 and not more than \$21,916. 28 CFR § 85.5. The amounts of these penalties are subject to annual increases for inflation.

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under this title with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation, the court may assess not less than 2 times the amount of damages which the Government sustains because of the act of that person.

(3) Costs of civil actions.

A person violating this subsection shall also be liable to the United States Government for the costs of a civil action brought to recover any such penalty or damages.

(b) Definitions.

For purposes of this section:

(1) the terms “knowing” and “knowingly” (A) mean that a person, with respect to information – (i) has actual knowledge of the information; (ii) acts in deliberate ignorance of the truth or falsity of the information; or (iii) acts in reckless disregard of the truth or falsity of the information; and (B) require no proof of specific intent to defraud;

(2) the term “claim” (A) means any request or demand, whether under a contract or otherwise, for money or property and whether or not the United States has title to the money or property, that – (i) is presented to an officer, employee, or agent of the United States; or (ii) is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government’s behalf or to advance a Government program or interest, and if the United States Government (I) provides or has provided any portion of the money or property requested or demanded; or (II) will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded; ...

(3) the term “obligation” means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment; and

(4) the term “material” means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

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(d) Exclusion.

This section does not apply to claims, records, or statements made under the Internal Revenue Code of 1986. *31 U.S.C. § 3729.*

While the FCA imposes liability only when the claimant acts “knowingly,” it does not require that the person submitting the claim have actual knowledge that the claim is false. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information also can be found liable under the Act. *31 U.S.C. § 3729(b).*

In sum, the FCA imposes liability on any person who submits a claim to the federal government, or submits a claim to entities administering government funds that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicare for medical services she knows she has not provided. The FCA also imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. An example of this may include a government contractor who submits records that he knows (or should know) are false and that indicate compliance with certain contractual or regulatory requirements.

The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called “reverse false claim” may include a health care facility that obtains interim payments from Medicare or Medicaid throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare or Medicaid program. The Affordable Care Act added a requirement that all overpayments received by a provider for Medicare services must be returned to the federal government within 60 days of being identified. *42 C.F.R. § 401.305.*

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.

Section 3730(d)(1) of the FCA provides, with some exceptions, that a *qui tam* relator, when the government has intervened in the lawsuit, shall receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the government does not intervene, section 3730(d)(2) of the FCA provides that the relator shall receive an amount that the court decides is reasonable and shall be not less than 25 percent and not more than 30 percent.

b. Administrative Remedies for False Claims (31 U.S.C. §§ 3801–3812)

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false or contains false information, or omits material information, then the agency receiving the claim may impose a penalty of up to \$5,000 for each claim. The agency may also recover twice the amount of the claim.

Unlike the federal FCA, a violation of this law occurs when a false claim is submitted, not when it is paid. Also unlike the federal FCA, the determination of whether a claim is false,

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and the imposition of fines and penalties, is made by the administrative agency, not by prosecution in the federal court system.

2. New York State Laws

New York State False Claim laws fall under the jurisdiction of both New York’s civil and administrative laws as well as its criminal laws. Some apply to recipient false claims and some apply to provider false claims. The majority of these statutes are specific to health care or Medicaid. Yet some of the “common law” crimes apply to areas of interaction with the government and so are applicable to health care fraud.

a. **Civil and Administrative Laws**

i. New York False Claims Act (State Finance Law §§ 187–194)

The New York False Claims Act is similar to the federal FCA. It imposes penalties and fines on individuals and entities who knowingly file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. It also has a provision regarding “reverse false claims” similar to the federal FCA, such that a person or entity will be liable in those instances in which the person obtains money from a state or local government to which the person may not be entitled, and then uses false statements or records in order to retain the money.

The penalty for filing a false claim under the New York False Claims Act is \$6,000–\$12,000 per claim, plus three times the amount of the damages which the state or local government sustains because of the act of that person. In addition, a person who violates this act is liable for costs, including attorneys’ fees, of a civil action brought to recover any such penalty.

The New York False Claims Act allows private individuals to file lawsuits in state court, just as if they were state or local government parties. If the suit eventually concludes with payments back to the government, the person who started the case can recover 25%–30% of the proceeds if the government did not participate in the suit; or 15%–25% if the government did participate in the suit.

ii. New York Social Services Law § 145–b – False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The state or the local Social Services district may recover three times the amount incorrectly paid. In addition, the New York State Department of Health may impose a civil penalty of up to \$10,000 per violation. If repeat violations occur within 5 years, a penalty up to \$30,000 per violation may be imposed if the repeat violations involve more serious violations of Medicaid rules, billing for services not rendered, or providing excessive services.

iii. New York Social Services Law § 145-c – Sanctions

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the needs of the individual or

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that of his family shall not be taken into account for six months if a first offense, for twelve months if a second offense (or if benefits wrongfully received are at least \$1,000 and no more than \$3,900), for eighteen months if a third offense (or if benefits wrongfully received are in excess of \$3,900), and five years for any subsequent occasion of any such offense.

c. Criminal laws

i. New York Social Services Law § 145 – Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

ii. New York Social Services Law § 366-b – Penalties for Fraudulent Practices

Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation or other fraudulent means is guilty of a class A misdemeanor.

Any person who, with intent to defraud, presents for payment any false or fraudulent claim for furnishing services, knowingly submits false information to obtain greater Medicaid compensation, or knowingly submits false information in order to obtain authorization to provide items or services is guilty of a class A misdemeanor.

iii. New York Penal Law Article 155 – Larceny

The crime of larceny applies to a person who, with intent to deprive another of his property, obtains, takes or withholds the property by means of trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. It has been applied to Medicaid fraud cases.

§ 155.30 – Fourth degree grand larceny involves property valued over \$1,000. It is a class E felony.

§ 155.35 – Third degree grand larceny involves property valued over \$3,000. It is a class D felony.

§ 155.40 – Second degree grand larceny involves property valued over \$50,000. It is a class C felony.

§ 155.42 – First degree grand larceny involves property valued over \$1 million. It is a class B felony.

iv. New York Penal Law Article 175 – False Written Statements

Four crimes in this Article relate to filing false information or claims and have been applied in Medicaid fraud prosecutions:

§ 175.05 – Falsifying business records involves entering false information, omitting material information or altering an enterprise's business records with the intent to defraud. It is a class A misdemeanor.

§ 175.10 – Falsifying business records in the first degree includes the elements of the §175.05 offense and includes the intent to commit another crime or conceal its commission. It is a class E felony.

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§ 175.30 – Offering a false instrument for filing in the second degree involves presenting a written instrument (including a claim for payment) to a public office knowing that it contains false information. It is a class A misdemeanor.

§ 175.35 – Offering a false instrument for filing in the first degree includes the elements of the second degree offense and must include intent to defraud the state or a political subdivision. It is a class E felony.

v. New York Penal Law Article 176 – Insurance Fraud

This law applies to claims for insurance payments, including Medicaid or other health insurance and it includes six crimes.

§ 176.10 – Fifth degree insurance fraud involves intentionally filing a health insurance claim knowing that it is false. It is a class A misdemeanor.

§ 176.15 – Fourth degree insurance fraud involves filing a false insurance claim for over \$1,000. It is a class E felony.

§ 176.20 – Third degree insurance fraud involves filing a false insurance claim for over \$3,000. It is a class D felony.

§ 176.25 – Second degree insurance fraud involves filing a false insurance claim for over \$50,000. It is a class C felony.

§ 176.30 – First degree insurance fraud involves filing a false insurance claim for over \$1 million. It is a class B felony.

§ 176.35 – Aggravated insurance fraud involves committing insurance fraud more than once. It is a class D felony.

vi. New York Penal Law Article 177 – Health Care Fraud

This statute primarily applies to claims for health insurance payments, including Medicaid, and contains five crimes:

§ 177.05 – Fifth degree health care fraud involves knowingly and willfully providing or omitting, with intent to defraud a health plan, material false information for the purpose of requesting payment from a health plan. It is a class A misdemeanor.

§ 177.10 – Fourth degree health care fraud involves filing such false claims on more than one occasion and receiving more than \$3,000 within a single year. It is a class E felony.

§ 177.15 – Third degree health care fraud involves filing such false claims on more than one occasion and receiving over \$10,000 within a single year. It is a class D felony.

§ 177.20 – Second degree health care fraud involves filing such false claims on more than one occasion and receiving over \$50,000 within a single year. It is a class C felony.

§ 177.25 – First degree health care fraud involves filing such false claims on more than one occasion and receiving over \$1 million within a single year. It is a class B felony.

3. State and Federal Whistleblower Protections

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a. Federal False Claims Act (31 U.S.C. § 3730(h))

The federal FCA provides protection to *qui tam* relators (individuals who commence a False Claims action) 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). Remedies include reinstatement with comparable seniority as the *qui tam* relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

b. New York False Claims Act (State Finance Law § 191)

The New York State False Claims Act also 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 Act. Remedies include reinstatement with comparable seniority as the *qui tam* relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

c. New York Labor Law § 740

An employer may not take any retaliatory action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that the employer is in violation of a law that creates a substantial and specific danger to the public health and safety or which constitutes health care fraud under Penal Law § 177 (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions). The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

d. New York Labor Law § 741

A health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and

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the employee believes in good faith that reporting to a supervisor would not result in corrective action. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

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