

## **BEECHWOOD CONTINUING CARE'S FRAUD PREVENTION POLICY**

Beechwood Continuing Care, which is comprised of the Beechwood Homes, Asbury Pointe, Presbyterian Village at North Church, Ken-Ton Presbyterian Village, and the Beechwood / Blocher Foundation, is committed to fully complying with all laws and regulations that apply to health care and to preventing, detecting, and correcting any fraud, waste, or abuse in Medicare, Medicaid, and other health care programs. Beechwood's commitment to compliance is reflected in its comprehensive Corporate Compliance Program, Code of Conduct and Compliance Procedures, and compliance policies and procedures. Upon hire, at the General Orientation Program, each employee will receive a copy of Beechwood's Corporate Compliance Code of Conduct and Compliance Procedures. Likewise, companies doing business with any of the Beechwood Continuing Care companies will also be made aware of these policies. Any questions regarding our Corporate Compliance Program or this Policy may be addressed to our Corporate Compliance Officer, Cynthia Mykins. As part of our Compliance Program, we are providing you with detailed information on some of the laws that Beechwood Continuing Care is required to follow. Specifically, this document contains important information regarding: 1) how to report concerns; 2) the federal and state fraud and abuse laws; and 3) whistleblower protections.

### **WHAT TO DO IF YOU SUSPECT FRAUD, WASTE OR ABUSE**

If an employee believes fraud, waste, abuse, or other improper conduct has occurred, the employee is required to: a. Contact his/her immediate supervisor and report the facts to him/her; b. Call and leave a voicemail on the Compliance Hotline at 716.636.4266; and/or c. Call the Corporate Compliance Officer at 716.810.7340.

Employees are encouraged to first report their concerns directly to Beechwood to allow Beechwood the opportunity to quickly address potential issues. Any employee who reports a concern in good faith will have the right to do so anonymously and will be protected against retaliation. However, if an employee has participated in a violation of law or Beechwood policy, Beechwood retains the right to take appropriate action against him/her. Beechwood is committed to investigating any allegation of fraud, waste, or abuse or other improper conduct swiftly and thoroughly and will do so through its internal compliance processes. Beechwood requires that its employees fully cooperate in the investigation. While Beechwood requires its employees report such concerns to Beechwood, certain laws discussed below provide that such concerns may be brought to the government. However, if an employee fails to report his/her concerns to Beechwood, they will be in breach of Beechwood policy.

If a contractor/agent believes fraud, waste, abuse, or other improper conduct has occurred, the contractor/agent is strongly encouraged to: a. Call and leave a voicemail on the Compliance Hotline at 716.636.4266; and/or b. Call the Corporate Compliance Officer at 716.810.7340.

Contractors and agents are encouraged to first report their concerns directly to Beechwood to allow Beechwood the opportunity to quickly address potential issues. Any contractor or agent who reports a concern in good faith will have the right to do so anonymously and will be protected against retaliation. However, if a contractor or agent has participated in a violation of law or Beechwood policy, Beechwood retains the right to take appropriate action against him/her/it. Beechwood is committed to investigating any allegation of fraud, waste, or abuse or other improper conduct swiftly and thoroughly and will do so through its internal compliance processes. Beechwood requires that its contractors and agents fully cooperate in the investigation. While Beechwood strongly encourages its contractors and agents to report such concerns to Beechwood, certain laws discussed below provide that such concerns may be brought to the government.

## LAWS REGARDING THE PREVENTION OF FRAUD, WASTE AND ABUSE

### A. Federal Laws.

Federal False Claims Act. Any person who submits a claim to the federal government that he/she knows (or should know) is false is subject to civil penalties of \$5,500-\$11,000 per false claim and treble damages. Individuals may be entitled to bring an action under this Act and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing Beechwood, the individual may have to pay Beechwood for its legal fees and costs.

Administrative Remedies for False Claims and Statements. If a person submits a claim that the person knows is false or contains false information or omits material information, such person may be subject to a \$5,000 penalty per claim and double damages. Individuals are not entitled to share in any recovery. Federal Anti-Kickback Law: Individuals/entities may not knowingly offer, pay, solicit, or receive remuneration in exchange for referring, furnishing, purchasing, leasing or ordering a service or item paid for by Medicare, Medicaid, or other federal health care program. Criminal or civil penalties include repayment of damages, fines, imprisonment, and exclusion from participation in federal programs.

### B. State Laws.

New York has laws that are similar to the federal laws listed above. These include the New York False Claims Act, False Statements Law, Anti-Kickback Law, Self Referral Prohibition Law, Health Care and Insurance Fraud Penal Law. Individuals may be entitled to bring an action under the Claims Act, and share in a percentage of any recovery. However, if the action has no merit and/or is for the purpose of harassing Beechwood, the individual may have to pay Beechwood for its legal fees and costs.

### C. Whistleblower Protections.

Federal Whistleblower Protection: An employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against because of his/her lawful acts conducted in furtherance of a False Claims Act action may bring an action against the employer. However, if the employee's action has no basis in law or fact or is primarily for harassment, the employee may have to pay the employer its fees and costs.

New York State Whistleblower Protection: Employees who, in good faith, report a false claim are protected against discharge, demotion, suspension, threats, harassment, and other discrimination by their employer. Remedies include reinstatement, two times back pay plus interest, and litigation costs and attorneys fees.