

# LAKES REGIONAL MHMR CENTER

## OPERATING PROCEDURE

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Authority: Quality Improvement

6.04

Effective Date: 10/24/03

Revised Date: 08/31/09

Revised Date: 06/16/26

Subject: Corporate Compliance  
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Purpose: To implement the Lakes Regional MHMR Center (the Center) Board of Trustees policy on Corporate Compliance by establishing the Center's Corporate Compliance Plan.

### I. Compliance Policies, Procedures, Standards of Conduct

#### a. General Principles of Compliance

The Center adopts these Principles of Compliance as the foundation of the Corporate Compliance procedures of the organization.

i. The Center employees and contract providers shall adhere to and support these Principles of Compliance by complying with all applicable federal, state, and local laws and regulations.

ii. The Center employees and contract providers shall always conduct themselves in a manner that is consistent with the provisions of the organization's enabling legislation, Board resolutions and policies, including this Compliance Plan and the Code of Conduct (Attachment A), with emphasis on ethical behavior, proper business dealings, high quality care, and zero-tolerance for waste, fraud, abuse, or retaliation. Waste, abuse, and fraud are defined by the Texas Office of the Inspector General as:

Waste - practices that a reasonably prudent person would deem careless or that would allow inefficient use of resources, items, or services.

Abuse - practices that are inconsistent with sound fiscal, business, or medical practices and that result in unnecessary program cost or in reimbursement for services that are not medically necessary, do not meet professionally recognized standards for health care, or do not meet standards required by contract, statute, regulation, previously sent interpretations of any of the items listed, or authorized governmental explanations of any of the foregoing.

Fraud - any act that constitutes fraud under applicable federal or state law, including any intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to that person or some other person. Fraud may include any acts prohibited by the Texas Human Resources Code, Chapter 36 or Texas Penal Code, Chapter 35A.

iii. The Center, its employees, and contract providers shall endeavor to properly utilize grant funds and bill all clients, government health care programs, and third-party payers including insurers or other contracts, for services provided or received by the Center.

iv. The Center's Compliance Plan, the Code of Conduct (Attachment A), and appropriate policies, procedures, and references to regulations will be kept in a central electronic location available to all employees. These materials will be

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kept current by the Compliance Officer or designee. Contractors receive this information in their training materials.

- v. Compliance procedures shall be developed and kept current with all applicable federal and state laws and regulations. Compliance procedures shall be designed to assist employees and contract providers in the performance of their duties and contractual responsibilities in full compliance with the Center's Principles of Compliance, the Code of Conduct (Attachment A), and Compliance Plan.
  - vi. The directors and supervisors in each division or program are responsible for the oversight and supervision of the employees' adherence to the Center's Principles of Compliance, the Code of Conduct (Attachment A), Compliance Plan, and related policies, procedures, and applicable regulations.
- b. Compliance Issues
- i. Claims and billing shall only be made for services provided to individuals, directly or under contract, pursuant to all terms and conditions specified by the government or third- party payer and consistent with industry practice.
  - ii. The Center, its employees, and contract providers shall not make or submit any false or misleading entries in any bills or claim forms. No employee or contract provider shall engage in any arrangement or participate in such an arrangement at the direction of another employee, including any supervisor, that results in a prohibited act.
  - iii. Any false statements on any bill or claim form shall subject the employee to disciplinary action by the Center, including possible termination of employment. Any such act by a contract provider shall result in the termination of the contract and recovery of funds pursuant to the contract.
  - iv. False claims and billing fraud may take a variety of forms, including but not limited to, false statements supporting claims for payment, misrepresentation of material facts, concealment of material facts, or theft of benefits or payments from the party entitled to receive them. The Center, its employees, and contract providers shall specifically refrain from engaging in the following billing practices:
    - 1. Making claims for items or services not rendered or not provided as claimed.
    - 2. Submitting claims to any payer, including Medicare and Medicaid, for services or supplies that are not medically necessary.
    - 3. Double billing (billing for the same item or service more than once).

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4. Submitting claims to any payer, including Medicare and Medicaid, for individual items or services when such items or services either are included in the Center's per diem rate or are of the type that may be billed only as a unit and cannot unbundled.
5. Paying or receiving anything of financial benefit in exchange for Medicare and/or Medicaid referrals (such as receiving non-covered medical products or supplies at no charge in exchange for ordering Medicare-reimbursed products).
6. Billing individuals for services or supplies that are included in the payment rate from Medicare, Medicaid, a managed care plan, or other payer.
7. Upcoding to obtain higher reimbursement or billing more than the allowed length of service time

c. Standards of Conduct

- i. Every employee and contract provider shall adhere to and support the Center's Principles of Compliance.
- ii. The Code of Conduct (Attachment A) has been adopted by the Center to provide guidance to all employees as it relates to documentation, billing, ethical conduct, business practices, and other duty responsibilities. The principles set forth in the Code of Conduct (Attachment A) shall be distributed to all employees upon hire, and as deemed appropriate thereafter, and to all contract providers upon initial contract. All employees and contractors are responsible to ensure their conduct and activities are consistent with this Code and understand that failure to comply with this Code may result in termination of employment or contract.

d. Duty to Report

- i. Employees must immediately report all known or suspected violations of the Code of Conduct (Attachment A) and/or the Compliance Plan to their supervisor or the Compliance Officer as appropriate. Employees who become aware of potential violations of professional conduct, licensing, and or certification requirements are to report them immediately to their supervisor or the Compliance Officer as appropriate. If the employee makes a report to their supervisor regarding any waste/abuse/fraud issues, then the supervisor must inform the Compliance Officer. If a Code of Conduct (Attachment A) violation rises to the level of potential disciplinary action, then the supervisor must inform the Compliance Officer.

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- ii. Questions about operational procedures should be directed to persons having supervisory responsibility for a specific clinical provider, program, or unit.
- iii. Employees and contract providers who report known or suspected compliance issues in good faith will not be subjected to retaliation or harassment of any kind. Concerns about possible retaliation or harassment shall be reported immediately to the Chief Executive Officer and the Corporate Compliance Officer. The Center has zero tolerance for retaliation.
- e. Employment of/or Contracting with Sanctioned/Excluded Individuals/Businesses  
The Center will neither knowingly employ nor contract with individuals or businesses that have been convicted of criminal offenses including, but not limited to, a health care related issue or those that are listed by a federal or state agency as debarred, excluded, or ineligible for participation in federal or state funded health care programs. If any Center employee or contract provider is charged with criminal offenses related to health care or is being evaluated for debarment or exclusion, such individuals or businesses will be removed from direct responsibility for any federal or state funded health care program. Upon conviction, debarment or exclusion action, the Center will terminate the employment or contractual relationship with such individuals or businesses. The Center's Human Resources and Contracts personnel will coordinate with the Compliance Officer to develop appropriate screening procedures for job applicants, employees, and contract providers.

## II. Compliance Officer and Compliance Committee

### a. Compliance Officer:

The Center will designate a Compliance Officer who shall be responsible for the implementation, operation, and continuous monitoring of the Center's compliance program. To avoid internal conflicts of interest with auditing, monitoring, or investigating, the Compliance Officer reports directly to the Chief Executive Officer. The Compliance Officer will report documentation, claim issues, or any violations of this plan directly to the Chief Executive Officer, and as required, to the Board of Trustees. The Compliance Officer shall report to Executive Management Team at the request of the Chief Executive Officer, and to the full Board as appropriate, regarding this Compliance Plan including status of or necessity for investigative work, corrective measures, and/or plan modifications. Complaints regarding the conduct of the Compliance Officer should be directed to the Chief Executive Officer. The Chief Executive Officer may appoint a Compliance Committee should there be a need for an in-depth investigation or subject matter expertise.

The Compliance Officer's duties and responsibilities, with oversight of the Chief Executive Officer, include but are not limited to the following:

- i. Implementing a system of routine self-assessment.

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- ii. Updating the Center's Compliance Plan and relevant procedures on a periodic basis to reflect any changes in the Center's self-assessment results and applicable laws and regulations.
- iii. Developing, reviewing, and maintaining all compliance procedures, work plans, and Code of Conduct (Attachment A).
- iv. Developing and implementing specific controls and productivity measurements to ensure an effective compliance program.
- v. Developing and participating in new employee orientation and on-going training programs on compliance and ensuring training is documented.
- vi. Developing and implementing employee communication mechanisms that will encourage employees to report potential compliance problems without fear of retaliation.
- vii. Answering routine employee questions related to compliance or ethics issues.
- viii. Performing appropriate audits with immediate verbal and written feedback of audit findings to the Chief Executive Officer, Program Directors, and other management staff, as appropriate.
- ix. Ensuring that corrective action to audit findings is taken, as appropriate, with the Compliance Plan and monitoring progress toward corrective action plan requirements to eliminate identified problems and prevent recurrences.
- x. Receiving reports of suspected noncompliance, conducting investigations to resolve compliance issues, and maintaining all records and documentation of investigations. Responding appropriately if a violation is identified.
- xi. Ensuring the organization's compliance program and its expectations are conveyed to all contract providers.
- xii. Coordinating with Human Resources regarding appropriate verification activity for employee backgrounds checks, exclusion from federal or state programs, and disciplinary policy related to compliance.
- xiii. Ensuring proper credentialing of licensed staff and contractors.
- xiv. The Compliance Officer will remove themselves from any investigative procedures and/or any decision-making process if there is an indication of a conflict of

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interest (final decision as to whether a conflict of interest exists rests with the Chief Executive Officer).

- xv. Providing other assistance as directed by the Chief Executive Officer.
- xvi. Reporting the Compliance findings and activities to the Center's Board of Trustees as deemed necessary by the Chief Executive Officer.

b. Compliance Plan Implementation

All Executive Management and other key staff members (e.g., Program Directors, Human Resources, Quality Management, Contracts Management, and Fiscal) will assist the Compliance Officer in the operation and monitoring of the Compliance Plan. If investigation of a complaint requires in-depth review or subject matter expertise, the Chief Executive Officer may appoint ad hoc members to a Compliance Committee from various functional areas or departments to deal with specific compliance issues.

The Compliance Officer will ensure plan implementation by:

- i. Ongoing regular interaction with all programs of the Center regarding standards, policies, and procedures to promote compliance.
- ii. Analyzing the organization's regulatory environment and the legal requirements with which the Center must comply in specific areas. The Chief Executive Officer shall provide additional guidance as necessary.
- iii. Working with established committees, such as the Utilization Management Committee and division management teams, to determine the appropriate strategy or approach that the Center should use to promote efficiency, compliance, and detection of any potential violations of regulation and law.
- iv. Recommending and monitoring, in conjunction with the Center's Program Directors, the development of internal monitoring systems and controls to carry out this Compliance Plan.
- v. Developing and maintaining a system to solicit, evaluate, and respond to complaints and potential problems.
- vi. Reviewing compliance reports and making continuous improvement recommendations.
- vii. Ensuring final Center decisions in compliance matters are documented in writing.
- viii. Facilitating communication regarding the Compliance Plan to the Center's departments, employees, and contract providers.

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- ix. Identifying resources and or training necessary to implement compliance activities.
- x. Assessing existing and future policy and procedure needs to ensure compliance.
- xi. Reviewing and/or monitoring internal and external audit results, investigations, and corrective action plans for the purpose of identifying compliance issues or trends and implementing further corrective and preventive action plans as necessary.

III. Education and Training

a. Procedure

Formal compliance education and training programs shall be provided as appropriate to employees and contract providers associated with the Center to ensure adherence to the Compliance Plan and applicable laws. This training shall be documented, and all staff must demonstrate competency before they are allowed to independently submit claims of services rendered. The Center has adopted a Code of Conduct (Attachment A) to guide all its clinical and business activity. Employee attendance and contracted providers participation in mandatory education shall be a condition of continued employment or contracted relationship. All employee training shall be documented. The Center's programs will conduct program specific training and be responsible for the appropriate documentation of this training.

b. Scope of Education

Compliance Program education and training shall consist of the following areas: the Center's Code of Conduct (Attachment A), criminal penalties, all federal and state fraud and abuse laws as they pertain to claim development and submission process, including but not limited to the Deficit Reduction Act, the False Claims Act, The Whistleblower Laws, the Civil Monetary Laws, Texas Medicaid Fraud Act, and Title 1, Chapter 371, Subchapter G of the Texas Administrative Code.

i. Employees

1. Compliance Plan and Code of Conduct (Attachment A) training shall be conducted to inform Center employees of the plan, its purpose, and its requirements. Employees shall be specifically trained regarding their responsibility to report suspected misconduct and the consequences of failing to comply with the plan or Code of Conduct (Attachment A).
2. Employee compliance and Code of Conduct (Attachment A) training shall be conducted with current employees at least on an annual basis.

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3. All new Center employees shall receive appropriate Code of Conduct (Attachment A) and compliance training as a part of new employee orientation.
  4. All employees must acknowledge that they have received compliance training and have read, understood, and agree to abide by the Center's Code of Conduct (Attachment A) which includes the relevant compliance standards and reporting requirements. This documentation will be maintained in each employee's personnel file and/or training record.
  5. When deemed appropriate, written educational materials regarding the Compliance Plan and related compliance subjects shall be distributed to employees.
- ii. Contract Providers
1. All contract providers must acknowledge that they have read, understood, and agreed to abide by the Center's Code of Conduct (Attachment A) and the applicable parts of the compliance plan and procedure 6.04.01, that apply to contractors. The Center's Contracts Department will maintain this documentation in the contract files.
  2. When deemed appropriate by the contract monitor or supervisor, written educational materials regarding the Compliance Plan and related compliance subjects shall be distributed to the contract providers.
- c. Program Responsibilities
- i. It is the responsibility of supervisory staff to ensure that employees who have a direct impact on the claim and billing process are adequately and appropriately trained on procedures, documentation requirements, and program requirements to ensure proficiency.
  - ii. It is the responsibility of supervisory staff to ensure that each employee understands the essential elements of their duty functions and has a clear understanding of applicable laws and procedures pertaining to required and appropriate job duties.
  - iii. The work of every new employee whose functions include submission of billing or claims will be reviewed by the employee's supervisor or designee for a period of not less than 90 days or until such time the employee's supervisor can assess the employee's accuracy of documentation/claims and the individual employee's knowledge of the specific unit or program operating procedures as they pertain to

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claims, billing, and documentation. If a supervisor cannot assess an employee's competency due to performance issues, the supervisor should consult with their supervisor and/or Human Resources to determine appropriate action.

#### IV. Communication

The Center has an internal reporting system in place for employees and others to report issues and concerns regarding suspected violations of the Center's Code of Conduct (Attachment A) and noncompliance issues such as waste, fraud, or abuse of any source of funding which could include Medicare, Medicaid, third party payers, grants, or contracts. Employees or others may report to the Compliance Officer without fear of retaliation or retribution via these methods:

##### a. Methods of Reporting

- i. In Person: 400 Airport Rd, Terrell, TX 75160
- ii. Phone: 972-388-2000, extension 1160 or 1147
- iii. Email: [compliance@lakesregional.org](mailto:compliance@lakesregional.org)
- iv. QR Code (Attachment B)
- v. Anonymous methods:
  1. U.S. mail
  2. Blocked phone call
  3. Interoffice mail
  4. QR Code (Attachment B)

##### b. Responding to Reports

- i. All reports will be monitored by the Compliance Officer or designee who will ensure that:
  1. All reports are taken seriously.
  2. The confidentiality of the reporter is protected for as long as possible.
  3. All reports are acted upon by the Center as soon as reasonably possible.
  4. Individuals reporting suspect behavior are not subjected to retaliation.
- ii. Methods of reporting will be discussed in all compliance training, referenced in applicable policies, and posted in visible locations throughout the agency. In some residential homes, postings are maintained in a binder accessible to all staff.
- iii. The Compliance Officer or designee will maintain a confidential file of all reports of potential compliance problems.
  1. The documentation on file will record the issue(s) reported, the staff and programs affected, the results of any inquiries/investigations, and whether the issue(s) was been resolved.
  2. All reports will be investigated unless the information provided contains insufficient information to permit a meaningful investigation. In such

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instances, the documentation should explain why no investigation was undertaken.

### V. Internal Auditing, Monitoring, and Investigations

#### a. Auditing:

- i. The Center will perform regular self-assessments as part of the audit process, including contractors. Results of the risk assessment will be used to develop the compliance work plan and review procedures.
- ii. Because billing and coding issues are an ongoing risk area, regular internal compliance audits of billing, claims, individual charts, and electronic records will be performed to ensure that services rendered are properly documented, to monitor the accuracy of claims, adherence to the Center's Compliance Plan, procedures, program requirements, and applicable laws and regulations.
- iii. On a regular basis, generally ongoing, the Compliance Officer or designee(s) will audit a sample of individual's charts and electronic records during a program review or perform routine documentation reviews. The individual's records sample will be randomly selected. Programs may be targeted based upon trends or concerns noted by the Corporate Compliance Officer or Chief Executive Officer. The actions described below shall follow:
  1. Program audit results and the summary of findings will be forwarded to the Program, appropriate supervisors, other appropriate management, and CEO as needed, via email. A plan of correction, if applicable, to correct the compliance audit results/findings shall be submitted in writing to the Compliance Officer or designee within a specified time period from the date of notice. Program supervisors will generally be responsible for designing plans of correction for program reviews.
  2. Routine documentation review results will be forwarded to the staff member, their supervisor, and other appropriate management staff via email. Routine documentation reviews generally do not require a plan of correction. The staff member is provided with technical assistance or further formal training and documentation is rechecked at a later date.
  3. Any billed services that do not meet requirements will be forwarded to the CFO or designee for reversal of charges.
  4. Proof of corrections shall be tested by a follow-up review consisting of a record review that is limited in scope and or review of department level documentation such as training records.

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5. If during the review process, other problematic practices are discovered, the Compliance Officer or designee will perform follow-up action, such as focused audits, retraining, and/or pursue procedural changes.

b. Monitoring

The Center employs several methods to routinely monitor services, billing, and contracts. Some of these monitoring methods may include management meetings, the Utilization Management Committees, Human Rights Committee, the Safety Committees, internal and external reviews, contract monitoring, data reports, clinical record reviews, billing reviews/reports, and risk management activities such as administrative death reviews and incident report monitoring. The Compliance Officer should receive an electronic copy of any external program audit or review results as well as any corrective action plans required so that those can be maintained in a central electronic location.

c. Investigations: The purpose of the investigation shall be:

- i. To identify those situations in which the laws and regulations of the Medicare and Medicaid programs, other relevant laws/regulations, and/or the Center's Code of Conduct (Attachment A) may not have been followed.
- ii. To identify individuals who may have knowingly or inadvertently caused claims to be submitted or processed in a manner which violated the Center's Code of Conduct (Attachment A), Medicare/Medicaid laws, or other relevant laws/regulations, rules, or standards.
- iii. To facilitate the correction of any practices not in compliance with the Medicare or Medicaid laws and regulations, other relevant laws/regulations, and/or the Center's Code of Conduct (Attachment A).
- iv. To implement those procedures necessary to ensure future compliance.
- v. To protect the Center through all legally appropriate means in the event of civil or criminal enforcement actions and to preserve and protect its assets.

d. Control

- i. All pertinent reports of potential misconduct received at the Center, regardless of originating source, shall be reported to the Compliance Officer.
- ii. The Compliance Officer or the Chief Executive Officer's designee will be responsible for directing the investigation of the alleged problem or incident or recommending that the investigation be conducted by legal counsel.
- iii. In undertaking an investigation, the Compliance Officer or the Chief Executive Officer's designee may solicit the support of internal auditors, external counsel

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and auditors, and internal and external resources with knowledge of the applicable laws and regulations and required policies, procedures, or standards that relate to the specific problem in question.

e. Investigative Process:

Upon receipt of an employee complaint or other information, including audit results, which could suggest the existence of a serious pattern of conduct in violation of compliance procedures or applicable laws or regulations, an investigation shall be commenced under the direction and control of the Compliance Officer or Chief Executive Officer's designee. Steps to be followed in undertaking an investigation shall include at a minimum:

- i. Notification to the Chief Executive Officer of the nature of the complaint. Prior to this notification, the Compliance Officer or Chief Executive Officer's designee may seek additional information from the reporting source to clarify issues as necessary and establish credibility of the complaint. It should be noted that anonymous reports may make this impossible. The Chief Executive Officer may either direct the Corporate Compliance Officer or designee to investigate or appoint an ad hoc committee to assist the Corporate Compliance Officer or designee in the full investigation of the complaint.
- ii. The investigation shall be executed as soon as reasonably possible but no longer than six months for more complex investigations.
- iii. Initial interviews of the complainant, if not anonymous, and other persons who may have knowledge of the alleged problem or process, and a review of the applicable laws and regulations which might be relevant to or provide guidance with respect to the appropriateness or inappropriateness of the activity in question to determine whether or not a problem actually exists.
  1. If the review results in conclusions or findings that the questioned conduct is permitted under applicable laws, regulations, or policy or that it does not otherwise appear to be a problem, the investigation shall be documented and closed.
  2. If the initial investigation concludes that improper billing occurred, that practices occurred which are contrary to applicable law, that inaccurate claims were submitted, or that additional evidence is necessary, the investigation shall proceed.
  3. If the initial investigation concludes that a violation of the Code of Conduct (Attachment A) occurred, the investigation shall proceed.
- iv. Identification and review of representative bills or claims submitted to the Medicare/Medicaid programs when improper billing claims are identified to

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determine the nature of the problem, the scope of the problem, the frequency of the problem, the duration of the problem, and the potential financial magnitude of the problem.

- v. Interviews of the person or persons in the program(s) who appeared to play a role in the problematic activity may be performed to determine the facts related to the alleged activity, and may include, but shall not be limited to:
  1. Individual understanding of the Center's procedures, the Code of Conduct (Attachment A), Medicare and Medicaid laws and regulations, or other relevant laws and/or regulations.
  2. The identification of persons with supervisory or managerial responsibility in the process.
  3. The adequacy of the training of the individual(s) performing the functions within the process.
  4. The extent to which any person knowingly or with reckless disregard or intentional indifference acted contrary to the Center's Code of Conduct (Attachment A) or the Medicare/Medicaid laws or regulations or other relevant laws and/or regulations.
  5. The nature and extent of potential civil or criminal liability of individual(s) or the Center.
- vi. Preparation of a summary report which;
  1. Defines the nature of the problem.
  2. Summarizes the investigation process.
  3. Identifies any person whom the investigator believes to have either acted deliberately or with reckless disregard or intentional indifference toward the Center's Code of Conduct (Attachment A) and/or the Medicare/Medicaid laws and regulations and/or other relevant regulations.
  4. If possible, estimates the nature and extent of the resulting financial adjustments. Once any overpayments have been identified and quantified, reporting and returning the overpayment will be completed no more than sixty (60) days later.
- vii. The Center's employees and contract providers will be expected to fully cooperate with all inquiries undertaken pursuant to this plan and to keep these

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inquiries confidential. To the extent practical and appropriate, the Compliance Officer will maintain confidentiality of such inquiries and the information gathered.

viii. Responding to Detected Offenses

1. When auditing, monitoring, or an investigation identifies a training need or need for fiscal action, corrective action will be taken. The Chief Executive Officer will appoint the appropriate staff to develop and/or implement the corrective action. Administrative staff such as the Compliance Officer, Human Resources Director, Chief Financial Officer, or others may assist in developing and implementing the plan.
2. Corrective action shall be designed to ensure that not only the issue at hand is addressed, but also that measures are placed into operation that would prevent the repeat of similar issues. Corrective action may require that certain functions be reassigned, that training take place, that restrictions on personnel take place, that repayment be made, or that the matter be disclosed or referred externally. Corrective action could include any recommendations for a sanction or disciplinary action.

VI. Disciplinary Action

The Center has a policies and procedures in place to consistently address disciplinary action. Employees are oriented to the Center's policies and procedures during new employee orientation. The Center's policies and procedures are routinely reviewed to maintain compliance with current rules and regulations. Any revisions are approved by the Center's CEO and if applicable the Center's Board of Trustees. Employees are required to acknowledge that they have received, read, understood, and agree to abide by the revised policies and procedures.

Failure to act when an employee has knowledge or suspects that someone is violating the Code of Conduct (Attachment A) or engaged in false billing practices shall be considered a neglect of that employee's responsibilities and shall subject the employee to disciplinary action, including possible termination of employment and/or prosecution. Employees found to have violated the Code of Conduct (Attachment A) and /or compliance plan and procedure will be subject to disciplinary action including possible termination of employment and/or prosecution.

VII. Corrective Action

- a. Possible Criminal Activity: In the event the Center uncovers, either through an investigation or regular auditing/monitoring, what appears to be criminal activity on the part of any employee or contract provider, it shall take the following steps:
  - i. It shall immediately stop all billing related to the problem in the program(s) where the problem exists until such time as the offending practices are corrected. It shall initiate appropriate disciplinary action against the person or persons whose conduct appears to have been intentional, willfully indifferent, or with

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reckless disregard for the Center's Code of Conduct (Attachment A) and or the Medicare/Medicaid laws and regulations, and/or other relevant regulations. At the direction of the Chief Executive Officer, the employees under investigation may be removed from his/her position, placed on administrative leave, or subject to other action(s) consistent with the Center's policies and procedures.

- ii. It shall make reports to governmental authorities as appropriate which could include law enforcement and/or the Office of the Inspector General (OIG) and the Center for Medicare and Medicaid Services (CMS). The Center's employees and contract providers will be expected to fully cooperate with any external inquiries/investigations.
- b. Other Non-compliance: In the event the investigation reveals billing or other problems, such as billing not meeting required elements, which do not appear to be the result of conduct, which is intentional, willfully indifferent, or with reckless disregard for the Center's Code of Conduct (Attachment A), and or the Medicare/Medicaid laws and regulations, the Center shall nevertheless undertake the following steps:
  - i. Improper Payments: In the event the problem results in duplicate payments by Medicare/Medicaid or another third-party payer, or payments for services not rendered, documented according to requirements, or provided other than as claimed, the Center shall:
    - 1. Correct the practice or procedure as quickly as possible.
    - 2. Calculate and repay the identified amount to the appropriate entity within 60 days of identifying and quantifying the overpayment.
    - 3. If deemed necessary, initiate disciplinary action in accordance with the Center's policies and procedures.
    - 4. If deemed necessary, promptly undertake a program of education at the appropriate unit or program to prevent future similar problems.
  - ii. Other problems: In the event the problem does not result in an overpayment by the Medicare/Medicaid program or another third-party payer, the Center shall:
    - 1. Correct the practice or procedure as quickly as possible.
    - 2. If deemed necessary, initiate disciplinary action, in accordance with the Center's policies and procedures.
    - 3. If deemed necessary, promptly undertake a program of education at the appropriate unit or program to prevent future similar problems.

**LAKES REGIONAL MHMR CENTER**  
**OPERATING PROCEDURE**

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Authority: Quality Improvement

6.04

Effective Date: 10/24/03

Revised Date: 08/31/09

Revised Date: 06/16/26

Subject: Corporate Compliance  
Procedure and Plan

6.04.01

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Approved:   
Wayne Vaughn, CEO

Date of Approval: 6 / 18 / 2026

# Lakes Regional Community Center

## EMPLOYEE CODE OF CONDUCT

**Purpose:** This code of conduct has been adopted by the Board of Trustees of Lakes Regional Community Center to provide standards by which employees of the Center will conduct themselves in order to protect and promote organization-wide integrity and to enhance the Center's ability to achieve its mission.

**Introduction:** The Code of Conduct sets forth the policy of the Center. The principles set forth in this Code of Conduct will be distributed to all employees at New Employee Orientation and at least annually with refresher compliance training. All employees are responsible to ensure that their behavior and activities are consistent with the Code of Conduct.

As used in this Code of Conduct, the term Center means Lakes Regional Community Center and each of its divisions, subsidiaries and operating or business units. The terms "officer", "director", "employee" and "volunteer" include any persons who fill such roles or provide services on behalf of the Center or any of its divisions, subsidiaries, or operating business units.

**Principle I: Legal Compliance**

The Center will strive to ensure that all activity by or on behalf of the organization is in compliance with all applicable laws.

**Principle II: Business Ethics**

In furtherance of the Center's commitment to the highest standards of business ethics and integrity, employees will accurately and honestly represent the Center and will not engage in any activity or scheme intended to defraud anyone of money, property or honest services.

**Principle III: Confidentiality**

Center employees will strive to maintain the confidentiality of all clients and other confidential information in accordance with applicable legal and ethical standards.

**Principle IV: Conflicts of Interest**

Directors, officers, committee members and employees owe a duty of loyalty to the organization. Persons holding such positions may not use their positions to

profit personally or to assist others in profiting in any way at the expense of the organization.

***Principle V: Business Relationships***

Business transactions with vendors, contractors and other third parties will be transacted free from offers or solicitations of gifts or favors or other improper inducements in exchange for influence or assistance in a transaction.

***Principle VI: Protection of Assets***

All employees will strive to preserve and protect the organization's assets by making prudent and effective use of the Center's resources and properly and accurately reporting its financial condition.

## EMPLOYEE AFFIRMATION STATEMENT

I have received and reviewed a copy of the Employee Code of Conduct for Lakes Regional Community Center as part of my compliance training. I understand, acknowledge and accept its contents as they relate to my position. I have also had the opportunity to discuss any aspects of and ask questions about the Employee Code of Conduct with the Human Resource Department (for new employees) or my immediate supervisor (for current employees).

Further, except as stated below or on an attached document, as of this date, I have no knowledge of any transactions or events that appear to violate the Employee Code of Conduct. I acknowledge my affirmative obligation to adhere to the principles and standards of this policy and to report any violations or suspected violations to my immediate supervisor, the Compliance Officer, the compliance hotline or any other means designated for compliance reporting.

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Signature of Employee

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Print Name

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Date

This acknowledgement will be retained in Relias for annual compliance training.

## COMPLIANCE REPORTING

If you believe fraud, waste, or abuse has occurred, please use the QR code below to complete the Corporate Compliance Investigation Reporting Form.



If you have questions about fraud, waste, or abuse, please see our corporate compliance plan and procedure 6.04.01 on Teams or call 972-388-2000 x1147 or x1160.

## Compliance Reporting

If you believe fraud, waste or abuse has occurred, please use the QR code below to complete the Corporate Compliance Investigation Reporting Form.



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