

**COMMUNITY PHYSICAL THERAPY AND ASSOCIATES
BUSINESS ETHICS AND COMPLIANCE PROGRAM**

(Confidential and Proprietary/not to be disclosed to third parties)

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MISSION OF THE COMPLIANCE PROGRAM

Community Physical Therapy and Associates (“CPT”) is committed to fostering a work environment that promotes the delivery of quality therapy services in compliance with all applicable laws and ethical standards. As an expression of this organizational commitment, we have adopted this compliance program (the “Compliance Program”) with the intent of preventing violations, educating CPT employees and independent contractors (“CPT Personnel”) on their compliance obligations, and ensuring that CPT has the appropriate infrastructure to detect, investigate and remedy any non-compliance.

Compliance is the responsibility of all CPT Personnel, from CPT’s management team to its most junior employees. The Code of Conduct attached to this Compliance Program as Exhibit A provides a general statement of the compliance obligations of all CPT Personnel. The Compliance Policies attached as Exhibit B provide specific standards in specific areas. CPT expects full participation from all CPT Personnel in this Compliance Program. Indeed, participation will be taken into account in performance evaluations and non-compliance will be grounds for disciplinary action.

We recognize that an effective Compliance Program is essential to the success of our business and our reputation in the community we serve. Accordingly, this Compliance Program informs every aspect of our business, from our relationships with our clients, to the care we deliver and the documentation we provide.

TAB 2

STRUCTURE OF THE CPT COMPLIANCE PROGRAM

Scope and Jurisdiction of the CPT Compliance Program

The CPT Compliance Program is designed to promote an understanding of and compliance with the legal requirements and policies that govern CPT operations and its relationships with skilled nursing facility and home care clients where CPT provides services. Obligations imposed by the Compliance Program extend to all CPT Personnel.

Compliance Program Leadership

The Compliance Program was created at the direction of the CPT management team. The CPT President appoints a Compliance Officer, who reports directly to the President on Compliance Program matters. In addition, CPT has established a Compliance Committee consisting of the CPT President, Compliance Officer, Director of Operations, Director of the Skilled Nursing Division, Director of Clinical Education and Director of Professional Services. The Compliance Committee provides input on the Compliance Program and compliance issues to the Compliance Officer.

Elements Of The CPT Compliance Program

The most important elements of the CPT Compliance Program include:

- ***Written policies designed to explain and prevent violations of legal requirements.*** The CPT Corporate Compliance Program incorporates a Code of Conduct and policies to promote compliance with the most important legal requirements applicable to CPT's business. The Code of Conduct will be distributed to all CPT Personnel on an annual basis, along with those compliance policies that apply to their job responsibilities. CPT Personnel must review the Code of Conduct and all applicable compliance policies, and certify that they understand and agree to comply with them.
- ***Designation of a Compliance Officer and Compliance Committee.*** The President appoints a Compliance Officer, who reports directly to both the President and the Compliance Committee on Compliance Program matters. The Compliance Officer oversees implementation and operation of the Compliance Program and has primary responsibility for investigating allegations of non-compliance with Compliance Program policies, developing compliance education programs, monitoring the effectiveness of the Compliance Program and updating policies based on changes in applicable laws and standards. When circumstances warrant, the Compliance Officer may delegate responsibility to or solicit assistance from appropriate CPT staff or outside counsel to conduct investigations, monitor compliance, update policies or implement remediation. The Compliance Officer has the authority to review all documents and other information that is relevant to compliance activities, including medical and billing records and documents regarding marketing activities.

The Compliance Committee advises the Compliance Officer and assists with the implementation of the Compliance Program, including by determining the appropriate strategies to promote compliance and detect any potential violations.. The Compliance Committee helps the Compliance Officer identify compliance issues and provides input on how to handle them. The Compliance Committee also provides input on the need for additional policies and changes to existing policies.

- ***Effective lines of communication.*** The Compliance Officer is available to help CPT Personnel understand and follow the standards set out in the Code of Conduct and CPT policies. Individuals who have questions about Corporate Compliance Program may contact the Compliance Officer at the CPT office (630-766-0505), through a confidential message in the Compliance voicemail box (630-766-0505 ext. 236) or by sending an e-mail to compliance@cptrehab.com. All CPT Personnel are obligated to notify the Compliance Officer of known or suspected illegal conduct or activities that violate CPT's compliance policies.
- ***A training program designed to educate CPT Personnel on legal requirements and CPT policies relevant to their job function.*** All CPT Personnel are required to participate in basic, annual training on the Code of Conduct and general compliance issues. New hires undergo compliance training as part of their orientation process. CPT Personnel whose job functions require understanding of specific CPT compliance policies, such as persons involved in documenting therapy services or the claims submission process, also will receive training and education to ensure that they understand and comply with those specific compliance policies. Compliance training may take various forms, including live or video taped training sessions and computerized training modules. CPT Personnel will be required to sign in or otherwise evidence their completion of compliance training. The Compliance Officer will keep track of who has completed training requirements and will follow up with those who have not done so as deadlines approach. Participation in required compliance training is a condition of continued employment and work at CPT.
- ***Monitoring and auditing activities designed to ensure that legal requirements and CPT policies are properly understood and followed.*** The Compliance Officer and/or his designee will monitor and audit organizational activities to ensure that compliance policies and legal requirements are being followed by CPT Personnel. Monitoring and auditing activities are conducted according to an annual monitoring and auditing plan and as follow-up if non-compliant activity is discovered and corrected. Follow-up audits are designed to ensure that changes made in CPT operations to promote compliance have the desired effect of eliminating non-compliant activity.
- ***Monitoring changes in legal requirements and communicating relevant changes to CPT Personnel.*** The legal requirements that affect CPT's operations change frequently. Such changes may necessitate changes in compliance policies or the implementation of new policies. The Compliance Officer (with assistance from the Compliance Committee) monitors changes in legal requirements that may affect the Compliance Program, updates policies and communicates relevant changes to affected CPT Personnel.

- ***Investigation of alleged illegal or unethical conduct and recommendations for corrective action when actual illegal or unethical conduct is found.*** All CPT Personnel are obligated to notify the Compliance Officer of known or suspected illegal conduct, or activities that violate CPT’s compliance policies. Upon receipt of an allegation of non-compliance, the Compliance Officer will investigate or appoint appropriate personnel or engage legal counsel to investigate the allegation to determine whether the violation reported or suspected has actually occurred. When such violation is found, the Compliance Officer will recommend and assist in implementing corrective action and will ensure that CPT Personnel who intentionally or negligently disregarded CPT policy or applicable legal requirements are disciplined. In addition, the Compliance Officer, with assistance from legal counsel when appropriate, will determine whether additional training of CPT Personnel or reporting to clients or government agencies is appropriate to redress violations. Where necessary, policies will be strengthened, and new policies created, to prevent similar misconduct from occurring in the future.

- ***Discipline or sanctions of CPT Personnel who fail to comply with legal requirements and CPT compliance policies.*** Personnel who violate CPT policies or legal requirements will be subject to disciplinary action. Discipline will be dispensed consistently based upon the nature, severity and frequency of the violation, and not upon the seniority or rank of the violator. Discipline or sanctions may include any of the following:
 - Verbal Warning
 - Written Warning
 - Probationary Monitoring
 - Suspension
 - Discharge
 - Contract Termination
 - Restitution

CPT’s management team (“Managers”) and facility supervisors (“Supervisors”) will be held accountable for failing to comply with or for the foreseeable failure of their subordinates to adhere to the applicable legal requirements and policies.

In most situations, discipline of CPT Personnel should be progressive, beginning with a verbal warning and proceeding to written warning, suspension, and finally discharge. However, in severe cases, warnings may be bypassed and immediate suspension or discharge may be appropriate.

The Compliance Officer (with the involvement of the Human Relations Department) will be responsible for disciplining CPT employees who violate CPT compliance policies in accordance with CPT HR policies.

TAB 3

COMMUNITY PHYSICAL THERAPY AND ASSOCIATES CODE OF CONDUCT

CPT is committed to maintaining a work environment and relationships with our skilled nursing facility, home care and other clients that promotes compliance with law and ethical business standards. Compliance is a serious matter, and a matter that is the responsibility of all CPT Personnel. CPT has adopted this Code of Conduct and distributed it to CPT Personnel in order to guide ethical behavior and promote legal compliance.

1. Provide Quality Patient Care. CPT Personnel are expected to provide quality patient care and treat all patients with respect and kindness. All therapy treatment decisions must be based solely on medical necessity and be in the best interest of the patient.
2. No Discrimination or Harassment. Discrimination against any person because of age, race, religion, gender, sexual orientation, disability, national origin or for any other reason prohibited by applicable law is strictly prohibited. Harassment based on any of these characteristics (including sexual harassment) may be viewed as a form of discrimination and will not be tolerated.
3. Protect Confidential Information. CPT is committed to maintaining the confidentiality of patient, personnel and other proprietary information in accordance with applicable legal and ethical standards. CPT Personnel may not access, disclose or discuss private patient information or other CPT confidential information, unless necessary to the performance of their jobs.
4. Compliance with Health Care Fraud and Abuse Laws. All CPT Personnel are required to comply with laws that prohibit health care fraud and abuse. In particular, CPT Personnel must not:
 - Offer, provide, solicit or accept cash, gifts or other inducements in exchange for referrals or business in general.
 - Intentionally or knowingly make false or fraudulent claims for payment or assist any client or other third party in doing so.
 - Document false information for the purpose of enabling CPT or a client to obtain higher reimbursement for services, including by documenting a higher intensity of therapy services than is medically necessary, documenting care that was not actually rendered or otherwise upcoding, unbundling or mischaracterizing the services provided to a patient.
5. Keep Accurate and Complete Records. It is essential that CPT maintain accurate, complete and legible records. No employee should knowingly, or with reckless disregard for the truth, make any false or misleading statement on any form or record, electronic or otherwise. All patient record entries must accurately and clearly report the patient's condition and physical capabilities, as well as the care delivered, and otherwise comply with all applicable laws, payor requirements and CPT policy.

6. Appropriate Use of Assets. CPT Personnel must never misappropriate, steal or engage in the unauthorized use of CPT client property or funds. CPT Personnel are expected to use CPT assets wisely to protect against their loss, theft or misappropriation by others. CPT computers and internet access should only be used for work-related purposes.
7. Professional Behavior. All CPT Personnel are expected to act in a professional manner at all times, to be honest in their dealings with CPT, its clients, co-workers and patients and to refrain from disruptive behavior that may compromise CPT's reputation, our client relationships or the care we deliver.
8. Compliance Program Participation. All CPT Personnel must participate in the CPT Compliance Program by:
 - Completing all assigned compliance training and compliance certifications.
 - Complying with this Code of Conduct and all legal requirements and compliance policies.
 - Reporting all suspected non-compliance with this Code of Conduct, CPT policy or applicable law to the Compliance Officer at the CPT office (630-766-0505), through a confidential message in the Compliance voicemail box (630-766-0505 ext. 326), by sending an e-mail to **compliance@cptrehab.com**.
 - Seeking guidance from the Compliance Officer before acting whenever there is a question or concern about whether a potential course of action presents compliance concerns.
 - Cooperating in any CPT investigation of potential non-compliance.
 - Refraining from any form of retaliation against persons who report, investigate or cooperate in the investigation of suspected non-compliance.

CPT PERSONNEL ACKNOWLEDGEMENT

I HAVE READ, UNDERSTAND AND AGREE TO ABIDE BY THE CPT CODE OF CONDUCT. I ACKNOWLEDGE THAT ANY VIOLATION OF THE CODE OF CONDUCT IS GROUNDS FOR DISCIPLINE, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT AT OR WORK FOR CPT.

SIGNED AND ACKNOWLEDGED BY:

Signature

Date

Printed Name

Tab 3 GENERAL COMPLIANCE POLICIES		
3.1 Participation in Compliance Program Activities		
Effective Date:	Last Revision Date:	By:

Policy:

All CPT Personnel are required to participate in compliance program activities.

Procedures:

The level and amount of participation required will vary depending on each individual’s activities and responsibilities at CPT. At a minimum, participation includes:

1. Reviewing the Code of Conduct (as updated from time to time) and returning a signed statement to the CPT Compliance Officer certifying that the individual has received, read understands and agrees to abide by the Code of Conduct, at least annually;
2. Reviewing all Compliance Policies applicable to the performance of their job responsibilities (and any additions to or revisions of such Policies) upon receipt and returning a signed statement to the Compliance Officer certifying that the individual has received, read, understands and agrees to abide by such Policies;
3. Completing all compliance training assigned to the individual, which training will include at least annual general compliance training for all CPT Personnel and may include more specific compliance training for individuals whose activities and job duties at CPT involve a greater risk of non-compliant activity;
4. Complying with Compliance Policies and applicable legal requirements when acting on behalf of CPT; and
5. Reporting any activity involving CPT Personnel that the individual either knows or in good faith believes is in violation of any regulatory requirement or CPT policy. **[See Policy 3.2 regarding Duty to Report Non-Compliance]**

Failure or refusal to participate in any compliance program activity or to comply with any compliance policy or applicable law may result in discipline, which may include termination of the individual’s employment or contractual relationship with CPT.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.2 Duty to Report		
Effective Date:	Last Revision Date:	By:

Policy:

CPT Personnel are obligated to report any activity that appears to violate legal requirements or CPT compliance policy.

Procedures:

Reports of such non-compliant activity may be made to:

1. To the CPT Compliance Officer by phone at 630-766-0505.
2. By leaving a confidential and if preferred anonymous message in the Compliance voicemail box (630-766-0505 ext. 326).
3. By sending an e-mail to compliance@cptrehab.com.

All reports should include sufficient detail to enable the Compliance Officer to investigate the report, including the nature of the suspected violation, the person(s) involved and the date(s) of the potential violation.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.3 CPT Policy Against Retaliation		
Effective Date:	Last Revision Date:	By:

Policy:

CPT strictly prohibits retaliation against persons for participating in the Compliance Program, whether by reporting in good faith known or suspected violations, cooperating in an investigation or by simply refusing to participate in non-compliant activities.

Procedures:

Retaliation against any person who reports a compliance concern in good faith, cooperates in a compliance investigation or otherwise abides by CPT Compliance Program requirements is strictly prohibited even if, after investigating a reported concern, it is determined that no real problem exists. For purposes of this policy, retaliation includes any of the following actions:

- Reducing or restricting a person’s duties and/or responsibilities;
- Failing to promote or to give a raise to a person who would have otherwise received a promotion or raise;
- Terminating a person’s employment or office; or
- Taking any other action that is intended to harass, retaliate against or “pay back” a person for a report of non-compliance, cooperation in an investigation or other participation in the CPT Compliance Program.

The prohibition against retaliation applies whether the potential non-compliant activity is reported to the Compliance Officer, the Government or a Government contractor. However, persons who make bad faith reports of a non-compliance when they know that no violation exists may be subject to discipline.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.4 Manager and Supervisor Compliance Responsibilities		
Effective Date:	Last Revision Date:	By:

Policy:

CPT Managers and Supervisors are responsible for implementing, promoting and supporting CPT’s Compliance Program in their area of responsibility. Each Manager and Supervisor is responsible for notifying the Compliance Officer of any potential legal or compliance policy violations they identify or that are reported by a subordinate.

Procedures:

The following factors will be evaluated in determining the level of each Manager’s and Supervisor’s effectiveness in implementing, promoting, and adhering to CPT’s Compliance Program and may be taken into account in decisions regarding compensation and promotion:

1. **Participation in Compliance Program Activities.** The Manager’s/Supervisor’s participation in the Compliance Program activities required of all CPT’ personnel, as required by the policy entitled *Participation in Compliance Program Activities*.
2. **Understanding of Compliance Program Obligations.** The Manager’s/Supervisor’s knowledge and understanding of the Compliance Program and of potential compliance issues that may arise in their area of responsibility are essential.
3. **Education and Training of Staff.** Managers and Supervisors will help ensure that individuals who report to them or work in their area of responsibility complete assigned compliance training and promote the importance of Compliance Program participation to such staff.
4. **Implementation of Needed Compliance Policies.** In many cases, departments will be required to institute their own compliance policies that are consistent with CPT policy and address issues specific to the department. Managers will participate in the creation of needed departmental compliance policies upon request and such policies will be given to the CPT Compliance Committee for review prior to implementation.
5. **Timely Correction of Discovered Violations.** If a violation of applicable policies or legal requirements is discovered in the Manager’s/Supervisor’s area of responsibility, the Manager/Supervisor must participate in and facilitate the correction of the violation in a timely manner in accordance with a corrective action plan approved by the Compliance Officer and must take all reasonable steps required to ensure that similar future violations do not occur.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.5 Use of Corporate Assets		
Effective Date:	Last Revision Date:	By:

Policy:

CPT Personnel will not use corporate assets for personal benefit.

Procedures:

1. All travel and entertainment expenses charged to CPT should be reasonable in light of an authorized corporate purpose. As a general matter, the travel expenses of spouses and other family members should not be charged to CPT. Exceptions may be made by CPT on a case by case basis.
2. Travel and entertainment expenses that are unrelated to CPT business should never be charged to CPT.
3. CPT assets should never be converted to personal use without CPT's authorization. Embezzlement is a criminal offense.
4. Personnel must exercise due care when using CPT assets to protect them against loss, theft or misappropriation by others.
5. Personnel are prohibited from using CPT equipment, supplies, materials or services for more than incidental personal benefit without CPT's authorization.
6. CPT computers and internet access should only be used for work-related purposes.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.6 Limitation on Hiring or Contracting; Corporate Compliance Background Investigations		
Effective Date:	Last Revision Date:	By:

Policy:

CPT will make reasonable efforts to avoid delegating substantial discretionary authority to persons whose background includes illegal conduct.

Procedures:

1. All applicants for employment or work at CPT will be required to disclose any criminal convictions or exclusion from any government healthcare program.
2. In addition, CPT will conduct reasonable background investigations during the pre-employment process in connection with all positions. Such background checks will minimally include:
 - a. The U.S. Department of Health and Human Services, Office of Inspector General List of Excluded Individuals and Entities (“LEIE”), accessible at <http://exclusions.oig.hhs.gov>.
 - b. Source for state or local criminal background check (*i.e.*, State Bureau of Criminal Apprehension, Bureau of Investigation, local Sheriff’s Department, etc.).
3. CPT will not employ or contract with individuals or entities when a reasonable background investigation reveals that they have ever been convicted of a criminal offense or are currently listed as debarred or excluded from participation in any government health care programs.
4. CPT will update LEIE checks for all employees at least annually.
5. If CPT learns that a person already employed by or under contract with CPT has been convicted of a criminal offense related to health care within the past ten years, or is excluded from participation in any government health care program, the employment or contractual relationship with that person will be immediately terminated.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.7 Business Gifts and Courtesies		
Effective Date:	Last Revision Date:	By:

Policy:

Under CPT policy, business gifts, meals and entertainment may be offered and accepted only in accordance with this policy to avoid allegations of unlawful kickbacks or undue influence over patient choice.

Procedures:

1. **Gifts to Potential Referral Sources.** CPT Personnel will not offer, give or facilitate the giving of gifts to current or potential referral sources, including but not limited physicians, discharge planners, CPT clients, potential clients and others in a position to generate business for CPT that exceed a value of \$100 per item or in annual aggregate, except with the prior approval of the President. It is never acceptable to provide cash gifts, cash equivalents, gift cards and the like to a referral source.

This Policy does not apply to personal gifts paid for by individual CPT Personnel in connection with an appropriate occasion (birthdays, weddings, births, holidays, etc.). Such gifts are not reimbursable by CPT as a business expense and may not be deducted as a business expense on personal income tax filings.

2. **Gifts Given to Patients.** Aside from items of nominal value (\$10.00 per item and \$50.00 in annual aggregate), CPT Personnel shall not offer, give or facilitate the giving of gifts to CPT or client patients/residents or their family members.
3. **Gifts from Vendors.** CPT Personnel should not accept gifts from vendors or vendor representatives valued at more than \$100 per item or in annual aggregate.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.8 Financial Integrity		
Effective Date:	Last Revision Date:	By:

Policy:

All CPT financial records and reports must be accurate.

Procedures:

1. All funds and other assets and all transactions of the Company must be properly documented, fully accounted for and promptly recorded in conformity with CPT accounting policies to enable the preparation of timely management reports and to meet external and regulatory reporting requirements. CPT financial records must accurately reflect all transactions, including any payment of money, transfer of property or furnishing of services.
 - a. Under no circumstances may CPT funds or assets be used for any unlawful purpose.
 - b. Under no circumstances will unrecorded assets or transactions be tolerated, regardless of their intended purpose or use.
 - c. Under no circumstances shall improperly, intentionally inaccurate or false entries be made in CPT financial records.

2. It must be emphasized that an intention to deceive or defraud is not required to constitute a violation of any of these standards. To ensure compliance with these standards, all employees are expected to give complete cooperation to CPT's finance department and to CPT's independent outside auditors to enable them to perform their duties.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.9 Obligation to Keep Accurate Books and Records; Prohibition on Making False Statements on Any Government or Private Document		
Effective Date:	Last Revision Date:	By:

CPT will maintain accurate books and records and will accurately document all services provided to CPT and client patients/residents. CPT strictly prohibits the filing of claims that CPT knows to include false information with any Federal, state or private payor or facilitating the filing of false claims by a client or other third party.

Procedures:

1. CPT Personnel must not make false statements or otherwise falsify information in CPT or client records or on any document prepared for or to be filed with any government or private payor. In particular, all CPT Personnel must accurately document the services they provide and the results of the assessments they perform.
2. In the event that CPT Personnel have reason to believe that clinical, billing or claims information received from another CPT employee or a client is false in any respect (whether intentionally or unintentionally), the employee has an obligation to notify the Compliance Officer. CPT Personnel must not file or facilitate the filing of any associated claim pending further instruction from the manager or Compliance Officer.
3. CPT and its clients are obligated by law to bill only for medically necessary health care services or products that are properly documented. Accordingly, all therapy services and patient assessments reflected in CPT or client records must be properly documented in accordance with all applicable laws, regulations and payor requirements. The following specific parameters will be observed:
 - **Plan of Care:** CPT Personnel will not provide therapy services unless they are furnished pursuant to a written treatment plan established prior to the initiation of treatment that contains the following information:
 - The patient’s significant past history
 - Specific prior level of function that the therapist has a treatment goal.
 - Patient’s diagnoses that require physical therapy;
 - Related physician orders;
 - Patient assessment information and current functional level;
 - Therapy goals and potential for achievement;
 - Any contraindications;

- o Patient’s and/or family/caregiver awareness and understanding of diagnoses, prognosis, treatment goals; and
- o When appropriate, the summary of treatment provided and results achieved during previous periods of physical therapy services.

The treatment plan must further specify the therapy services type, amount, frequency and duration. The amount, frequency and duration of the physical therapy services must be reasonable and necessary.

The plan of care and results of treatment must be reviewed every 30 days. When services are continued for more than 30 days, the plan of treatment must be recertified every 30 days. Any change in treatment plan must be noted in writing in the patient record.

- **RUG Levels:** CPT Personnel will not provide or document false, inaccurate or misleading information for use in determining the resource utilization group (“RUG”) assigned to any resident of a client facility, including, but not limited to misrepresentation of a resident’s medical condition, activities of daily living (“ADL”) score or physical functionality on the minimum data set (“MDS”).
- **Medical Necessity:** CPT Personnel will not knowingly document a need for or provide therapy services that are not “reasonable and necessary” under applicable payor standards.
- **Therapy Minutes:** CPT Personnel will accurately record the number of minutes of therapy services delivered to CPT and each client resident/patient in accordance with all applicable laws, regulations and payor requirements.
- **Upcoding:** CPT Personnel will not engage in or facilitate upcoding or any similar practice that improperly increases reimbursement.
- **Unbundling:** CPT will not “unbundle” services that should be coded under a single code, such as hot/cold packs provided to a Medicare patient following physical therapy services.
- **Mode of Therapy Visit:** CPT Personnel will accurately document whether therapy is provided in an individual, concurrent or group setting in accordance with all applicable laws, regulations and payor requirements. CPT Personnel will never document or code services as individual therapy when such services are delivered on a concurrent or group therapy basis.

4. **COMPLIANCE WITH REQUIREMENTS TO REPORT AND FUND OVERPAYMENTS:** The failure to report and refund overpayments received

from Government payors such as Medicare and Medicaid within the applicable timeframe under law is itself a false claim. Accordingly, CPT will report and refund all overpayments to CPT from Government payors as soon as practicable after they are identified but in no event more than sixty (60) days after identification. CPT Personnel who have reason to believe that CPT has received an overpayment from a Government payor must notify the Compliance Officer within one (1) business day. The report and refund of any overpayment and any questions regarding whether a particular payment is an overpayment must be brought to the attention of the Compliance Officer, who will review the issue and determine how best to handle it, if necessary or appropriate with input from legal counsel.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.10 Integrity of Data Systems		
Effective Date:	Last Revision Date:	By:

Policy:

CPT will exercise reasonable care to protect the integrity of its data systems.

Procedures:

In order to protect the integrity of its data systems, CPT will:

1. Establish procedures for regularly backing up data.
2. Maintain a complete and accurate audit trail.
3. Maintain systems to prevent data contamination.
4. Perform regularly scheduled virus checks.
5. Maintain mechanisms to protect electronic data from unauthorized access or disclosure.
6. Comply with all applicable laws and regulations regarding electronic data or computer system security and CPT HIPAA Compliance Policies.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.11 Record Retention		
Effective Date:	Last Revision Date:	By:

Policy:

CPT will retain records for the applicable required retention period(s) as set forth under federal or state law but in no case will medical or billing records be retained for less than ten (10) years or other records for less than five (5) years. Records may only be destroyed after all applicable retention periods have expired.

Procedures:

1. Records shall be kept in their original form or in an acceptable alternate form for storage.
2. Records shall be maintained in a usable condition and in an appropriate environment to ensure the integrity of the information they contain.
3. All records maintained by CPT and its personnel must be legible, appropriately organized and available for audit and review by auditors, both internal and external.
4. The confidentiality of all records pertaining to patient care will be maintained in accordance with federal and state laws and CPT HIPAA Compliance Policies.

Tab 3 GENERAL COMPLIANCE POLICIES		
3.12 Responding to Government Investigation		
Effective Date:	Last Revision Date:	By:

Policy:

CPT will appropriately cooperate with government investigations in a manner that protects the Company’s best interests.

Procedures:

As healthcare law enforcement has grown more aggressive, the search warrant has become a regular method used by governmental authorities to obtain evidence of alleged healthcare fraud and abuse. Law enforcement officers executing a warrant typically arrive at an office or facility with no prior notice, armed with a search warrant that entitles them to seize original business records, including computer records. Government investigators may also arrive unannounced at the homes of present or former personnel and seek interviews and documentation.

The President has designated the Compliance Officer as the person in charge during a search warrant event. The Compliance Officer shall contact legal counsel immediately in the event law enforcement officers arrive at CPT. The Compliance Officer and the President shall be responsible for coordinating CPT’s response to a search or request for interviews.

1. First Steps

- a. Identify the lead investigation officer and request:
 - (1) all of the investigating officers’ credentials, agency affiliations, business cards, business telephone numbers and addresses;
 - (2) a copy of the search warrant and/or subpoena (if any);
 - (3) if a search, a courtesy delay in initiating their search in order for you to contact legal counsel; and
 - (4) if an interview, that all CPT Personnel be represented by CPT counsel and that counsel must be present during any interviews.
- b. Contact legal counsel immediately and fax a copy of the search warrant and/or subpoena to counsel. If counsel can be reached by phone, put counsel directly in touch with the lead investigating officer.

- c. Organize CPT Personnel
 - (1) Gather all CPT Personnel and read aloud the Personnel Guide for Government Investigations (Section E, below) which pertains to CPT Personnel's rights and obligations during an investigation.
 - (2) Designate CPT representative (ideally two) to observe the search, write down what is searched or seized, and write down any questions the investigating officers ask. Send all other non-essential personnel home.
 - (3) Ensure that no CPT Personnel are left alone with an investigating officer, unless requested by the CPT Personnel.

A Search:

- 1. **Without a Warrant.** If the officers do not have a search warrant, DO NOT consent to the search, e.g., if the officer asks if you consent or will allow a search, say "no." Contact legal counsel for further advice.
- 2. **With a Warrant.**
 - a. *The Law.* If the officers present a search warrant, they have the authority to enter CPT's private premises and the premises of CPT clients. The officers may search for evidence of criminal activity and seize documents listed in the search warrant and/or subpoena. However, CPT may politely request (but cannot insist) that the officers delay the search until legal counsel is contacted and is able to assist in the interpretation of the warrant.
 - b. *The Compliance Officer should:*
 - (1) Request a delay until legal counsel is contacted and is able to assist in interpreting the warrant (either in person or by phone).
 - (2) Review the warrant carefully (if possible with assistance of counsel) and determine:
 - (a) The areas specified to be searched.
 - (b) The documents specified to be seized.
 - (3) Object if the investigating officers search areas/documents not specified in the warrant.
 - (a) Inform the lead officer of your objection.

- (b) Take detailed notes and photographs.
- (4) Object to any search of “privileged” documents. Privileged documents are any communications from or to CPT’s legal counsel.
 - (a) Do not allow the investigating officers to read any privileged documents. A court must determine whether the investigating officers may read the documents.
 - (b) Negotiate a method for protecting privileged documents until there is a court determination. For example:
 - (i) If the privileged documents remain at CPT, place the privileged documents in separate boxes.
 - (ii) If the privileged documents are taken off premises, place the privileged documents in sealed envelopes/boxes (and sign the seals).
- c. Ensure that the investigating officers are never left alone on the premises.

A Request for an Interview:

1. **The Law.** CPT Personnel may refuse to grant an interview to the investigating officers and request legal counsel. Even if CPT Personnel decide to answer questions, he/she may stop the interview at any time and request legal counsel.
2. **The Compliance Officer should request that:**
 - a. The interview be conducted in the presence of a CPT attorney;
 - b. The interview be conducted during normal business hours;
 - c. The interview be conducted, if necessary, at another location; and
 - d. The reason for the interview be disclosed.
3. **All CPT Personnel should notify their supervisors, the Compliance Officer and CPT’s legal counsel immediately if a government official requests an interview with them.**

Personnel Guide for Government Investigations:

To be read aloud verbatim (or distributed) to all CPT Personnel as soon as possible if there is a search.

1. **As you know, the office is being searched by law enforcement officers. I would like to take a moment to inform you of your rights and obligations.**
2. **First, do not obstruct the search. The officers have a legal right to search the premises and to seize what is designated in the warrant as evidence.**
3. **The investigating officers may ask you to grant them an interview. You are free to do so, but you are under no legal obligation to grant them an interview. The search warrant entitles them to search the premises. It does not entitle them to interview any person.**
4. **If you do grant an interview to the investigating officers, you should be aware that anything you say can be used against you in a criminal prosecution or in a civil enforcement proceeding. This is true regardless of whether the officers give you any so-called Miranda warnings.**
5. **If the investigating officers ask any of you to grant them an interview, and you would like to do so but would like CPT counsel to be present at the interview, we will make counsel available for that purpose. Please let me know if that is the case.**

Tab 3 GENERAL COMPLIANCE POLICIES		
3.13 Intellectual Property and Confidential Information		
Effective Date:	Last Revision Date:	By:

Policy:

CPT Personnel shall not misappropriate confidential or proprietary information belonging to CPT, or any other person or entity. Nor should CPT Personnel utilize any publication, document, computer program, information or product in violation of CPT’s or any other person’s or entity’s interest in such product (including copyright and other intellectual property interests).

Procedures:

1. CPT Personnel shall not utilize confidential business information obtained from CPT or CPT’s competitors, including price lists, contracts or other information for their personal interests or in violation of any law or agreement, (including, for example, a covenant not to compete or a prior employment agreement).
2. CPT Personnel will strive to protect the Company’s confidential and proprietary information and to prevent inappropriate or unauthorized disclosures. CPT Personnel should always guard against inadvertent disclosures, which may arise in either social conversations or in normal business relations with vendors or contracted entity staff. Confidential information should not be provided to outsiders without first getting the approval from the CPT President.
3. Copyright laws protect many materials we use in the course of our work. Audio and videotapes, trade journals, books and magazines are some examples of these materials. Presentation slides, training materials, management models or other materials prepared by outside consultants or organizations may also be copyrighted. **We may not distribute, copy or alter copyrighted materials owned by others without a valid license or other prior permission of the copyright owner or its authorized agent.** It is not always easy to determine if such permission exists, therefore, we should discuss these issues with the CPT President.
4. It is against our policy to reproduce copyrighted software, documentation or other materials without permission. **Only legitimately purchased, original software may be installed onto a company computer.** Any and all copying of software is restricted to the provisions of the Software License Agreement. Use of unlicensed software not only creates a legal liability for the Company, but also exposes our computers to a higher risk of computer viruses.