

Code of Ethics

Compliance

The laws governing the conduct of health care providers are constantly evolving and have become increasingly complex. To ensure the provision of quality health care in compliance with those laws, Trilogy Health Services, LLC has developed a compliance program, which includes an Employee Standards and Code of Ethical Conduct and a Compliance Hotline. Our Employee Standards and Code of Ethical Conduct provides the necessary guidelines to assist us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with residents, physicians, third-party payors, contractors, vendors, consultants, and one another. All employees receive a copy of this Code during their orientation and they acknowledge their receipt and acceptance of the provisions of the Code through a signed Affirmation Form.

Employee Standards And Code Of Ethical Conduct

This Code establishes standards of behavior regarding compliance with applicable laws governing financial relationships among health care providers and other potential sources of referrals, and is designed to ensure that the business and billing practices comply with applicable laws. This Code is intended to apply to all relationships between Trilogy and other institutional health providers and/or physicians, and between Trilogy and its vendors and suppliers. The Employee Standards and Code of Ethical Conduct further reaffirms Trilogy's commitment to deliver compassionate, quality health care services that exceed our customers' expectations and are consistent with applicable state and federal health and safety standards.

Resident Care And Rights

Our mission is to provide quality healthcare to all of our residents. We treat all residents with respect and dignity and provide care that is both necessary and appropriate and that allows each resident to attain or maintain the resident's highest practicable physical, mental and psychosocial well-being. We make no distinction in the admission, transfer or discharge of residents or in the care we provide based on race, color, religion, or national origin. Resident care is based on identified resident healthcare needs, not on resident or organization economics. Upon admission, each resident is provided with a written statement of resident rights. Residents and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral counseling. Residents are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care.

Regulatory Compliance

Trilogy provides healthcare services in several states. These services generally may be provided only pursuant to appropriate federal, state, and local laws and regulations. Such laws and regulations may include subjects such as certificates of need, licenses, permits, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, resident's rights, terminal care decision-making and Medicare and Medicaid regulations. The organization is subject to numerous other laws in addition to these healthcare regulations. We will comply with all applicable laws and regulations. All employees, medical staff members and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations; and should immediately report violations or suspected violations to a supervisor or member of facility management.

Referrals

We do not pay for government payor resident referrals. We accept government payor resident referrals and admissions based solely on the resident's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone - employees, physicians, or other persons - for referral of government payor residents.

Financial Reporting And Records

Financial records serve as a basis for managing our business and are important in meeting our obligations to residents, employees, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements. All financial information must reflect actual transactions and conform to generally accepted accounting principles. Trilogy maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

Recordkeeping And Documentation

Accurate and complete record keeping and documentation is critical to virtually every aspect of Trilogy operations. It is the policy of Trilogy that all documentation shall be timely, accurate, and consistent with applicable professional, legal, and facility guidelines and standards. This includes all aspects of the facility's documentation, including resident assessments and care plans, clinical records, and all billing and payment documentation. Falsification of records is strictly prohibited, including backdating of records, with the exception of appropriate late entries duly noted and made consistent with applicable professional and legal standards.

Billing For Services

Trilogy is committed to prompt, complete, and accurate billing of all services provided to residents for payment by residents, government agencies, or other third-party payors. Billing shall be made only for services actually provided, directly or under contract, pursuant to all terms and conditions specified by the government or third-party payor and consistent with industry practice. Trilogy and its employees shall not make or submit any false or misleading entries on any MDS assessments or bills or claim forms, and no employee shall engage in any arrangement, or participate in such an arrangement at the direction of another employee (including any officer of Trilogy or a supervisor), that results in such prohibited acts. Any false statement on any bill or claim form shall subject the employee to disciplinary action by Trilogy including possible termination of employment. False claims and billing fraud may take a variety of different 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. Trilogy and employees shall specifically refrain from engaging in the following billing practices:

Making claims for items or services not rendered or not provided as claimed (such as billing for three hours of therapy when only a few minutes were provided);

Submitting claims to Medicare Part A for residents who are not eligible for Part A coverage; in other words, who do not require services that are so complex that they can only be effectively and efficiently provided by, or under the supervision of, professional or technical personnel;

Submitting claims to any payor, including Medicare, for services or supplies that are not medically necessary or that were not ordered by the resident's physician or other authorized caregiver;

Submitting claims for items or services that are not provided as claimed, such as billing Medicare for expensive prosthetic devices when only non-covered adult diapers were provided;

Submitting claims to any payor, including Medicare and Medicaid, for individual items or services when such items or services either are included in the health facility's per diem rate for a resident or are of the type that may be billed only as a unit and not unbundled;

Double billings (billing for the same item or service more than once);

Providing inaccurate or misleading information for use in determining the Resource Utilization Groups, version III (RUG-III) or other resident, payment or acuity classification scale score or ranking assigned to the resident, including but not limited to misrepresenting a resident's medical condition on the minimum data set (MDS);

Paying or receiving anything of financial benefit in exchange for Medicare or Medicaid referrals (such as receiving non-covered medical products at no charge in exchange for ordering Medicare-reimbursed products); or

Billing residents for services or supplies that are included in the per diem payment from Medicare, Medicaid, a managed care plan, or other payor.

If an employee has any reason to believe that anyone (including the employee himself or herself) is engaging in false billing practices, that employee shall immediately report the practice to his or her immediate supervisor, the Trilogy hotline or the Compliance Officer, or any of the officers designated to receive such report verbally or in writing. Failure to act when an employee has knowledge that someone is engaged in false billing practices shall be considered a breach of that employee's responsibilities and shall subject the employee to disciplinary action by Trilogy including possible termination of employment.

Vendor Relations And Gifts

Trilogy will treat all vendor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of suppliers and vendors will be made on the basis of objective criteria including quality, price, delivery, and service. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in the administration of all purchasing activities. Trilogy employees may accept gifts that are handmade and of nominal value per employee per year from any one vendor or organization that has a business relationship with Trilogy. However, gifts from vendors are discouraged. For purposes of this paragraph, physicians practicing in Trilogy facilities are considered to have such a relationship. Trilogy employees cannot accept gifts of monetary value from residents. However, it is permitted to accept handmade gifts and crafts that have only intrinsic value. You may never accept cash or cash equivalents, such as gift certificates. Finally, under no circumstances may you solicit a gift.

Personal Obligation To Report Violations

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each employee has an individual responsibility for reporting any activity by any employee, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code. In general reports can be made to your immediate supervisor or to the Compliance Officer.

Corrective Action

Where an internal investigation substantiates a reported violation, our policy is to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future at any Trilogy facility.

Discipline

All violators of the Employee Standards and Code of Ethical Conduct will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any of the following disciplinary actions.

- Verbal Warning
- Written Warning
- Written Reprimand
- Suspension
- Termination
- Restitution

State-Specific Addenda

Colorado

New Mexico

Florida

North Carolina

Georgia

Ohio

Illinois

Pennsylvania

Indiana

South Carolina

Kentucky

Tennessee

Massachusetts

Texas

Michigan

Virginia