

UCPSA CODE OF ETHICS EMPLOYEE HANDBOOK ADDENDUM A

United Cerebral Palsy of Southern Arizona (UCPSA) is committed to maintaining the highest standards of ethical conduct in every aspect of our dealings. We set high standards for ourselves, our staff, and our contractors. Additionally, because we hold government contracts and subcontracts, we are subject to rules, regulations, and laws in addition to those that apply to other organizations.

UCPSA has adopted this Code of Ethics and other policies to help guide employees and contractors in their work. Employees and contractors are required to follow the Code of Ethics and all UCPSA policies. As always and in addition to the Code of Ethics, your integrity and judgment should guide you in your work. This Code of Ethics works in conjunction with UCPSA's Employee Handbook and other policies, procedures, or provisions.

All employees and contractors are responsible for adhering to the Standards of Conduct set forth here. We strongly encourage each employee and contractor to review the Code of Ethics periodically to ensure they remain in compliance, and to use the Code of Ethics as a guide in all decisions related to UCPSA.

Standards of Conduct

The list below provides an overview of the laws, policies, and standards that should be considered while working with UCPSA and our consumers. UCPSA reserves the right to add to, delete, or modify these standards at any time. Should you have any questions regarding this Code of Ethics or any situation that arises in your job, please contact your supervisor or Human Resources. These individuals are here to help you make the correct decision and support our consumers.

No Discrimination, Harassment, or Retaliation

UCPSA believes every employee, independent contractor, and consumer deserves to work and live free from discrimination, harassment, and retaliation. In keeping with these values, UCPSA will not tolerate any form of discrimination, harassment, or retaliation against any staff member by anyone, including other employees, managers, vendors, and/or consumers. All staff members are expected to avoid any behavior or conduct that could be interpreted as discrimination, harassment, or retaliation.

UCPSA is committed to maintaining equal employment opportunity in every term, benefit, condition, or privilege of employment. UCPSA does not discriminate against applicants or employees on the basis of age, race, sex, color, religion, national origin, gender, disability, marital status, sexual orientation, gender identity, citizenship, ancestry, veteran status, creed, genetic information, or any other status protected by federal, state, or local law.

UCPSA prohibits retaliation against any individual who engages in any activity protected by local, state, or federal law.

Compliance with Applicable Laws

UCPSA requires both organizational and personal integrity. We comply with all applicable laws and regulations and strive to conduct our work according to the highest ethical standards. Employees and contractors are expected to be honest and forthright in dealings with managers, coworkers, consumers, vendors, government agencies, partners, and the general public.

UCPSA wishes to provide specific information about the False Claims Act to its employees and contractors, pursuant to Section 6032 of the Deficit Reduction Act of 2005. UCPSA and its employees or contractors must also comply with all other federal, state, and local requirements and instructions on the prevention and reporting of false claims.

In compliance with the False Claims Act (FCA) and the Deficit Reduction Act (DRA), UCPSA has adopted procedures to detect and prevent fraud, waste, and abuse. UCPSA takes actual or potential fraud and abuse very seriously. UCPSA supports the efforts of federal and state authorities in identifying instances of fraud and abuse. UCPSA will protect whistleblowers who provide information of a violation of federal or state false claims.

Overview of the FCA and DRA:

The Deficit Reduction Act

The DRA was signed into law on February 8, 2006. The law requires that states participating in Medicaid must mandate that providers who receive or make annual payments of at least \$5 million under the state's Medicaid program must establish written policies for all employees and contractors to provide information about:

- The False Claims Act,
- The Program Fraud Civil Remedies Act,
- Federal and state laws pertaining to civil or criminal penalties for false claims and statements,
- Whistleblower protections provided under such laws,
- The role of these laws in preventing and detecting fraud, waste, and abuse,
- Policies and procedures of the provider or employer in preventing and detecting fraud, waste, and abuse, and
- Provide information in an employee handbook as to the rights of employees to be protected as whistleblowers.

False Claims Act

The False Claims Act is a statute which provides for civil liability by any person or entity who:

- Knowingly presents, or causes to be presented, a false or fraudulent claim, record or statement for payment or approval,
- Conspires to defraud the government by getting a false or fraudulent claim paid,
- Knowingly uses, or causes to be used, a false record or statement to conceal, avoid, or decrease an obligation to pay money or transmit property to the United States Government, and/or
- Commits any other fraudulent acts contained in the statute.

The term "knowingly" is defined as a person with actual knowledge of the information, a person who acts in deliberate ignorance of the truth or falsity of the information, or a person who acts in reckless

disregard of the truth or falsity of the information. No proof of intent to defraud is required. The term “claim” is defined as any request or demand for money or property if the United States Government is to provide any portion thereof.

The False Claims Act encompasses fraud involving any federally funded program or contract, except tax fraud.

The Attorney General of the United States is required to investigate violations of the FCA and may bring civil actions against a person. The FCA also provides for Actions by Private Persons (called a “qui tam” suit), which allows an individual to bring a claim in the name of the Government for violations of the Act. Actions must be brought within six to ten years of the violation. Qui tam actions must remain under seal for at least 60 days and the United States Government may choose to intervene in the suit, assuming primary responsibility for prosecuting, dismissing, or settling the action. If the Government chooses not to intervene, the individual who initially brought the suit has the right to continue the action. An individual may share in a percentage of the Government’s recovery in an FCA action or settlement.

Anyone bringing or participating in a qui tam suit is protected against discharge, demotion, harassment, discrimination, or retaliation by UCPSA, its employees, agents, and assigns.

The penalty for violating the FCA is three times the amount that the United States Government had been defrauded and civil penalties of \$5,500 to \$11,000 for each offense. Individuals and entities may also be required to pay the costs for bringing any actions to recover penalties or damages.

Other Federal Laws on Fraud and Civil Remedies

The Federal Program Fraud Civil Remedies Act of 1986 establishes an administrative or agency remedy against any person who presents, or causes to be presented, a claim or written statement which the person knows or has reason to know is false, fictitious, or fraudulent due to an assertion or omission to certain federal agencies, including the Department of Health and Human Services. The agency may investigate and, with the Attorney General’s approval, begin proceedings if the claim is for less than \$150,000. Hearings must begin within 6 years of the submission of the claim. This Act allows for civil monetary sanctions to be imposed in hearings, including penalties of \$5,500 and assessments in lieu of damages of not more than twice the original amount of claims.

The term “knows or has reason to know” is defined as a person who has actual knowledge or acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard to the truth of the information presented. No proof of specific intent is required. The term “claim” is defined as any request or demand for property or money, including grants, loans, insurance, or benefits, which the United States Government will provide or reimburse any portion of the funding.

Arizona Statutes and Cases on False Claims

Several Arizona statutes and applicable case law also provide for civil or criminal penalties for false claims and statements, including:

- The Arizona Employee Protections Act.
- The Arizona Consumer Fraud Act. (A.R.S. § 44-1522, et. seq.)
- Arizona case law on private causes of action for consumer fraud and securities-related fraud.

Federal and State Whistleblower Protections

Both United States and Arizona laws protect individuals who act to alert the federal or state

governments of violations of corruption, illegality, violations of the FCA, or some other wrongdoing. The person making this disclosure is often referred to as a “whistleblower” under both federal and state laws.

The following federal laws prohibit discrimination, harassment, or retaliation against individuals who bring forth information related to violations of law, corruption, illegality, or other wrongdoing:

- The False Claims Act. (31 U.S.C. § 3729, et. seq.). Actions brought in federal court.
- The Occupational Safety & Health Act of 1970. (29 U.S.C. § 660, et. seq.). Actions brought through OSHA.
- The Health Insurance Portability and Accountability Act of 1996. (45 C.F.R. § 164.530, et. seq.).
- The Patient Safety & Quality Improvement Act of 2005. (42 U.S.C. § 299, et. seq.).
- The Civil Rights Act of 1991. (42 U.S.C. § 2000e-3a). Actions brought through Department of Labor.
- The Age Discrimination Act of 1975. (29 U.S.C. § 623 (d), et. seq.).
- The Rehabilitation Act of 1973. (29 U.S.C. § 794, et. seq.).
- The Americans with Disabilities Act. (42 U.S.C. § 12203, et. seq.).
- The Fair Labor Standards Act. (29 U.S.C. § 215 (a)(3)).
- The Family Medical Leave Act. (29 U.S.C. § 2615).
- Medicare Conditions of Participation. (42 C.F.R. § 489.10).

Individuals are also protected under Arizona state law, including but not limited to A.R.S. §23-1501, for various forms of whistleblowing. This statute, Section A3(c)(ii), provides protection to an individual when there was:

“disclosure by the employee in a reasonable manner that the employee has information or a reasonable belief that the employer, or an employee of the employer, has violated, is violating or will violate the Constitution of Arizona or the statutes of this state to either the employer or a representative of the employer who the employee reasonably believes is in a managerial or supervisory position and has the authority to investigate the information provided by the employee and to take action to prevent further violations of the Constitution of Arizona or statutes of this state or an employee of a public body or political subdivision of this state or any agency of a public body or political subdivision.”

UCPSA Procedures for Detecting and Preventing Fraud, Waste, and Abuse

UCPSA is committed to maintaining the highest level of professional and ethical standards in caring for our consumers. UCPSA has developed procedures to prevent potential fraud, abuse, and waste in programs funded by Medicare, Medicaid, or other government programs.

UCPSA has established a compliance program to provide guidance to employees and contractors on their responsibilities and to help these individuals determine appropriate conduct. We have established a Compliance Officer, currently designated as our Chief Financial Officer.

While all UCPSA’s employees and contractors are obligated to follow compliance policies and procedures, including this Code of Ethics, UCPSA will provide access to the information, training, and resources needed all to comply with applicable federal and state laws, including ethics laws, regulations, and policies. All employees and contractors must help to maintain and promote the highest standards of ethics and compliance. All employees and contractors must notify UCPSA to allow the organization to address concerns, when they arise, consistent with policies and

procedures. If an employee has questions as to conduct, policies, or procedures, the employee must seek guidance from their supervisor or the Compliance Officer. Each employee and contractor is obligated to conduct their work in a manner which assures the highest ethical standards and compliance.

UCPSA prohibits employees, contractors, or agents from knowingly presenting any claim for payment or approval that is inaccurate, false, fictitious, or fraudulent.

Compliance with UCPSA Code of Ethics will be a factor in evaluating performance. Compliance oversight and instruction will also be an important element in the evaluation of UCPSA supervisory employees responsible for Medicare/Medicaid/federal/state program billing or the provision of services to consumers. Employees who fail to comply with UCPSA's policies and procedures, including this Code of Ethics, may be provided additional training and/or be subject to disciplinary action, up to and including termination of employment.

EXPECTATIONS FOR EMPLOYEES AND CONTRACTORS

Personal Obligation to Report

Each employee, contractor, and agent has a personal responsibility to report any activity by any other employee, contractor, agent, or vendor which the individual has reason to believe violates applicable federal or state laws, rules, or regulations. Any violation or suspected violation must be reported immediately to the Compliance Officer with notification to the employee's supervisor at the same time, if appropriate.

Employees who, in good faith, report a possible violation will not be subjected to retaliation. Employees who make a report that they know to be false or misleading will be subject to appropriate disciplinary action. Each employee who is directly or indirectly involved in providing services and/or billing Medicare, Medicaid, and federal or state programs has an individual responsibility to comply with the organization's relevant policies and procedures.

Internal Investigations of Reports

UCPSA will investigate all reported concerns promptly and confidentially to the fullest extent possible. The Compliance Officer will coordinate investigations with appropriate department supervisors. The Compliance Officer may designate an internal or external person to complete an investigation in their stead. The Compliance Officer shall report any findings of a violation HR Director and the Chief Executive Officer.

The Compliance Officer has the express authority to withhold names of employees who report concerns. However, the Compliance Officer does not have the authority to extend protection or immunity from disciplinary action or prosecution to individuals who have may have engaged in fraud, misconduct, or other instances of noncompliance.

Reporting, including UCPSA self-reporting, to appropriate oversight agencies will occur if circumstances warrant. Such agencies may include Office of the Inspector General, Centers for Medicare or Medicaid (CMS), Medicare Approved Contractors (MAC) and/or State Department of Inspections & Appeals. Recommended corrective actions may be included with these reports. All UCPSA employees must fully cooperate with investigation efforts.

Corrective Action

When an internal investigation finds a violation, UCPSA will initiate appropriate corrective action, including, but not limited to, making prompt restitution of any overpayment amounts and instituting internal changes to prevent a similar violation from occurring in the future.

Disciplinary Action

An employee who violates the Code of Ethics or other UCPSA policies will be subject to appropriate disciplinary action and/or additional training to prevent recurrence of the violation. UCPSA will consider prior training and disciplinary action in determining appropriate recourse in each situation as well as the nature, severity, and frequency of the violation. Violations may also result in personal, civil liability for individuals engaging in fraudulent behavior.

Internal Audit and Monitoring

UCPSA is committed to continuous monitoring of compliance which may include both scheduled and/or unannounced internal audits. Internal audits will look for actual or potential violations. The Compliance Officer may delegate internal audits or monitor duties to other departments (such as Operations, Finance, etc.) or outside agents.

Acknowledgment of Training

UCPSA will complete appropriate training of employees and certain contractors regarding this Code of Ethics and related policies/practices. Following training, individuals may be required to sign an acknowledgment confirming attendance. Employees and contractors may be required to attend the training and sign acknowledgment of attendance as a condition of working with UCPSA. Compliance with the Code of Ethics and attendance at training will be included in hiring considerations, performance evaluations, disciplinary actions, and decisions related to terminations of employment or contracts.

PROHIBITION OF RETALIATION

Prohibition of Retaliation

UCPSA will not tolerate retaliation by an employee, supervisor, or other person against an employee for good faith reports of suspected noncompliance with this Code of Ethics or potential violations of UCPSA's compliance program. Furthermore, UCPSA will not discipline an employee who reports suspected noncompliance with the Code of Ethics or potential violations of UCPSA's compliance Program.

UCPSA will make it clear to all employees, including supervisors and managers, at the time of initial hiring and through training after hire that it is a violation of UCPSA policy to intimidate or retaliate against any employee or contractor who uses the compliance complaint process for its intended purposes.

Encouragement to Communicate Concerns

All employees and contractors are strongly encouraged to report concerns if they believe that consumer care is at risk or the ethical and standards defined in this Code of Ethics have not been met.

UCPSA is committed to open communication between supervisors and employees. UCPSA wants employees to know they may communicate directly with their supervisor, the Compliance Officer, or the Chief Executive Officer regarding actual or potential violations of the Code of Ethics without fear of retribution or retaliation.

Compliance Officer Audit & Review of Retaliation Policy

The Compliance Officer will establish and maintain effective policies regarding the prohibition of employee retaliation. The Compliance Officer is authorized to take the actions necessary to conduct audits of all anti-retaliation policies and procedures at UCPSA. Such actions may include reviewing personnel files for complaints made of suspected misconduct and any suspicious disciplinary actions occurring following the complaint.

Please sign below to indicate your receipt of UCPSA's Code of Ethics.

Employee Signature

Date

Print Name

