

Code Of Conduct

Split Rock Rehabilitation places the highest importance upon its reputation for honesty, integrity and high ethical standards, and is committed to preventing fraud and abuse. These standards can only be achieved and sustained through the actions and conduct of all personnel of the facility .

Split Rock's governing body has adopted the Code of Conduct set forth below as a central component of its Compliance Plan. Adherence to the standards set forth in the Code of Conduct and Compliance Plan is a condition of employment with the facility and applies to all managers, employees, independent contractors, officers and agents of the facility. In addition, Split Rock expects outside parties, including vendors and consultants, to adhere to the standards set forth in this Code of Conduct.

Violation of the standards set forth in the Code of Conduct and the Compliance Plan will result in disciplinary action, up to and including possible termination. In addition, all Split Rock employees and independent contractors are expected to cooperate in all compliance-related inquiries and actively work to correct any unethical, illegal, or improper practice which is identified.

The Compliance Plan, including the Code of Conduct shall be distributed to all Split Rock managers, employees, independent contractors, officers and agents and shall be made available to residents of Split Rock and their families. All employees and independent contractors must certify that they have received, read, and understand the Code of Conduct and will adhere to the standards set forth therein at all times. Such certifications shall be maintained in the personnel files of each employee and independent contractor.

The Compliance Plan and Code of Conduct shall be reviewed and revised as needed, and at least on an annual basis, in order to ensure that each is current and reflects changes in the law or government program requirements applicable to nursing homes. Upon revision of the Compliance Plan or the Code of Conduct, all employees and independent contractors of Split Rock shall be required to re-certify that they have received, read, understand and will adhere to the standards set forth in each revised document.

The following Code of Conduct is intended to guide Split Rock managers, officers, employees, independent contractors, and agents:

LEGAL AND ETHICAL REQUIRMENTS

All managers, officers, employees, independent contractors, and agents must comply with all laws, rules and regulations applicable to Split Rock and shall be expected to adhere to the highest professional ethical standards in dealing with each other, the residents of Split Rock, and third-party payors. In addition, all managers, officers, employees, independent contractors, and agents shall report any actions that they believe may be unlawful or unethical. In the event of any question regarding a particular conduct or circumstance as it applies to the Compliance Plan, the Chief Compliance Officer or another member of the senior management of New Franklin Center should be consulted for appropriate guidance.

RESIDENT RELATIONS

Split Rock Rehabilitation, its employees and independent contractors will provide resident care that is medically necessary and otherwise appropriate, in a respectful and dignified manner, without regard to race, color, creed, religion, gender, sexual orientation, national origin, age, disability, source of payment or other classification prohibited by law.

BILLING, CODING AND DOCUMENTATION FOR SERVICES

The employees, independent contractors, officers and agents of Split Rock shall code, bill and submit claims for reimbursement for resident care that is provided according to the applicable legal requirements and agreements with Medicare, Medicaid, insurance companies and residents.

Split Rock shall submit claims to Medicare, Medicaid, insurance companies and residents only for equipment, medical supplies and services that are medically necessary and will not submit claims for items or services that are not ordered or not provided. Accordingly, all billing and coding must be based upon documentation of the medical justification for the services provided and for the bill submitted in accordance with all applicable regulations.

A description of the Federal and State Laws governing false claims, false statements and whistle blower protections is set forth in Section XI of the Compliance Program. In the event it is discovered that New Franklin Center has received payments for which it is not entitled to payment from a government or private payor, such amounts must be refunded as soon as possible.

BUSINESS PRACTICES

Split Rock shall not engage in any business practice that is improper or illegal, and will not make any unethical or illegal payment to anyone in order to influence the use of Split Rock Center's services.

Business Transactions. Business transactions and joint ventures with other health care providers shall be intended to enhance the quality of care provided to the residents of Split Rock. Financial investments in such transactions or ventures, and any return on such investments, shall be based upon the financial benefit to Split Rock and the positive impact upon resident care. Such investments shall in no way be intended to induce or reward referrals to or from another health care provider.

Business Records. Business record, including expense reports, reimbursement requests, and financial statements shall be complete and accurate. No individual shall willfully or purposely misrepresent any financial report or claim for reimbursement.

Cost Report. All Split Rock cost reports shall be prepared in compliance with all applicable state and federal regulations. Claims for reimbursement of facility costs shall be based upon appropriate documentation; no claims shall be made for reimbursement of unallowable costs, and costs shall be properly allocated to appropriate costs centers based upon verifiable information and data.

Credit Balances. Split Rock shall prepare periodic financial reports reflecting credit balances owed to Medicare, Medicaid, other third party payors or individuals and shall make refunds of such amounts in a timely manner.

PURCHASING POLICY

Purchasing decisions shall be based upon the quality of particular products or services and cost and shall in no way be based upon consideration of any financial benefit to a manager, employee, independent contractor, officer or agent of Split Rock or any family member or friend of such individuals. In addition, no purchasing decision shall be made in return for a referral of patients to Split Rock or in return for a referral of Split Rock residents to another provider.

PAYMENT AND GIFTS

No manager, employee, independent contractor, officer or agent of Split Rock shall accept bribes, gifts or gratuities intended to influence business decisions, solicit an unfair advantage, or reward special attention or service.

COMPLIANCE WITH FEDERAL ANTI-KICKBACK LAWS

Federal law prohibits the payment of cash or anything of value in order to induce a patient referral for services or items reimbursable under a government health care program. Therefore, Split Rock does not provide compensation to any individual based upon the volume or value of referrals of residents to the facility. In addition, Split Rock does not accept any form of compensation in return for a referral of its residents to other health care providers. All contracts, leases, and other financial relationships with other providers who are in a position to make referrals to Split Rock shall be based upon the fair market value of the services or items provided and shall not be based upon the volume or value of referrals of Medicare or Medicaid business between the parties.

CONFIDENTIALITY OF RESIDENT INFORMATION

All employees and independent contractors of Split Rock shall keep resident information confidential, except when disclosure is authorized by the resident or permitted by law.

CONFLICTS OF INTEREST

All managers, employees, independent contractors, officers and agents of Split Rock shall disclose any potential conflict of interest they or any of their immediate family members may have with another entity that either competes or does business with the facility. Conflicts of interest include both financial and non-financial relationships that may compromise the ability of the individual to fulfill their responsibilities to Split Rock.

RESPONSIBILITIES

All managers, officers, employees and independent contractors shall have the following responsibilities:

- All managers, officers and employees must be familiar with and follow the federal and state laws, rules, and regulations that apply to their jobs; comply with the standards set forth in Split Rock Rehabilitations Compliance Plan and applicable department compliance protocols; and recognize that any violation of the foregoing shall result in disciplinary action.
- All managers, department heads and supervisors must create and maintain a work environment in which ethical and other compliance issues may be raised and openly discussed. These individuals must ensure that the staff under their supervision understand the importance of the Compliance Plan and Code of Conduct and are aware of the various mechanisms for reporting suspected unlawful or unethical conduct.
- All independent contractors and other providers that contract with Split Rock shall be provided with a copy of the Compliance Plan and Code of Conduct and will be expected to cooperate in all compliance

initiatives. This applies to individual physicians, physician groups, vendors, contractors, and other health care providers.

OTHER POLICIES AND PROCEDURES

In addition to the Code of Conduct and Compliance Plan, Split Rock has additional policies on specific topics, which are designed to complement the procedures and standards set forth in the Code of Conduct and Compliance Plan. These additional policies and procedures are available upon request to the Chief Compliance Officer.