

Reporting of Suspected or Known Fraud, Waste or Abuse
POLICY: AC.ETH.01.10

Date: September 2, 1999

Responsible to: President/CEO

PURPOSE:

This policy and procedure is a guideline on protocol to follow in the event a strongly suspected or known event of fraud, waste or abuse has taken place within the purview of the organization.

RESPONSIBILITY:

It is the responsibility of every Shepherd Center and Affiliates employee or agent to report any suspected fraud, waste or abuse immediately to their supervisor, Chief Compliance Officer, Compliance Committee or to the 24-hour compliance line. It is the responsibility of the Chief Executive Officer and Chief Compliance Officer to evaluate and investigate all reports of suspected fraud, waste or abuse.

PROCEDURE:

If the Chief Compliance Officer, Compliance Committee, or President/Chief Executive Officer is informed of or discovers credible evidence of misconduct and after reasonable inquiry has reason to believe the misconduct could violate criminal, civil or administrative law, Shepherd Center will follow this protocol:

1. Report the existence of misconduct to the appropriate authority within sixty (60) days after determination that there is credible evidence of a violation.
2. Immediate notification of authorities on violations of:
 - a. Criminal Law
 - b. Significant adverse effects of quality of care.
 - c. Evidence of a systematic failure to comply with applicable laws and regulations.
3. Provide any and all evidence relevant to the alleged violation to the appropriate authorities.
4. If requested by authorities, the Chief Compliance Officer, under the direction of counsel, will continue the investigation of the reported violation.
5. Require the President/Chief Executive Officer or Chief Compliance Officer, under direction of counsel, to notify the appropriate authority of the outcome of the completed investigation.

6. Take appropriate corrective action and document the plan for correction. Make prompt identification of any overpayment by payor due to alleged violation and make restitution to payors.
7. Take appropriate disciplinary action against any staff involved in misconduct as well as any staff who had direct knowledge of misconduct and failed to report violations.
8. As appropriate, follow-up on action plan to ensure corrective action has been successful.