



# **CORPORATE COMPLIANCE PROGRAM**

**Revised January 2025**

Table of Contents

I.	POLICY STATEMENT .....	3
II.	STANDARDS OF CONDUCT .....	3
III.	OVERSIGHT RESPONSIBILITY .....	5
IV.	CONFLICT OF INTEREST POLICY .....	6
V.	COMMUNICATION AND TRAINING .....	9
VI.	MONITORING AND AUDITING .....	10
VII.	REPORTING AND RESPONSE SYSTEM.....	11
VIII.	ENFORCEMENT AND DISCIPLINE.....	12
IX.	COMPLIANCE WITH FEDERAL AND STATE FALSE CLAIMS LAWS AND WHISTLEBLOWER PROTECTIONS.....	12
X.	WHISTLEBLOWER POLICY .....	15
XI.	APPENDICES	15

Annual Notice of Corporate Compliance Program  
Notice of Standards of Conduct  
Sample Signature Authorization Matrix  
Employee Acknowledgement Form

## **I. POLICY STATEMENT**

Preventing and detecting health care fraud and abuse activities is an important fiduciary responsibility of the Board of Directors, management and all staff. St. John's is committed to comply with all federal, state and local laws and standards.

As such, St. John's adopted a Corporate Compliance Program, effective January 1, 1999, to help ensure that the organization maintains a high level of honesty and ethical behavior in all aspects of its delivery of services and relations with its residents, third party payors, employees, agents, vendors and independent contractors.

The intent of St. John's is to implement and enforce a Corporate Compliance Program that will prevent, or reveal and remedy, any misconduct. All Board members, employees, staff, agents, vendors and independent contractors are expected to understand and adhere to this Compliance Program.

## **II. STANDARDS OF CONDUCT**

**Assets** – All assets of the organization shall be used solely for the benefit and purpose of the organization. Any personal use of corporate assets is not permitted. Employees, volunteers, agents and vendors are prohibited from the unauthorized use or removal of St. John's equipment, supplies, materials or services.

**Billing** – Claims are only submitted for services rendered that the organization has reason to believe are reasonable and medically necessary and that were ordered by a physician or other appropriately-licensed individual. Documentation to support billing claims shall be maintained for ten (10) years, or such longer period as may be required by applicable law. St. John's will regularly monitor and promptly refund any credit balances due, and if it is detected that any error in billing was made, a prompt refund to the appropriate payor will be made.

**Bribes, Gifts and Gratuities** – No person associated with the organization shall accept bribes, gifts or gratuities intended to persuade business decisions, referrals, solicit an unfair advantage or reward special attention or service. Loans to or from any individual or business (other than recognized financial institutions) that furnish or receive supplies or services to St. John's are prohibited.

**Cash and Bank Accounts** – No person with access to cash and bank accounts shall steal or otherwise misappropriate funds of the organization. All internal control procedures shall be adhered to at all times. All cash relating to the operations of St. John's will be represented on the monthly financial statements.

**Competition (Antitrust)** – St. John's shall not participate in any venture with (an) other organization(s) that collaborates on information and/or services intended to eliminate fair competition or to engage in price fixing, collusion or unfair trade practices in violation of antitrust laws.

**Confidential Information** – All persons associated with St. John's shall respect the

confidential nature of resident and organization information and shall refrain from disclosing or discussing issues of a confidential nature inappropriately. Information obtained through employment or association with St. John's must not be used to benefit individuals or organizations other than St. John's and its residents.

**Conflict of Interest** – All persons associated with St. John's shall disclose any potential conflict of interest and refrain from any activity that represents an unfair business advantage by virtue of their business interest or employment with St. John's. Employees may hold a second job in addition to employment with St. John's, as long as it does not affect the employee's performance at St. John's or represent a conflict of interest. Members of the Board of Directors shall periodically file with St. John's a statement disclosing any conflicts of interest they may have by virtue of their other business, personal or professional activities.

**Contributions** – No person associated with St. John's shall use force or coercion over another person to solicit contributions.

**Financial Reports** – Expense reports, reimbursement requests, financial statements and cost reports shall be completed thoroughly and accurately and will be reviewed with the Board of Directors on a regular basis. No individual shall willfully or purposely misrepresent any financial reports or reimbursement requests. The certified public accountants for St. John's shall present to the Board of Directors annually the audited financial reports for each entity in the St. John's family of entities, the management letter and management's responses thereto.

**Financing/Loan Agreements** – St. John's shall maintain a familiarity with the terms, conditions and covenants contained in all of its financing/loan agreements and shall refrain from engaging in any activity in conflict or breach of these terms, conditions or covenants. The Executive Committee of the Board of Directors shall be kept informed of any potential violations of such terms, conditions and covenants.

**Medicare/Medicaid Anti-Kickback** – No individual associated with the organization shall engage in any unlawful acts of accepting payments or benefits in return for generating Medicare/Medicaid business activity.

**Non-Discrimination** – All persons associated with St. John's shall adhere to local, state, and federal laws prohibiting discrimination because of age, race, creed, gender, color, marital status, disability, sexual orientation, national origin or any other protected category while conducting business activity of St. John's.

**Outside Consultants** – All outside consultants used in regard to St. John's business will be expected to adhere to these standards of conduct.

**Resident Rights** – All persons associated with the organization shall adhere to the standards of conduct defined in St. John's Bill of Resident Rights.

**Research Grants** – All individuals associated with an organizational-sponsored Research Grant shall conduct their activity in accordance with the grant guidelines. All grant funds

shall be used only in accordance with the grant approval with documentation to support all grant activity.

Sexual Harassment – St. John's provides a professional working environment free from sexual or other protected category harassment and prohibits any such harassment of one employee by another. Employees believing that they have been subject to such harassment should report this to their supervisor or to the VP of Human Resources immediately.

Tax Exemption – St. John's shall not engage in any prohibited activity that violates or could result in a challenge of its tax-exempt status. St. John's will act in compliance with all applicable laws and engage in activities in furtherance of its charitable purpose.

### **III. OVERSIGHT RESPONSIBILITY**

- A. The responsibility of overseeing St. John's Corporate Compliance Program is with the Compliance Officer, reporting to the Chief Executive Officer and the Board of Directors. Janet Wixom is designated as the Compliance Officer.
- B. The duties and responsibilities of the Compliance Officer shall be as follows:
  - 1. Oversee and monitor that St. John's takes steps to communicate its Standards of Conduct and Compliance Program policy and procedures effectively to all affected staff and agents.
  - 2. Develop, coordinate and participate in an educational training program that focuses on the elements of the Compliance Program and seeks to ensure that all employees and management are knowledgeable of, and comply with, pertinent Federal and New York State laws and standards.
  - 3. Oversee that St. John's takes reasonable steps to achieve compliance with its standards by utilizing monitoring and auditing systems reasonably designed to detect misconduct by its employees and agents.
  - 4. Investigate detected or reported incidents of possible misconduct with assistance of legal counsel.
  - 5. Report any and all compliance activity to the Chief Executive Officer and to the Board of Directors on a regular basis.
  - 6. Assist the Chief Executive Officer and Board of Directors in establishing methods to improve St. John's efficiency and quality of services and to reduce St. John's vulnerability to fraud, abuse and waste.
  - 7. Delegate appropriate levels of monitoring and review of systems to other staff and outside agencies to promote effectiveness, efficiency and to avoid any potential conflicts of interest.
  - 8. Periodically revise the Compliance Program in light of changes in the needs of St. John's, and in the law and policies and procedures of government and private payor health plans.
  - 9. Ensure that independent contractors and agents that furnish medical services to St. John's are aware of the requirements of St. John's Compliance Program, especially with respect to coding, billing and marketing.
  - 10. Develop policies and programs that encourage employees to report

- suspected fraud and other improprieties without fear of retaliation.
11. Review and consider any and all Special Fraud Alerts issued by the Office of Inspector General that relate to St. John's. Cease and correct conduct criticized in such Alerts or take reasonable action to prevent such conduct from occurring in the future.
  12. Assist St. John's financial management in coordinating internal compliance review and monitoring activities, including annual or periodic reviews of departments.
- C. Outside legal counsel shall be required to render all legal opinions, advise the Compliance Officer on developments and changes in laws, regulations and policies that affect the Compliance Program, review and approve the Compliance Program and any revisions and advise on any enforcement or discipline pertaining to reports of misconduct.

#### **IV. CONFLICT OF INTEREST POLICY**

- A. St. John's is a not-for-profit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the Internal Revenue Service as well as state regulatory and tax officials view the operations of St. John's as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, there exists between St. John's and its Board of Directors, officers and Key Persons and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Board of Directors, officers and management employees have the responsibility of administering the affairs of St. John's honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of St. John's. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with St. John's or knowledge gained therefrom for their personal benefit. The interests of St. John's must be the first priority in all decisions and actions. Therefore, no person with a conflict of interest shall attempt to improperly influence the deliberation or voting on the matter giving rise to the conflict.
- B. This Policy is directed not only to directors and officers, but to all Key Persons. A Key Person is any person, other than a director or officer, whether or not an employee of St. John's, who (1) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (2) manages the corporation, or a segment of the corporation that represents a substantial portion of the activities, assets, income or expenses of the corporation; or (3) alone or with others controls or determines a substantial portion of the corporation's capital expenditures or operating budget.
- C. Conflicts of interest may arise in the relations of directors, officers, and Key Persons with any of the following third parties:

1. Persons and firms supplying goods and services to St. John's;
2. Persons and firms from whom St. John's leases property or equipment;
3. Persons and firms with whom St. John's is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property;
4. Competing or affinity organizations;
5. Donors and others supporting St. John's;
6. Agencies, organizations and associations which affect the operations of St. John's; and
7. Family members, friends, and other employees.

D. A conflict of interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section C above. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with St. John's;
2. Holding office, serving on the board, participating in management or being otherwise employed (or formerly employed) with any third party dealing with St. John's;
3. Receiving remuneration for services with respect to individual transactions involving St. John's;
4. Using St. John's time, personnel, equipment, supplies, or good will for other than Home-approved activities, programs, and purposes; or
5. Receiving personal gifts or loans from third parties dealing or competing with St. John's. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

E. The areas of conflicts of interest listed in Section C, and the relations in those areas which may give rise to conflict, as listed in Section D, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy. The fact that one of the interests described in Section D exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of St. John's. However, it is the policy of St. John's that the existence of any of the interests described in Section D shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board of Directors, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

F. Transactions with parties with whom a conflict of interest exists may be undertaken only if all of the following are observed:

1. The conflict of interest is fully disclosed;

2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Board of Directors or the Executive Committee thereof has considered alternatives to the proposed transaction and determined that the proposed transaction is in the best interest of St. John's.

Disclosure to St. John's regarding any such conflict of interest should be made to the chair of the Executive Committee, who shall bring the matter to the attention of the full Executive Committee, and thereafter if deemed appropriate to the attention of the Board of Directors or the Executive Committee thereof. The Board or the Executive Committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to St. John's. The decision of the Board or the Executive Committee on these matters will rest in their sole discretion, and their concern must be the welfare of St. John's and the advancement of its purpose. The existence and resolution of any conflict of interest shall be documented in the minutes of the meeting at which the conflict was discussed and voted on.

- G. Employees may hold a second job in addition to employment with St. John's, as long as it does not affect the employee's performance at St. John's or represent a conflict of interest.
- H. Prior to his or her initial election to the Board of Directors and annually thereafter, each director shall complete, sign and submit to the Secretary of the Board of Directors a written statement identifying, to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner) or employee and with which St. John's has a relationship, and any transaction in which St. John's is a participant and in which the director may have a conflicting interest. The Secretary of the Board of Directors shall submit the completed statements to the Executive Committee of the Board of Directors.
- I. A conflict of interest always exists in the case of a Related Party Transaction. A Related Party is
  1. any director, officer or Key Person of St. John's;
  2. any spouse, domestic partner, ancestors, whole and half brothers and sisters, children (natural and adopted), grandchildren, and great-grandchildren of any person described in section I(1) and any spouse of any person described in this section I(2); and
  3. any entity in which any person described in sections I(1) or I(2) has a thirty five percent of greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

For the purposes of this section, a Related Party Transaction is a transaction, agreement, or other arrangement in which a Related Party has a financial interest and in which St. John's or any affiliate of St. John's is a participant unless (1) the

transaction or the related party's financial interest in the transaction is de minimis; (2) the transaction would not customarily be reviewed by the board of directors of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or (3) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that St. John's intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

With respect to any Related Party Transaction in which the Related Party has a substantial financial interest, the Board of Directors shall:

1. prior to entering the transaction, consider the alternative transactions to the extent available;
2. approve the transaction by not less than a majority vote of the directors present at the meeting; and
3. contemporaneously document in writing the basis for the Board's approval, including the consideration of any alternative transactions.

## **V. COMMUNICATION AND TRAINING**

The development and implementation of regular, comprehensive education and training seminars for staff and agents is an important part of the Compliance Program. Compliance education is ongoing but is generally divided into two different components. Most importantly, all staff and agents must receive an introduction to the Program. However, those staff and agents who are especially in high risk areas will receive specialized compliance education that is related to their job functions and responsibilities.

- A. All staff and agents, including new hires, will receive training related to the Compliance Program.
- B. Staff and agents that work in high risk areas and members of the Board of Directors will receive more detailed education related to their function and responsibilities.
- C. Attendance at training sessions is mandatory and is a condition of continued employment or contracting.
- D. Publication of the Compliance Program shall be included in all new employees' orientation training packets and included with all new agent and vendor contracts. The employee handbook will include information on the Compliance Program. Moreover, as part of the initial orientation each new employee or agent shall receive a training session within the first thirty (30) days of employment or contracting.
- E. All existing staff and agents shall receive a publication explaining the Compliance Program, including notification of how and where they can receive more extensive information and details on the program. They will also be required to attend a training session at least once per year that includes a review of the

existing Compliance Program, the Standards of Conduct and any applicable policies and procedures.

- F. A Compliance Program poster shall be posted on the employee communication bulletin board to assist communication of the policy and procedures of the program, as well as the Compliance Hotline number(s) for reporting concerns or misconduct.
- G. Compliance education seminars must include an explanation of the structure and operation of the Compliance Program. They will also introduce the Compliance Officer to the staff.
- H. Compliance education seminars shall at least include information on (a) Standards of Conduct and any other guidance; (b) False Claims Act; (c) communication channels such as the Compliance Hotline; (d) St. John's expectations for reporting problems and concerns and (e) Non-retaliation policy.
- I. Comprehensive education materials will be developed to facilitate the compliance sessions and ensure that a consistent message is delivered to all staff. Standardization is important to evidence that everyone attending a seminar receives the same instruction.
- J. All education and training relating to the Compliance Program will be verified by attendance and a signed acknowledgement of receipt of training. The individual conducting the training will take attendance at all training sessions through the use of a sign-in sheet that records the date, start and end time of the session and the content of the material presented. Human Resources will maintain a file of attendance forms for all training sessions.
- K. The Compliance Officer is responsible for development of the compliance education curriculum and monitoring and ensuring that compliance training and orientation meet the policy standard instituted in this Compliance Program.
- L. The Compliance Officer is responsible for submitting periodic reports to the Board of Directors on all education seminars related to the Compliance Program.
- M. The Compliance Officer is also responsible for coordinating with management to ensure that specialized compliance education occurs for staff in high risk areas.
- N. Personnel may seek clarification from the Compliance Officer directly or by telephone (760-1265). Questions and responses shall be documented, if appropriate, and policies and procedures shall be updated and improved to reflect any changes or clarifications.

## **VI. MONITORING AND AUDITING**

- A. All staff and agents shall be aware of the Standards of Conduct expectations of St. John's and report any suspected violations to reasonably ensure that all activities

are in compliance with St. John's Standards of Conduct, policies and procedures.

- B. St. John's shall have an annual financial audit conducted by its certified public accountants to examine, on a test basis, evidence supporting the proper handling and reporting of amounts and disclosures relating to financial activity of St. John's.
- C. St. John's shall conduct and document annual reviews of business and contractual relationships to reasonably ensure that activities are in compliance with St. John's Standards of Conduct, policies and procedures.
- D. St. John's shall maintain a disclosure listing of all individuals associated with the organization who have identified outside party interests that represent potential conflicts of interest.
- E. St. John's shall conduct an annual review and certification of compliance with regards to the terms, conditions and covenants contained in the organization's financing/loan agreements.
- F. St. John's shall conduct and document an annual review of its billing practices to ensure that all activities are in compliance with St. John's Standards of Conduct, policies and procedures.
- G. St. John's will conduct and document an annual review of quality of care issues to ensure that the St. John's quality of care is in compliance with the St. John's Standards of Conduct and all federal, state and local laws.

## **VII. REPORTING AND RESPONSE SYSTEM**

All employees and agents of St. John's have a duty to report suspected misconduct, anonymously if they choose, and without any fear of retaliation or breach of confidentiality.

1. Individuals may approach the Compliance Officer directly to report suspected misconduct.
2. Individuals may submit, in writing, reports of suspected misconduct using any of the suggestion/communication boxes located throughout St. John's.
3. Individuals may report suspected misconduct by phone or voice mail by contacting the Compliance Officer's voice mail at 760-1265, or the Chief Executive Officer at 760-1202.

The Compliance Officer shall initially and promptly conduct a preliminary review of the report and direct any concerns to legal counsel for opinions, advice and direction on any further investigation, enforcement or discipline.

Reports of misconduct that do not warrant further investigation or review with legal counsel shall be clearly documented as to why no further investigation was undertaken.

The Compliance Officer shall oversee any need to make policy and procedure modifications with respect to correcting and preventing further misconduct of a similar type as a result of a misconduct investigation.

The Compliance Officer shall maintain a log that records reports, including the nature of any investigation and its results. Such information shall be included in reports to the Chief Executive Officer and the Board of Directors.

## **VIII. ENFORCEMENT AND DISCIPLINE**

St. John's Standards of Conduct shall be consistently enforced through appropriate disciplinary mechanisms, including discipline of individuals for failure to detect or report misconduct.

1. Disciplinary procedures for violation of St. John's Corporate Compliance Program and Standards of Conduct will follow the guidelines under existing personnel policies of St. John's and may result in immediate discharge.
2. Grievance procedures for opportunities to respond to allegations or evidence of misconduct will follow the guidelines under existing personnel policies of St. John's.
3. Disciplinary measures that are appropriate shall be determined on a case-by-case basis and will involve the advice of legal counsel.
4. Disciplinary measures and procedures may involve consultation from third parties (i.e. governmental agency, law enforcement agency).

## **IX. COMPLIANCE WITH FEDERAL AND STATE FALSE CLAIMS LAWS AND WHISTLEBLOWER PROTECTIONS**

It is St. John's policy that all Board members, employees, staff, agents, and other personnel shall comply with all applicable Federal and New York State false claims, fraud and abuse laws and regulations. St. John's has instituted various policies and procedures to ensure compliance with these laws and to assist St. John's in preventing fraud, waste and abuse in State and Federal health care programs. As part of St. John's compliance program, personnel shall receive information on these laws, which are summarized below, and should consult with their respective departments if they have any questions about the application of these to their job.

### **A. The Federal False Claims Act (31 USC §§3729-3733)**

The Federal False Claims Act (the "Act") is a law that prohibits a person or entity such as St. John's from "knowingly" presenting or causing to be presented a false or fraudulent claim for payment or approval to the Federal government. The Act also prohibits a person or entity from conspiring to defraud the government by getting a false or fraudulent claim allowed or paid. These prohibitions extend to claims submitted to Medicare or Medicaid.

The definition of “knowing” and “knowingly” is very broad under the Act. There is knowledge for purposes of the Act, if the person or entity: (1) has actual knowledge of the information (2) acts in deliberate ignorance of the truth or falsity of information; or (3) acts in reckless disregard of the truth or falsity of the information. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. Specific intent to defraud is not needed in order for the Act to apply. The civil penalty for a violation of the Act is not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person. There are also administrative remedies under the Act for false claims.

Thus, all acts in violation of the Act shall be strictly prohibited at St. John’s.

B. NY False Claims Act (State Finance Law, §§187-194)

The NY False Claims Act closely tracks the Act. It imposes penalties and fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. A violation of this law can subject a person or entity to civil damages. In addition, there may be a civil penalty up to \$2,000.00 for each item or services as restitution to the Medical Assistance Program if there is knowledge or reason to know that (i) the payment involved the providing or ordering of care, services, or supplies that were medically improper, unnecessary or in excess of the documented medical needs of the person to whom they were furnished; (ii) the care, services or supplies were not provided as claimed; (iii) the person who ordered or prescribed care, services or supplies which were medically improper, unnecessary or in excess of the documented medical need of the person to whom they were furnished was suspended or excluded from the Medical Assistance Program at the time the care, services or supplies were furnished; or (iv) the services or supplies for which payment were received were not, in fact, provided.

C. Social Services Law §145-b False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The State or the local Social Services district may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to \$2,000 per violation. If repeat violations occur within five years, a penalty up to \$7,500 per violation may be imposed if they involve more serious violations of Medicaid rules, billing for services not rendered or providing excessive services.

D. Social Services Law §145-c Sanctions

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the

person's, the person's family's needs are not taken into account for 6 months if a first offense, 12 months if a second (or once if benefits received are over \$3,900) and five years for four or more offenses.

E. New York State Criminal Provisions

New York State also has criminal provisions in place for false statements, fraudulent practices, larceny, insurance fraud and health care fraud. See Social Services Law §§ 145, 366-b and Penal Articles 155, 175, 176 and 177.

F. Federal Whistleblower Provisions

The Act provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the Act. 31 U.S.C. 3730(h). Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

G. State Whistleblower Provisions

The New York False Claims Act also provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the Act. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees.

H. New York Labor Law §741

A health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care. The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

## **X. WHISTLEBLOWER POLICY**

It is the policy of St. John's to protect all directors, officers, employees and volunteers who report suspected improper conduct taken within the corporation from any intimidation, harassment, discrimination, or other retaliation or adverse employment consequences. This applies to all acts that are suspected to be illegal, fraudulent, or in violation of any policy in this Corporate Compliance Program or any other policy of St. John's. A copy of this policy shall be distributed to all directors, officers, employees, and volunteers who provide substantial services to the corporation, or otherwise made available on St. John's website.

The Corporate Compliance Officer shall administer this whistleblower policy. Any director, officer, employee, or volunteer may report any suspected violations of laws or corporate policies to the Corporate Compliance Officer at (585) 760-1265, or anonymously at (586) 760- 1342. All alleged violations will be investigated and kept strictly confidential. For any credible allegations of a violation of law or policy, the Corporate Compliance Officer shall report the violation to the Board of Directors. The person who is the subject of the allegation shall not be present at or participate in the Board deliberations or vote on any matter relating the allegation. The person who is the subject of the allegation may, however, present information or answer questions of the Board of Directors prior to any deliberations or vote.

## **XI. APPENDICES**

Annual Notice of Corporate Compliance Program  
Notice of Standards of Conduct  
Employee Acknowledgement Form



## **NOTICE OF CORPORATE COMPLIANCE PROGRAM**

**Effective Date 1/1/2025**

St. John's Health Care Corporation ("St. John's") is required under the Federal Deficit Reduction Act (2005) to provide the information included in this notice. The federal government and the State of New York have enacted laws to combat fraud, waste and abuse of the Medicare and Medicaid programs by providers, including the False Claims Act and State False Claims Act, respectively. St. John's complies with these laws by applying an active Corporate Compliance Program to all business activities.

**False Claims Act** The False Claims Act (FCA), 31 USC §§3279-3733 is a federal law that strictly prohibits a person or organization from knowingly submitting a false claim or using a false record to receive payment or property from the federal government, whether the payment is received directly or indirectly. Knowingly means that someone actually knew that the claim was false, deliberately ignored whether the claim was false, or acted with reckless disregard for the truth of the submitted claim. New York has enacted the New York State Finance Law, Article 13, §§187-194, that created a State False Claims Act (SFCA). The SFCA prohibits a person or organization from knowingly submitting a false claim or making a false record or statement in order to receive payment from the state or a local government agency. The penalty for violation of the Federal FCA is a fine between \$11,665 and \$23,331 for each false claim submitted, plus up to three times the total amount of losses the false claim created for the government, and the potential to face exclusion from participation in federally funded programs. The penalty for violation of New York SFCA is a fine between \$6,000 and \$12,000 for each false claim submitted, up to three times the total amount of losses the false claim created for the state or local government. Violators may also be required to pay for the cost of the lawsuit brought by the state or local government. The Program Fraud Civil Remedies Act of 1986, 31 USC §§3801-3812, prohibits the submission of false or fraudulent claims to the federal government in order to receive payment or property. However, in addition to any action taken by the United States Department of Justice, this law allows a federal administrative agency, such as the Department of Health and Human Services, to conduct a hearing and impose per statute. New York Social Service Law §145-b allows the local social service district or the state to recover monies for false claims submitted to the state to receive payments from any social service program, including Medicaid. The law also allows the New York Department of Health to fine any person or organization who provides unnecessary services or equipment, who bills for services never provided, or who bills for services ordered or provided by an unqualified or unlicensed individual. Penalties include fines and exclusions from participation if the violator is a recipient of Medicaid. New York has several laws that make it a misdemeanor or a felony to obtain medical services through false statements, false records, or false claims. These laws include those specific to monies or property received from government social programs, such as Social Services Law §145, Social Services Law §366-b, and Penal Law Article 177 (Health Care Fraud). Also included are laws that generally prohibit theft and fraud, such as Penal Law Article

155 (Larceny), Penal Law Article 175 (False Written Statements) and Penal Law Article 176 (Insurance Fraud).

**Protections for Whistleblowers** Under Federal and State False Claims Acts Both the Federal FCA and the New York SFCA have provisions that allow individuals with first-hand knowledge of fraud involving government funds to file a lawsuit on behalf of the government. These individuals are known as “whistleblowers,” and the suits filed on behalf of the government are called “qui tam” suits. If the suit is successful, the whistleblower may receive a portion of the money received by the government. Any whistleblower who files a lawsuit under either the Federal FCA or the New York SFCA is protected from being fired, demoted, threatened or harassed by his or her employer as a result of filing the lawsuit. If a whistleblower believes he or she has been retaliated against, he or she may file a suit against the employer to be reinstated to his or her former position, recover twice the amount of any pay owed, interest on any pay owed, and compensation for any special damages that occurred as a result of the discrimination. NY Labor Laws New York Labor Law §§740-741 also protects employees who notice and report inappropriate activities or suspected violations. A New York employer cannot retaliate against any employee who discloses or threatens to disclose illegal or fraudulent activity that presents a substantial or specific danger to public health or safety. Also, an employee cannot be retaliated against for refusing to participate in any unlawful activity. New York Labor Law also protects employees who report violations of improper quality of patient care or workplace safety. Under these laws, an employee must first alert St. John’s of the alleged violation and provide a reasonable opportunity for St. John’s to investigate and remedy the problem.

**St. John’s Corporate Compliance Program** As a vendor or contractor with St. John’s, all services and activities performed by your firm shall comply with all state and federal laws, rules and regulations regarding the prevention, detection, reporting and correction of fraud, abuse and waste. As part of our Corporate Compliance Program, there are Standards of Conduct which all persons, vendors and contractors doing business with St. John’s must adhere to. A summary of the Standards of Conduct is included and acknowledged by your firm upon receiving a copy. To request a complete copy of the Corporate Compliance Program, contact the Corporate Compliance Officer at (585) 760-1265. St. John’s welcomes any information, from either internal or external sources, which might uncover a process or practice of non-compliance. Only through that knowledge can an area be brought into full compliance. Our Corporate Compliance Program provides a method for employees, vendors, contractors, or others to report suspected compliance issues, errors or abuse. If you are aware of any suspected violation, it may be reported to the Corporate Compliance Officer at (585) 760-1265, or anonymously at (586) 760-1342. All reports will be investigated. If an area of non-compliance is found, it will be resolved promptly and thoroughly and procedures, policies and systems will be implemented to reduce the potential for recurrence. As required, compliance issues will be reported to the appropriate state or federal office.



## **NOTICE OF STANDARDS OF CONDUCT**

Our Standards of Conduct is intended to assist us in carrying out our day-to-day activities within appropriate moral, ethical, and legal standards. St. John's entire Compliance Program can be found on St. John's website, or by requesting a copy from St. John's Human Resources office. If you have any questions regarding our expectations of you, of the Standards, or the Program, feel free to the Compliance Officer, or call our Compliance Hotline at (585) 760-1342.

**Whether you are an employee, agent, contract worker, vendor or volunteer of St. John's and/or its individual entities, you are required to:**

Perform all business activities and duties with honesty and integrity according to our Standards of Conduct.

All business dealings will be in compliance with applicable laws and regulations to avoid any impropriety, dishonesty, or wrongdoing. This includes, but is not limited to, maintaining complete and accurate records and submitting only complete and accurate claims for medically necessary services or equipment actually provided.

Adhere to the principles of our Corporate Compliance Program and the Standards to allow us to create and reinforce a corporate culture embracing compliance and maintaining our reputation as a leader in providing quality and appropriate resident care.

Be honest and truthful in all our dealings and avoid doing anything that is illegal or that might appear improper. We will thrive and prosper only if our reputation for honesty, integrity, quality service, and excellent care is beyond question.

Share in the continuing responsibility to serve our residents and communities and to maintain our good name and reputation in all that we do.

Report a potential false claim or other violation to the Corporate Compliance Officer at (585) 760-1265, or anonymously at (585) 760-1342.

St. John's Health Care Corp.  
150 Highland Avenue  
Rochester, New York 14620-3099  
(585) 760-1300  
[www.stjohnsliving.org](http://www.stjohnsliving.org)

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I understand that it is my responsibility as a St. John's Employee to read and review the St. John's Employee Manual and Corporate Compliance Program. I understand that these documents are available on the St. John's employee website (ADP). By signing this, I acknowledge that it is my responsibility to review the policies of St. John's and bring any questions to my supervisor or Human Resources.

Employee Name (Print) \_\_\_\_\_

Employee Signature \_\_\_\_\_

Date \_\_\_\_\_