

NOTICE OF CORPORATE COMPLIANCE PROGRAM, EFFECTIVE 02/08/2023

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 §§3729-3733 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 had actual knowledge that the claim was false, deliberately ignored the truth or falsity of the information, or acted with reckless disregard for the truth or falsity of the information submitted. Effective 01/30/23, the penalty for violation of the Federal FCA is a fine between \$13,508 and \$27,018 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.

New York State Finance Law. New York has enacted the New York State Finance Law, Article 13, §§187-194 (SFL), which is modeled after the FCA. The SFL prohibits a person or organization from: knowingly submitting a false or fraudulent claim for payment or approval; making or using a false record or statement in order to receive payment from the state or a local government agency; taking possession of money or property from the state or local government and delivering less than all of that money or property; making or delivering a document (with the intent to defraud) that is to certify the receipt of property used by the state or local government without completely knowing that the information on the receipt is true; knowingly buying or receiving, as a pledge for an obligation or debt, public property from a government employee knowing that the employee violates a provision of law when selling or pledging the property; knowingly making or using a false record or statement material to an obligation to pay or transmit money or property to the state or local government; knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay; or conspiring to commit any of those violations. The penalty for violation of New York SFL is a fine of three times the amount of damages sustained by the State and attributable to the violator, plus a civil penalty between \$6,000 and \$12,000 (subject to adjustment for inflation) for each false claim submitted, plus three times the amount of all damages, including consequential damages, which the state or local government sustains due to the false claim. A person who violates the SCL is also liable for costs, including attorneys' fees, of a civil action brought to recover a penalty or damages.

The federal Program Fraud Civil Remedies Act of 1986, 31 USC §§3801-3812 (PFCRA), 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 investigate allegations, conduct a hearing, issue a report of the findings and conclusions of the investigation and impose a civil penalty or assessment.

New York Social Service Law. New York Social Services Law §145-b (SSL) prohibits a person or organization from knowingly attempting to obtain, or obtaining, payment from public funds for services or supplies. SSL § 145-b also allows the local social service district or the state to recover up to three times the amount of the falsely overstated amount, plus interest, including, for example, false claims submitted to the state to receive payments from any social service program, including Medicaid. The SSL also allows the Medicaid Inspector General, in consultation with 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.

New York State Laws for Criminal Liability. 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 §145-b (upon referral to the Medicaid Inspector General), 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. The federal FCA and the New York SFL 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," or "relators" under the New York SFL, and the suits filed on behalf of the government by the individual are called "qui tam" suits. If the suit is successful, the whistleblower may receive a portion of the money recovered by the government. Any whistleblower who files a lawsuit under either the federal FCA or the New York SFL is protected from being fired, demoted, threatened, retaliated against, 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. New York Labor Law §§740-741 also protects employees from retaliatory action who notice and report inappropriate activities or suspected violations. Under Labor Law § 740, an employer may not 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; provides information to or testifies before a public body; or objects to or refuses to participate in the prohibited activity, policy, or practice. Labor Law § 741 also protects employees who report violations of improper quality of patient care or workplace safety, as well as an employee who refuses to participate or

objects to the activity, policy, or practice. 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 correct the activity.

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, please 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 (585) 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 contact the Compliance Officer, or call our Compliance Hotline at (585) 760-1342. Whether you are an employee, agent, contract worker, vendor or volunteer ("Affiliates") 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. You are also required to 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 elder care. Further, St. John's requires that its Affiliates 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. St. John's and its Affiliates share in the continuing responsibility to serve our elders and communities and to maintain our good name and reputation in all that we do.

Should you discover a potential false claim or other violation, you are required to report the violation to the Compliance Officer at (585) 760-1265, or anonymously, (585) 760-1342.

Reporting Reasonable Suspicion of Crime. All employees, agents and contractors of St. John's have the following responsibilities and rights under federal law: If you reasonably suspect that a crime has occurred against a resident or person receiving care at St. John's Home or Penfield Homes, you must report that suspicion to the police and State Survey Agency. For the Home: Rochester Police Dept., Dial 311; for the Penfield Homes: Monroe County Sheriff Dept., (585) 753-4178; and for the Home and Penfield Homes: NYS DOH Hotline, (800) 201-4563. In accordance with the Elder Justice Act, you must make the report within two (2) hours after you first suspect that a crime has occurred if the suspected crime involves serious bodily injury to the individual or within 24 hours if there is no serious bodily injury involved. **WARNING:** If you fail to report your reasonable suspicion of a crime, you may be subject to a civil monetary penalty and/or you may be excluded from participation in any federal health care program. St. John's cannot punish you or otherwise retaliate against you for reporting your reasonable suspicion of a crime against a resident or person receiving care from this facility. You have the right to make a complaint to the State Survey Agency at (800) 201-4563 if St. John's punishes you or otherwise retaliates against you for reporting your reasonable suspicion of a crime against a resident or person receiving care from the facility. Please see St. John's policies and procedures for additional details regarding your responsibilities and rights under the federal law.



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