



# Compliance and Ethics Program

*Doing the Right Thing*

*October 2022*

# Mission Statement

**We improve the lives we touch through the delivery of high quality health care and everyday compassion.**

## Core Values

**Our Core Belief is that patients and residents are the center of our work.** Employees, directors, officers and contractors are expected to uphold the principles of the Genesis Core Values.

CARE & COMPASSION FOR EVERY LIFE WE TOUCH.

RESPECT & APPRECIATION FOR EACH OTHER.

TEAMWORK & ENJOYMENT IN WORKING TOGETHER.

FOCUS & DISCIPLINE ON IMPROVING THE QUALITY OF CARE.

CREATIVITY & INNOVATION TO DEVELOP EFFECTIVE SOLUTIONS.

HONESTY & INTEGRITY IN ALL DEALINGS.

## Standard of Conduct

Genesis is committed to the delivery of high quality healthcare services. To achieve that goal, it is the policy of Genesis to conduct all business affairs with the highest level of integrity. Genesis requires that every employee strictly complies with all applicable laws and regulations. The Genesis Standard of Conduct applies to all aspects of its operations including patient care, billing, maintenance of accurate corporate records, business conduct and all other facets of operations.

*All references to the “company” and “Genesis” include Genesis HealthCare, Inc. and its subsidiaries. For purposes of this Code of Conduct, all references to “covered persons,” are intended to include directors, officers and any employees of Genesis HealthCare, Inc. and its subsidiaries and any independent contractors performing functions similar to those of employees. This Code of Conduct applies to all covered persons. Any waiver of the Code for executive officers or directors may only be made by the Board of Directors.*

# **Genesis Compliance and Ethics Program**

## **INTRODUCTION**

Genesis is committed to advancing the state of healthcare services for the elderly, and to patients needing rehabilitation therapy. We are in the business of providing cost-effective, outcome oriented services and continuously strive to provide quality care and services consistent with ethical and lawful standards.

Genesis expects covered persons to honor this commitment in accordance with the principles set forth in the Genesis Code of Conduct, employee handbook, related policies, procedures and standards developed in connection with this Compliance and Ethics Program (referred to in this document as the Compliance Program).

The Compliance Program was developed to assure that our teams continue to achieve goals of providing quality care and service in a manner that is consistent with applicable laws and the Genesis Code of Conduct. The Compliance Program is intended to empower personnel to prevent, detect and resolve any conduct or action which fails to comport with applicable law, or which fails to satisfy the Code of Conduct.

This Compliance Program is also intended to assist key leaders in developing and implementing internal controls and procedures that promote adherence to the applicable statutes and regulations of the Federal and State healthcare programs, and private insurance program requirements. The information presented in the Compliance Program, in concert with associated policies and procedures, demonstrates our good faith effort to comply with applicable statutes, regulations, and other requirements, and is designed to reduce the risk of unlawful conduct and corresponding sanctions.

Genesis is dedicated to full implementation of this Program. It is our intention to create and maintain a culture that refuses to tolerate non-compliance, in any respect, with law or with the Code of Conduct. This Program applies to all Genesis subsidiaries, including managed operations where management arrangements so provide.

This Compliance Program has been designed to comply with Section 6102 of the Patient Protection and Affordable Care Act, the Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) rules, and CMS program requirements related to the Medicare Shared Savings Program, and was developed based on the Department of Health and Human Services Office of Inspector General (OIG) Compliance Guidance for Skilled Nursing Facilities, the OIG Supplemental Compliance Program Guidance for Skilled Nursing Facilities, and the Federal Sentencing Guidelines. Annual and periodic re-evaluation of the Compliance Program is conducted to assure ongoing compliance.

# ELEMENTS OF THE GENESIS HEALTHCARE COMPLIANCE AND ETHICS PROGRAM

## OVERVIEW

The following summarized elements comprise this Compliance and Ethics Program; they are more fully described in subsequent sections of this document.

### **Element 1: Code of Conduct and Written Standards, Policies and Procedures (Standards)**

The Code of Conduct and written policies and procedures reasonably capable of reducing the prospect of criminal, civil and administrative violations and promote quality of care are the foundation of the Compliance Program. These Standards include:

- The designation of a Compliance Officer to which individuals may report suspected violations;
- An alternate method of reporting suspected violations anonymously and without fear of retribution; and
- Disciplinary standards that set out the consequences for committing violations for the operating organization's entire staff, individuals providing services under a contractual arrangement, and volunteers, consistent with each expected role.

### **Element 2: Compliance Leadership**

Genesis has identified and assigned specific individuals within the high-level personnel of the company with the overall responsibility to oversee compliance with the Genesis Compliance and Ethics Program Standards. Specific individuals include:

- The **Compliance Officer**;
- The members of the Genesis Board of Directors; and
- The members of the Genesis National Compliance Committee (Compliance Committee).

In addition, Genesis has designated that the **Center Executive Director serves as the Compliance Liaison** at each center.

### **Element 3: Sufficient Resources and Authority**

Genesis devotes sufficient resources and authority to Compliance Leadership to reasonably assure compliance with the Compliance and Ethics Program Standards.

### **Element 4: Due Care**

Genesis undertakes due care not to delegate substantial discretionary authority to individuals who are known, or should have been known through the exercise of due diligence, to have a propensity to engage in criminal, civil and administrative violations under the Social Security Act.

### **Element 5: Effective Communication**

Genesis takes steps to effectively communicate the Compliance and Ethics Program Standards to the entire staff, individuals providing services under arrangement, and volunteers, consistent with the volunteers' expected roles. This includes:

- Mandatory participation in orientation and ongoing training programs and dissemination of information that explains requirements in a practical manner; and

- A **mandatory annual training program** on the Compliance and Ethics Program and Code of Conduct.

**Element 6: Reasonable Steps to Achieve Compliance**

Genesis takes reasonable steps to achieve compliance with the Compliance and Ethics Program Standards. Such steps include, but are not limited to auditing and monitoring processes designed to detect criminal, civil, and administrative violations under the Social Security Act by any covered person, having in place and publicizing a reporting system whereby any covered person can report violations anonymously and without fear of retribution, and having a process to ensure the integrity of reported data.

**Element 7: Consistent Enforcement**

Genesis consistently enforces the Compliance and Ethics Program Standards through appropriate disciplinary mechanisms, including, as appropriate, discipline of individuals responsible for the failure to detect and report a violation to the Compliance Officer.

**Element 8: Corrective Action**

After a violation is detected, Genesis ensures that all reasonable steps are taken to respond appropriately to the violation and to prevent further similar violations, including modification to the Compliance and Ethics Program.

## **ELEMENTS OF THE GENESIS HEALTHCARE COMPLIANCE AND ETHICS PROGRAM**

### **Element 1: Code of Conduct and Written Standards, Policies and Procedures (Standards)**

The Genesis Code of Conduct (Code) and written standards, policies and procedures are the foundation of the Compliance and Ethics Program.

The Code of Conduct is the primary element of the Compliance Program because it provides the most significant standards for covered persons to follow. The Code is a guide to appropriate workplace behavior; it helps covered persons make the right decisions. The Code of Conduct applies to everyone at Genesis -- from entry-level employees to top management.

The Code describes Genesis's commitment to legal, ethical and professional conduct in everything we do. This commitment is evident in the work done each day, in caring for patients, ordering supplies, preparing meals, keeping records, paying invoices or making decisions about the future of the center and/or Company. Success as a provider of healthcare services depends on each person's personal and professional integrity, the responsibility to act in good faith and the obligation to do the right things for the right reasons.

For employees, the Code of Conduct supplements the Employee Handbook and the specific policies and procedures that apply to each job. Because no single resource can answer every question or cover every concern encountered at work, employees are also guided by certification and licensing professional standards and individual integrity.

Written policies and procedures are prepared and adopted by each business location to conform with the myriad of regulations by which each skilled nursing center and associated business line must abide. Policies and procedures provide specific guidance and steps to follow to ensure compliance. Employees and covered persons are expected to be familiar with and comply with the content of policies, follow designed procedures, and to seek out additional guidance when necessary to perform their assigned tasks. Changes to policies and procedures are communicated to covered persons using various means including electronic newsletters, postings in the business location, web-based circulation and via educational sessions.

Genesis provides information about state and federal fraud laws, including the False Claims Act, to all covered persons, including remedies available under these provisions and how covered persons and others can use them, and about whistleblower protections available to anyone who claims a violation of the federal or state false claims act. The specific policies are described in the Employee Handbook and supplemental policies.

The Code emphasizes each covered person's responsibility to report issues of concern. All covered persons must help ensure that the center is doing everything practical to comply with applicable laws. Observations or suspicions that a situation that may be unethical, illegal, unprofessional or wrong, clinical, ethical or financial concerns, and violations of the Code of Conduct, are required to be promptly reported.

### Designation of an appropriate Compliance and Ethics Program Contact

Covered persons are expected to report issues directly to the Compliance Officer, Maria C. Suarez Valdez via email at [Maria.Suarez@genesishcc.com](mailto:Maria.Suarez@genesishcc.com).

### Alternate Method or Reporting Suspected Violations Anonymously

Any person may use the methods described in the Reach Out Program to report concerns anonymously, including by calling the Reach Out Lines at 800.893.2094 or 800.944.7776 or by submitting an email to [reachout@genesishcc.com](mailto:reachout@genesishcc.com).

Genesis does not tolerate any form of retaliation for reporting concerns. All reports are presumed to be made in good faith. Genesis further encourages reporting by expecting management to respond in a timely manner to all individuals who report compliance concerns.

If an investigation reveals strong evidence that an individual reported a concern with no factual basis, and the concern was reported to embarrass or otherwise defame an individual or entity, corrective action may be appropriate and pursued.

### Disciplinary Standards

The principles in the Code of Conduct are not suggestions; they are mandatory standards. As such, disciplinary action is a consequence of committing a violation. As the Code states, there is no justification for departing from the Code of Conduct, no matter what the situation may be. Violations of the Code of Conduct or policies and procedures are grounds for dismissal or termination of services. Disciplinary standards are discussed in more detail in Element 7 of this Compliance Program, and in the employee handbook and associated supporting policies and procedures.

## **Element 2: Compliance Leadership**

Genesis has identified and assigned specific individuals, as follows, with overall responsibility to oversee compliance:

### Compliance Officer

The Compliance Officer is responsible for the administration and oversight of the Compliance Program for all business lines. Any questions, complaints, concerns or suggestions regarding the Program should be directed to the Compliance Officer at (800-893-2094).

The Compliance Officer is responsible for answering questions, initiating internal investigations when necessary, and resolving problems. The Compliance Officer, with the concurrence of the Chief Executive Officer, may use any of the Company's resources, including any outside consultants deemed useful or necessary, to evaluate and to resolve compliance issues and to ensure the overall effectiveness of the Compliance and Ethics Program.

If warranted, the Compliance Officer may take action as a result of a compliance issue in accordance with this Compliance and Ethics Program. The Compliance Officer reviews and, if necessary, updates the Program annually. The Compliance Officer reports significant compliance issues to the Chief Executive Officer, the Genesis HealthCare Law Department, the Compliance Committee and the Board, including the results of investigations and any subsequent disciplinary or remedial actions taken.

The Compliance Officer reports directly to the Chief Executive Officer, to the President and Chairman of the Accountable Care Organization, and to the Genesis HealthCare, Inc. Board of Directors Nominating, Governance, Quality and Compliance Committee, and fulfills duties solely related to the administration of the Compliance Program. The Compliance Officer does not act as legal counsel for Genesis, and is not subordinate to the General Counsel, Chief Financial Officer or the Chief Operating Officer.

The fact that Genesis has designated a Compliance Officer does not diminish or alter any employee's independent duty to abide by the Program or the responsibility of any supervisor to ensure compliance by those employees and covered persons he or she supervises.

### Genesis Board of Directors (Board)

As it relates to the Compliance and Ethics Program, the Board is responsible for ensuring the ongoing commitment of the Company and its subsidiaries to compliance with applicable healthcare laws, regulations, professional standards, industry guidelines and the respective policies and procedures of the Company and its subsidiaries that support and enhance the quality of care provided by subsidiaries of the Company.

### Genesis National Compliance Committee (Compliance Committee)

The National Compliance Committee advises and assists the Compliance Officer with oversight of the Compliance Program. Committee members include the senior leaders of all Genesis business lines. The Committee reviews and addresses matters relating to the structure and functions of the Compliance Program. Specifics are discussed in the National Compliance Committee Charter.



### Compliance Liaisons

Genesis has designated that the Center Executive Director (CED) serves as the Compliance Liaison in each center. The CED is a leader who creates and communicates a vision of successful performance built around the Genesis Mission and Core Values, including person-centered care, compassion, compliance and ethics.

Market Presidents, Regional Vice Presidents and senior operations leaders have similar responsibilities and are designated as Compliance Liaisons for their areas of oversight and business lines.

Compliance Liaisons are responsible for assisting the Compliance Officer with his/her duties.

Compliance Liaison responsibilities are summarized as follows:

- Complies with and promotes adherence to applicable legal requirements, standards, policies and procedures including but not limited to those within the Compliance and Ethics Program, Code of Conduct, Federal False Claims Act and HIPAA.
- Provides leadership and support for the Compliance and Ethics Program within management area.
- Provides open lines of communication regarding compliance issues within management area and access to the Reach Out Line and the Compliance Officer, and ensures that retaliation against staff who report suspected incidences of non-compliance does not occur.
- Attempts to resolve compliance issues brought to his/her attention, and reports all significant compliance issues to the Compliance Officer, and assists in their resolution. Implements disciplinary standards as necessary to address staff violations of Genesis Standards.
- Devotes sufficient local resources to assure compliance.
- Ensures timely and accurate reporting and responses to compliance and HIPAA-related issues and monitors the implementation of corrective action plans related to such issues.
- Ensures that prospective staff are background screened in accordance with Element 4 of this Compliance and Ethics Program and associated policies, procedures and state requirements.
- Ensures that staff participates in orientation, annual and mandatory training programs including but not limited to all required compliance courses and relevant policies and procedures, and that such training is properly documented. Participates in compliance and other required training programs.
- Participates in and completes education, monitoring and auditing activities and investigations, and implementing quality assurance and performance improvement processes, as required.
- Completes performance reviews and determines compensation and promotions based on the accomplishment of established standards that promote adherence to compliance and quality standards.
- Acts as Civil Rights Coordinator and promotes compliance with Section 1557 of the Patient Protection and Affordable Care Act (ACA) and associated laws and regulations that prohibit discrimination. Investigates grievances alleging non-compliance with Section 1557.
- Acts as business location Privacy Officer/Designee.
- Prepares compliance reports, as required.

**Element 3: Sufficient Resources and Authority**

Genesis devotes sufficient resources and authority to Compliance Leadership to assure compliance with the Compliance and Ethics Program Standards.

Genesis centers use the Facility Assessment developed according to CFR 42 Section 483.70(e) in developing and maintaining this Compliance and Ethics Program. The Facility Assessment assists the Compliance Liaison in determining the necessary resources to reasonable assure compliance with this Program.

Specifically, the Center Executive Director/Compliance Liaison may require assistance from the Center Nurse Executive and other center leaders to fulfill the duties outlined in Element 2, above.

#### **Element 4: Due Care**

Genesis undertakes due care not to delegate substantial discretionary authority to individuals who are known, or should have been known through the exercise of due diligence, to have a propensity to engage in criminal, civil and administrative violations under the Social Security Act.

Genesis selects employees only after a thorough sanction, criminal, and credential background review and, for selected positions, a drug test. This review is conducted in an effort to keep protect patients from abuse, neglect, misappropriation, and mistreatment. Covered persons must maintain licensure and certifications as required for their positions.

#### Ineligible Persons

Federal law prohibits centers from contracting with, employing, or billing for services provided by an individual or entity that is excluded or ineligible to participate in federal healthcare programs, suspended or debarred from federal government contracts, or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a federal healthcare program after a period of exclusion, suspension, debarment, or ineligibility. Prior to hire, and routinely afterwards, the Compliance Department searches the Department of Health and Human Services' Office of Inspector General List of Excluded and Individuals and Entities, as well as similar state lists, to ensure that excluded individuals are not employed or contracted. Covered persons are required to report exclusions that occur after hire and/or contracting with Genesis.

#### Background Screening

Genesis conducts background investigations on all applicants to whom a conditional offer of employment has been made. Investigations of other individuals are conducted in accordance with federal and state regulations, and include fingerprinting where required. Background investigations are also completed for regular volunteers. New background screenings are required for all employees after a 90-day break in service, or sooner where required by business line policies and/or state regulations. Conditional hire may be pursued if allowed by state law, if the prospective employee attests that he/she has never been convicted of a crime, is not excluded, and he/she completes an Attestation of Good Moral Character.

Genesis uses a barrier crime matrix to make individual hiring evaluations. If an applicant has been convicted of a crime, and that crime does not bar employment, then the hiring manager consults with the Human Resources Department to determine eligibility for employment. All convictions are considered in terms of relevance to the position sought and the time elapsed since conviction.

Applicants are required to provide information relevant to at least five years of prior employment. Genesis verifies previous employment for all new hires if required by state law. Reference checks are also conducted for new hires in certain clinical and professional positions. If an applicant indicates that he/she had been previously employed by Genesis, then eligibility for re-hire is verified.

If the reference check of an employment applicant is unsatisfactory, the hiring manager consults with the Human Resources Manager or Human Resources Department for guidance.

To ensure a safe work environment for patients, residents, staff, and visitors, covered persons are required to report arrests (as permitted by state laws), convictions, indictments and licensure actions should they occur during employment with Genesis. If the employee is convicted of certain serious crimes, he/she will not be permitted to continue employment.

### Drug Testing

Genesis is committed to achieving a safe and healthy work environment, free from drug and alcohol abuse. Center policy strictly prohibits the illegal use, solicitation, sale or possession of narcotics, drugs, alcohol, or controlled substances while on the job or on center property. Violation is a dischargeable offense.

Off-the-job use, solicitation, sale or possession of narcotics, drugs, alcohol, or controlled substances which adversely affect an employee's job performance, potentially affect the center's reputation or standing in the community, or which could jeopardize the safety of others or the public or safe use of center equipment is proper cause for disciplinary action up to and including termination of employment.

All drug testing is completed in compliance with federal and state law. For select positions, prior to hire, drug/alcohol testing is completed within 72 hours of offer of employment. Drug/alcohol testing is also conducted if there is reasonable suspicion of inappropriate drug/alcohol use.

Authorizations to conduct background investigations and drug/alcohol testing are collected in accordance with Genesis policies and federal and state requirements.

### Licensure

Credentials, including licenses, certifications and degrees are verified prior to and during employment. All covered persons who need licenses or certifications are required to maintain credentials in compliance with state and federal laws. Every employee is required to report if any licensing agency has initiated an investigation, if action has been taken against his/her license or certification, or if he/she has worked when his/her required license/certification has expired or lapsed. Failure to report results in discipline, up to and including termination of employment. A specific disciplinary process is followed when it has been determined that an employee has worked without a current, valid license or certification.

## **Element 5: Effective Communication**

Genesis takes steps to effectively communicate the Compliance and Ethics Program Standards to the entire staff, individuals providing services under arrangement, and volunteers, consistent with the volunteers' expected roles. Effective communication is undertaken in many forms: through formal and informal training, emails and newsletters, direct mailings, postings, and via internal and external websites.

The comprehensive training and education program helps Genesis employees and covered persons understand their compliance responsibilities. Covered persons are expected to be generally familiar with the Genesis Compliance Program. All covered persons have a responsibility for compliance and are encouraged to ask questions about the application of the Compliance Program and the Code of Conduct to ensure understanding of the content and expectations.

To facilitate familiarity with the Compliance Program and Code of Conduct, newly hired employees are required to attend general orientation and participate in the Genesis Welcoming Program. As a component of training, every employee reviews the Code of Conduct and certifies agreement to abide by the content of the Code, by completing the Code of Conduct Acknowledgment. Completed Acknowledgements are stored electronically.

### Mandatory Annual Training Program

Within 30 days of hire and annually, employees attend an instructor-led, live training session or complete compliance training online using the content, process and links on Genesis Central. The highest level manager of each business unit provides the oversight of training for his or her direct reports.

Employees electronically certify acceptance of the Code of Conduct and completion of training at the conclusion of training. The certification includes a requirement that each employee report all previously unreported or unaddressed issues of concern. The Compliance Department investigates all concerns reported on certifications.

Managers at all levels have the primary responsibility for communicating, both formally and informally, the paramount importance of compliance to all employees and for actively promoting adherence to the Program. Informally, managers focus on open communication about integrity and create an atmosphere that encourages integrity and that fosters reporting of compliance issues and non-retaliation. Managers answer questions raised by employees or obtain the answer from a Liaison or the Compliance Officer.

Health Insurance Portability and Accountability Act (HIPAA) training is included in the Welcoming Program and in general compliance training every year.

Genesis also requires employees to complete assigned mandatory courses as required by state and federal guidelines, and based on each employee's position. Mandatory education is provided in a variety of independent study and instructor-led formats.

As stated above, Compliance Liaisons ensure the provision of appropriate orientation and training programs including but not limited to all required compliance courses and relevant policies and procedures, and that such training is properly documented.

## **Element 6: Reasonable Steps to Achieve Compliance**

Genesis takes reasonable steps to achieve compliance with the Compliance and Ethics Program Standards. Such steps include, but are not limited to auditing and monitoring processes designed to detect criminal, civil, and administrative violations under the Social Security Act by any covered person, having in place and publicizing a reporting system whereby any covered person can report violations anonymously and without fear of retribution, and having a process to ensure the integrity of reported data.

### Auditing and Monitoring Processes

Genesis centers and business lines monitor and audit clinical and billing practices to detect criminal, civil and administrative violations and to ensure that Genesis standards, policies and procedures, as well as government requirements, are met.

- **Auditing**

The term “audit” is used to describe a comprehensive process of testing and corrective action necessary to identify issues and follow them through to closure. While similar to monitoring, audits are conducted by individuals who are independent from management, with appropriate expertise, following a standard protocol. For purposes of the Compliance Program, audits may be conducted by internal personnel or by contractors. Audits assess the effectiveness of management’s controls and monitoring procedures.

- **Monitoring**

Monitoring functions are generally described as either: 1) ongoing processes that generate data and information that the organization uses to routinely evaluate outcomes or 2) non-independent, continuous tests of key business processes and controls. Management has responsibility for monitoring functions. Monitoring functions may produce no known issues, or may result in informational trends or alerts that require response from management and/or the Compliance Department.

Genesis uses monitoring, auditing and/or other risk evaluation techniques to determine compliance, identify problem areas, and assist in the reduction of identified problems. While these efforts are generally focused on internal operations, reviews of contractors and partners are completed as necessary based on risk assessment and reported issues.

Auditing and monitoring processes result in corrective actions, where necessary, to address findings and to reduce the likelihood of future recurrence.

### Reporting Systems

Genesis strives to discover issues of concern and resolve allegations regarding violations of compliance and regulatory standards. Multiple mechanisms are available to report issues of concern and to ask questions, including the toll-free, confidential hotlines. A policy of non-retaliation is strictly enforced. Compliance issues are reported to the Compliance Department for advice and oversight.

All covered persons are expected to help ensure that everything practical is done in order to comply with applicable laws. All covered persons are required to promptly report observations or suspicions of unethical, illegal, and unprofessional behavior as well as clinical, ethical or financial concerns and potential violations of the Code of Conduct.

Genesis has adopted the phrase “When in Doubt, Reach Out” to remind all that reporting issues of concern is an essential expectation of our staff, and that reaching out helps us to identify and correct practices as necessary.

Genesis follows a specific Four-Step Reporting Process for communicating compliance issues that is discussed in the Code of Conduct as follows:

- *First, talk to your supervisor or manager. He or she is most familiar with the laws, regulations and policies that relate to your work.*
- *If you are not comfortable talking with your supervisor or are not satisfied with the response you receive, talk to another member of the management team, or someone from human resources.*
- *If you still have a concern, discuss with a regional representative or Compliance Liaison.*
- *If none of the above steps resolves your questions or concerns, or if you prefer, call the toll-free Genesis Reach Out Line at (800-893-2094) for assistance. You may call anonymously.*

Any step in the process may be used at any time.

Personnel also have access to the Employee Relations Line at 888-472-8442.

Anyone who is uncertain whether a particular situation constitutes a compliance issue is encouraged to discuss the issue with his or her supervisor, a member of management, a Liaison or the Compliance Officer. All team members required to report significant compliance issues to the Compliance Officer for investigation and resolution. The Compliance Officer may be contacted directly, or via the Reach Out Line.

Residents and family members are encouraged to report issues locally, and also may report issues via the Genesis Dialogue Line at 800-944-7776.

Staff, residents and family members may also submit concerns via emails directly to the Compliance Officer at [reachout@genesishcc.com](mailto:reachout@genesishcc.com).

These toll-free phone numbers and reporting mechanisms are publicized via postings in locations visible to the potential users of these services. The number is also provided on internal and external websites, and in several places in the Code of Conduct.

Reports may be filed anonymously, but must provide enough information to start the investigation process. Reporters may make reports without fear of reprisal, retaliation or punishment for reporting. Anyone, including a supervisor, who retaliates against anyone for reporting an issue, is disciplined, including possible dismissal.

Each covered person is expected to ask any questions he or she might have about the Compliance Program. If anyone is unclear as to responsibilities under the Program, clarification should be sought from a supervisor, management, a Liaison or the Compliance Officer. All employees are required to act in accordance with the Program as a condition of employment. Similarly, contractors and others must comply in accordance with contractual obligations. When an employee promptly discloses his or her own non-compliance, this positive action is considered when decisions are made concerning the appropriate consequences.

The company, and the Compliance Officer, expect all individuals involved in investigating and managing disclosures to do so with the utmost professionalism.

### Case Management

The Genesis Reach Out Reporting System includes a specific process to respond to matters brought to us by families, residents, patients, employees and other stakeholders, in an efficient and effective manner. Reach Out includes all forms of disclosures including phone calls, emails, Code of Conduct Acknowledgments, Compliance Program Certification Forms, satisfaction surveys, exit interviews and letters, and issues reported directly to the Compliance Department by management and staff. It is the policy of Genesis to seriously consider all reports of alleged misconduct.

All cases are handled in a manner that protects the identity of the individual and confidentiality of the investigation to the extent practicable. Retaliation or any form of harassment directed against the reporters of concerns is not permitted.

All cases are documented and maintained in a secure case file database. The majority of investigations are initiated within one working day of receipt of the concern. Exceptions may occur due to the complexity of cases that require additional review and/or management level discussion to determine the most appropriate investigator(s) and investigation methodology.

Cases are investigated by personnel with the required level of expertise and knowledge to perform an effective investigation of the presented issue.

The Compliance Officer and subsidiary senior management or designee monitors the investigation of material violations to ensure that any inappropriate or improper practice is addressed. Corrective and disciplinary actions in response to substantiated allegations are determined by the ranking manager, in consultation with the Compliance, Human Resources and Legal Departments, and are documented. Each case is reviewed by the Compliance Coordinator (or designee), and the Compliance Officer or Compliance Manager/Director.

The Compliance Officer will, where necessary, document actions taken regarding the complaint, including an explanation of the nature of the compliance issue and its resolution. No commitments are made to the party reporting the incident regarding his or her liability.

The Compliance Liaison and Compliance Officer, with the assistance of General Counsel or designee, as needed, determines whether the alleged misconduct is a violation of federal or state law, the Code of Conduct, poses a risk to the general public, or otherwise causes risk of economic or reputational injury. Thereafter, the Compliance Liaison and Compliance Officer shall take action commensurate with the gravity of the allegation to determine the validity of the allegation, and what remedial action and/or disciplinary action, if any, is warranted. Where appropriate and necessary, the Compliance Liaison and/or Compliance Officer shall report violations of federal or state law to the General Counsel and Chief Executive Officer, and externally as required by law.

The Compliance Liaison and the Compliance Officer attempt to ensure that all records related to reports of misconduct are preserved in accordance with law and in a manner that provides



maximum appropriate protection under the attorney-client privilege and attorney work product doctrine.

All employees are obligated to assist in the investigation of alleged compliance issues.

Summary reports from the case file database are provided to Company management on a quarterly basis. Compliance staff reviews the summary reports with subsidiary management on an as-needed basis.

Grievances and complaints regarding the provision of auxiliary aids and services, and alleged discrimination based on disability are reported to the Compliance Officer (or designee) to ensure priority handling.

### **Element 7: Consistent Enforcement**

Genesis consistently enforces the Compliance and Ethics Program Standards through appropriate disciplinary mechanisms, including, as appropriate, discipline of individuals responsible for the failure to detect and report a violation to the Compliance Officer.

All covered persons are expected to comply with conduct and performance standards. Disciplinary action is taken if employees do not meet Genesis's standards of proper clinical, ethical and legal behavior. Further, conduct that interferes with operations, discredits the company, or is offensive to patients/residents or other employees will not be tolerated.

Genesis also strives to help develop talents by providing job-related educational in-services, demonstrating proper techniques and modeling behaviors consistent with the Core Values.

Covered persons are responsible for the lives of those in our care, for the safety of our employees, and for compliance with multiple federal, state and local regulatory agencies. To meet our obligations and to create a safe and respectful environment for everyone, Genesis has established a set of conduct, performance and attendance standards based on the Core Values of our organization, best practices for good patient care and legal requirements.

Employees whose performance or conduct fails to meet the expectations for the job may be given an opportunity to work with their supervisors to develop an action plan for improved performance. The Performance Improvement Process deals with unsatisfactory performance and/or misconduct, attendance concerns, and serious infractions which can result in immediate dismissal.

Typically, the process involves standard steps from counseling to termination.

At each step, the identified problems are discussed with the employee. An action plan is developed to correct the performance issues along with a timeline to assess progress toward identified goals.

Genesis reserves the right to determine the appropriate level of discipline based upon the particular circumstances and severity of each matter, and may move to any level in the counseling process as it deems appropriate.

Failure to meet the expectations established in the action plan will result in moving to the next step in the process. Genesis typically uses a 12-month look-back period to determine the next level of individual improvement. If an employee has not received any warnings in the previous 12 months, he/she will return to the beginning of the four-step process. If he/she has received a warning in the previous 12 months, he/she will move to the next level in the process. Each step of the process is documented in employee files.

The above notwithstanding, it is important to note that Genesis reserves the right to determine the appropriate level of discipline based upon the particular circumstances (including the persons and designated job duties of each) and severity of each matter, and may move to any level in the counseling process as it deems appropriate.

The Employee Handbook includes lists of conduct and performance violations. No list can include all instances which can result in counseling, and the examples in the Employee Handbook do not replace sound judgment.

Dismissal is an immediate termination of an employee for serious breaches, including violations of the Code of Conduct, of responsibility, and for unsatisfactory performance or gross misconduct. Due to the seriousness of these offenses, the person(s) accused may be put on administrative leave pending the outcome of a thorough investigation. If the allegations are not substantiated and the employee is returned to work, he or she is paid for all scheduled time missed. The employee may be disciplined for a lesser infraction based on the investigation findings, if warranted. If the allegation is substantiated, the employee may be dismissed without back pay for scheduled shifts not worked.

It is the policy of Genesis to seriously consider all reports of alleged misconduct. As stated above, the Compliance Officer and subsidiary senior management or designee monitors the investigation of material violations to ensure that any inappropriate or improper practices are addressed. Corrective and disciplinary actions in response to substantiated allegations are determined by the ranking manager, in consultation with the Compliance, Human Resources and Law Departments, and are documented.

### **Element 8: Corrective Actions**

After a violation is detected, Genesis ensures that all reasonable steps are taken to respond appropriately to the violation to prevent further similar violations, including modification to the Compliance and Ethics Program.

Disclosures, coupled with routine, periodic reviews, such as the monitoring and auditing processes described above, increase the likelihood of detection and prevention of unlawful and unethical behavior and as a consequence allow for the correction of such behavior at an early stage.

Detected and uncorrected deficiencies could affect our patients and staff and seriously damage Genesis's reputation. Corrective action is expected promptly every time an opportunity for improvement is discovered.

Corrective action plans should include steps to correct each problem. As appropriate, steps that are generally considered are:

- Education or re-education on regulations, policies and procedures and expectations coupled with monitoring to ensure that the education has been effective;
- Modification of controls to ensure early detection of issues;
- Additional testing to determine scope and severity of issues and/or effectiveness of corrective actions. Audits are not closed until detected issues are re-tested and confirmed remediated;
- Individual performance improvement or progressive discipline;
- Return of discovered overpayments in accordance with timelines and procedures set forth in regulatory guidance, including the 60-day repayment rule;
- Referral to law enforcement and/or licensure authorities;
- Incorporation of findings into Quality Assurance and Performance Improvement Activities, including but not limited to, re-evaluation and amendment of policies and procedures;
- Modification of the Compliance Program elements as necessary to close gaps;
- Other corrective action as indicated by findings of audits and investigations.

Audit and investigation findings are not closed until areas found to be non-compliant are in compliance. In significant cases, the Compliance Department collects documentation to support implementation of corrective actions.

## **ANNUAL COMPLIANCE PROGRAM ASSESSMENT**

The Compliance and Ethics Program is reviewed annually and revised as needed to reflect changes in applicable laws, regulations to improve performance in deterring, reducing, and detecting criminal, civil, and administrative violations under the Act and in promoting quality of care. The Annual Assessment is used to formulate the Compliance Department Annual Work Plan.

## **Conclusion**

The elements of the Compliance and Ethics Program do not function independently, rather the elements, working together, provide a framework for risk detection and risk mitigation. The Code of Conduct provides the initial and primary expectations for all Genesis covered persons. Strong compliance leadership throughout the organization provides the support for the Code of Conduct to be a constant focus as the center operates every day. Background screening, and reference and licensure verification help the organization to identify and hire an honest and trustworthy workforce focused on care quality. Effective education ensures that each employee understands his or her responsibilities for quality work in compliance with the multiple laws, regulations and contractual relationships by which Genesis abides. Multiple avenues to report issues of concern, and a robust network of monitoring and auditing protocols allow Genesis to self-identify and correct compliance issues before they become major problems. Consistent disciplinary practices are followed to ensure that compliance issues are directly addressed in a timely manner.