

# COMPLIANCE PLAN

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*Maintaining, Upholding, and Enforcing  
Our Commitment to Compliance*



The Arc of Cumberland  
& Perry Counties

# The Arc of Cumberland & Perry Counties' Compliance Plan

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## INTRODUCTION

The Arc of Cumberland and Perry Counties (“CPARC”) is committed to full compliance with all applicable federal, state and local laws, regulations and requirements. Pursuant to this commitment, the Board of Directors of CPARC has established this Compliance Plan. This Compliance Plan is intended and designed to prevent, detect and reduce violations of federal, state and local laws, regulations, and requirements. This Compliance Plan is being adopted in accordance with the industry standards relative to the maintenance of such plans.

This Compliance Plan has been developed to assist our employees in understanding CPARC’s firm commitment to compliance with all of our legal and ethical duties and obligations. This Compliance Plan is intended to provide CPARC employees with a system of values that will assist them in activities and decision-making encountered every day in the normal course of a work day. While no set of standards or written rules can substitute for the personal integrity, good judgment, and the common sense required to meet the challenges of the daily work of our employees, this Compliance Plan serves as a framework for legal compliance with applicable laws, regulations, and requirements by setting forth the basic expectations and standards of conduct for personal and professional behavior that all employees must follow.

This Compliance Plan cannot cover every situation that a CPARC employee may encounter and is not intended to be a comprehensive compilation of all CPARC practices and policies that are intended to facilitate the achievement of compliance. When the best course of action is unclear, or if an employee observes a violation of these standards, he/she is required to seek the guidance of their manager/department head at CPARC, or report their compliance concern to the Compliance Officer. Reports to the compliance “hotline” are treated confidentially, and may, at the caller’s request, remain anonymous as discussed later in this Compliance Plan.

CPARC shall always encourage our employees to abide by our compliance mantra:

**“WHEN IN DOUBT, POINT IT OUT!”**

This Compliance Plan is considered a living document, which will be updated periodically to keep CPARC employees abreast of the most current information available on compliance issues and topics. If a CPARC employee has suggestions for improvements in this Compliance Plan, he/she should speak directly to the Compliance Officer. In addition to this Compliance Plan, please be aware that CPARC periodically distributes memorandums and policies describing compliance matters of interest to all employees.

**I. MESSAGE FROM THE EXECUTIVE DIRECTOR**

I am very happy to share with you the Compliance Plan for the agency, The Arc of Cumberland & Perry Counties, also known as CPARC. Our organization is committed to legal and ethical business practices as essential aspects of our mission, “to provide support, training and opportunities to people with intellectual disabilities and their families.”

It is our intent to imbed a culture of compliance and ethical behavior across all of CPARC’s many series and among the dedicated workforce that provides vital supports to over 1,700 children, adults and families each year.

The purpose of the Compliance Plan is to reduce the likelihood of improper, illegal and unethical activities. Should compliance issues occur, the Compliance Plan provides a mechanism to address the concern and develop an effective resolution.

I am proud to say that CPARC has earned a reputation for conducting itself in a manner that constantly emphasizes high quality and full compliance with applicable federal, state and local laws and regulations. Our Compliance Plan’s foundation requires adherence to this standard in order to safeguard the delivery of quality services to the individuals CPARC supports.

With the full endorsement and approval by our agency’s Board of Directors and Leadership Team, the Compliance Plan sets an expectation of adhering to a code of ethical conduct by all Board members, employees, and other intended parties who do business with CPARC.

Our plan provides a framework and model for our agency’s expectations of each person. We encourage all employees and stakeholders to actively participate and advance an effective, organization-wide compliance program at CPARC. A compliance plan can only be effective when all parties are knowledgeable and involved. CPARC is eager to set and maintain this high compliance standard to benefit our individuals and families, employees, and our community.

John J.M. Reardon



Executive Director

## **II. THE COMPLIANCE PLAN**

This Compliance Plan is intended to help prevent and detect non-compliant behavior and activity. The ongoing benefits of this Compliance Plan include;

1. Establishes and maintains an effective system of compliance monitoring and reporting,
2. Provides assurance to the Board of Directors that the organization is addressing all instances of non-compliant conduct,
3. Reduces the likelihood of violations of laws, regulations, and requirements,
4. Improves internal communication and employee feedback to the Management Team,
5. Establishes a structure to educate and disseminate legal and policy changes quickly, and
6. Improves the speed and quality of responses to audits, investigations, and other compliance situations that often occur with little or no warning.

The following is an outline of the expected outcomes of the successful implementation and maintenance of the Compliance Plan;

**Identify Potential Areas of Compliance Risk; Develop Compliance Standards; and Design and Implement Policies and Procedures to Guide Employee Behavior** - The Compliance Officer (“CO”) shall develop a process to identify those areas where there is a substantial risk that certain types of non-compliant behavior may occur, and prioritize areas for the purpose of establishing standards for ethical and legal compliance. These risk areas will be identified on an ongoing basis through;

1. Review(s) of records, procedures, and operational practices,
2. Completion of staff interviews,
3. Development and delivery of staff training programs,
4. Results of staff competency exercises

The CO shall ensure the development of compliance standards of conduct, and appropriate policies and procedures aimed at strengthening organization-wide ethical and legal compliance.

**Evaluation and Monitoring of Compliance Practices** - The CO shall conduct investigations and interview employees to ensure that CPARC practices are evaluated, to ensure compliance with all policies and procedures, to ensure consistency in the application of such policies and procedures, and to ensure the implementation of appropriate corrective actions. Additionally, the CO shall ensure that reasonable steps are taken to respond appropriately to ethics and compliance violations, to prevent further similar violations, and to discipline violators appropriately and consistently. Lastly, the CO shall oversee investigations of ethics (see Staff Handbook) and compliance policy violations to ensure consistency in enforcement of all policies.

**Ensuring Effective Reporting and Investigative Processes** – This Compliance Plan is part of the organizational culture of CPARC. Reinforcing this culture, which embraces compliance, is a priority for CPARC’s Board of Directors. This culture will thrive only if employees learn about the Compliance Plan and have access to it. Therefore, in addition to providing compliance training, CPARC employees will have multiple access points to participate in compliance processes -- including a Compliance Officer, a compliance “hotline”, and several different management-level employees to whom they may make reports. Employees will be reminded, on a regular basis, of these access points and will be urged and required to raise any and all compliance concerns.

Under the direction of the CO, processes shall be maintained to provide guidance for adherence to CPARC ethics and legal compliance policies and procedures. A compliance “hotline” is available to CPARC employees who may desire advice on certain compliance policies and procedures. Each employee shall have responsibility to notify the CO in a timely manner of any violations or suspected violations of the standards for ethics and compliant conduct. CPARC absolutely prohibits retaliation against any employee for reporting, in good faith, actions which they feel violate the law or established standards. An employee may make an anonymous compliance report.

**Development of Effective Employee Training Programs** - The CO shall have general responsibility to oversee the development and implementation of employee communications and compliance-related training processes, including the following areas:

1. New employee orientation programs,
2. Department-specific training in identified high-risk areas, and
3. Annual review of legal compliance issues in specific areas.

**Monitoring Compliance with Standards and Policies** - This Compliance Plan shall include monitoring and auditing systems designed to detect ethical and/or compliance violations. As stated above, a reporting system shall be established and maintained whereby employees may report suspected violations. A detailed report of all monitoring and auditing efforts will be recorded and maintained by the CO in written form and kept on file for an appropriate period of time. Lastly, the CO will coordinate and oversee appropriate internal audits and surveys to verify adherence to, and awareness of, all policies and procedures.

**Reporting to the Board of Directors** - The CO shall report on the activities of this Compliance Plan to the Board of Directors on a periodic basis. Additionally, periodic written reports will be submitted to the Executive Director and Management Team.

### **III. ORGANIZATIONAL STRUCTURE OF THIS COMPLIANCE PLAN**

This Compliance Plan demands the active participation of all levels of the organization's employees, including the Board of Directors, the Management Team, and all other agency employees.

#### **Board of Directors**

CPARC is committed to full compliance with all applicable federal, state and local laws, regulations and requirements. Pursuant to this commitment, CPARC has established this Compliance Plan. This Compliance Plan shall be maintained under the authority of CPARC's Board of Directors, which shall delegate daily oversight authority to the Compliance Officer.

#### **Compliance Officer**

The Compliance Officer oversees all day-to-day activities of this Compliance Plan. Questions, complaints, and suggestions will be forwarded to the Compliance Officer from numerous sources, including employees, consumers, and their families. The Compliance Officer will answer all compliance questions, resolve problems, and monitor the overall effectiveness of the program.

#### **The Compliance Committee**

The Compliance Committee shall be lead by the Compliance Officer. The Compliance Committee Members shall assist the Compliance Officer in the performance of his/her duties as defined in the Compliance Committee Charter. In addition to other responsibilities requested or assigned by the Compliance Officer, the Compliance Committee shall assist the Compliance Officer in:

- Assessing the effectiveness of existing policies and procedures, including the Compliance Plan.
- Developing additional standards for procedures and conduct relating to the Compliance Plan.
- Analyzing risk areas that should be addressed in the Compliance Plan, including operational and legal issues.
- Monitoring internal controls and conducting reviews as to the adherence to policies
- Conducting employee education and training.
- Developing and administering of corrective action plans as necessary.

#### **External/Outside Consultants**

Reviews and investigations of a health care entity present unique challenges. Special expertise may be required to understand the intricacies involved in various functions, such as program/clinical documentation and billing. Outside consultants may be used to assist the Compliance Officer and to enhance the quality of this Compliance Plan.

#### **IV. RESPONSIBILITIES OF EMPLOYEES**

- The effectiveness of this Compliance Plan depends on each employee's efforts to bring all compliance questions and issues to the attention of the Compliance Officer or someone in his/her chain of command. If an employee is unsure as to whether a particular situation raises a compliance issue, he/she should always report it.
- Employees will receive compliance training upon initial hire and annually thereafter. Employees must know what this Compliance Plan expects of him/her, abide by these expectations, and be sensitive to situations that could lead them or others to violate these expectations. If any employee is unclear as to his/her obligation under this Compliance Plan, he/she must seek out clarification.
- Each employee must report all actual or suspected compliance issues. Employees who observe potentially non-compliant behavior must report their observation(s) to someone in his/her chain of command or by contacting the Compliance Officer. The Compliance Officer can be contacted by calling the hotline (249-1781 ext. 165) or by completing a Compliance Issue Report. Failure to follow the policies and expectations set forth in this Compliance Plan may result in termination of employment or other disciplinary action.
- It must be noted that the reporting of compliance issues is expected to be done in a truthful and "good faith" manner. This means that any employee that misuses the compliance hotline, by reporting untrue issues or falsely accusing another employee of wrongdoing, shall face serious consequences and disciplinary actions. Failure to report non-compliant behaviors and activities, violations of CPARC's policies, violations of applicable laws, regulations, and statutes, and violations of Federal or State health care program requirements shall also result in disciplinary actions.

#### **V. RESPONSIBILITIES OF STAFF IN SUPERVISORY POSITIONS**

All levels of CPARC management have the responsibility to set forth CPARC's standards for compliance. Supervisors serve as the primary example for, and the primary source of information to, the organization's employees.

- Supervisors must formally, and informally, communicate the importance of compliance to every employee and actively promote adherence to this Compliance Plan. Informally, Supervisors must foster open communications about compliance and must answer all questions raised by employees or obtain the answer from the Compliance Officer.
- Supervisors are responsible to follow this Compliance Plan and to ensure that the employees they manage also follow this Plan. Supervisors who fail to comply with these obligations may be terminated or otherwise disciplined.

- All Supervisors must see to it that any actual or potential compliance issue is reported to the Compliance Officer. Supervisors also have the responsibility to ensure that no employee is retaliated against, in any way, for reporting a compliance issue in good faith.
- Mere distribution of the compliance literature is unacceptable. Each manager/department head must create an atmosphere that encourages compliance and fosters reporting of non-compliant behavior, and must seek the assistance of the Compliance Officer whenever necessary.

## **VI. RESPONSIBILITIES OF CONTRACTORS**

CPARC will make all applicable contractors aware of the existence of this plan. These contractors are those who may have an impact on services we provide and access to information related to those services. It is expected that each contractor will review, understand, and abide by the standards and procedures outlined in this Compliance Plan.

If a contractor is found to be in violation of this plan, CPARC may terminate the contractual relationship with that individual or entity immediately; and depending on the nature, frequency and severity of the violation; may result in legal action.

## **VII. RESPONSIBILITIES OF THE COMPLIANCE OFFICER**

The Executive Director, with the approval of the Board of Directors, appoints a Compliance Officer who will have responsibility for overseeing and managing the successful operation of this Compliance Plan. These responsibilities will include, at a minimum, the following duties:

- The Compliance Officer will report to the Board of Directors on a periodic basis. These reports shall identify any/all compliance issues raised since the last report, and how these issues were resolved. The reports shall also include recommendations on how the Compliance Plan, and all of its components, can be strengthened or improved.
- The Compliance Officer shall continually review and update the Compliance Plan. All future updated Compliance Plans shall be reviewed and approved/adopted by the Board of Directors.
- The Compliance Officer shall be responsible for the development, implementation, and maintenance of effective compliance policies, procedures, and practices.
- The Compliance Officer shall be responsible for the completion of periodic compliance risk assessments in order to identify potential compliance risks, threats, and vulnerabilities within the organization. These risk assessments shall

be structured to identify changes in applicable laws and regulations, and the issuance of new directives from organizations that govern our operations.

- The Compliance Officer shall develop and implement an Internal Audit Program. The intent of this Program shall be to identify, on an ongoing basis, weaknesses within the organization's internal process where compliance problems may occur, and to monitor, on an ongoing basis, the activities of staff in order to verify that compliance is being achieved across all departments.
- Additionally, the Compliance Officer shall, on a periodic basis, review a statistically valid, random sample of claims being submitted for reimbursement, based upon all supporting documentation, in order to determine if the claim has been represented in a true and accurate manner. Any identified overpayments shall be promptly reported and returned to the payer source. It is the policy of CPARC's fiscal office to return funds to any payor source with the next accounts payable cycle after an overpayment has been identified; or, if part of an electronic billing process, to enter the correction as soon as possible. Any incorrect claims shall be investigated, and appropriate corrective actions shall be undertaken in order to minimize or eliminate the likelihood that the incorrect activity would occur again in the future. If necessary, and at the discretion of the Compliance Officer, the original claim sample may be expanded in order to verify the accuracy of additional claims.
- The Compliance Officer shall oversee and coordinate all compliance trainings. The organization's training procedures shall, at a minimum, consist of the following:
  1. Upon commencing employment each employee will be extensively trained on their responsibilities under the Compliance Plan. Each employee will acknowledge receipt of the written information and training, and certify that they understand their role in the Compliance Plan.
  2. All signed acknowledgments will be retained by the Human Resources department.
  3. Directors and supervisors shall ensure that every employee they manage receives compliance training on an annual basis and documents their staffs' attendance.
  4. For every compliance training session, materials specifically prepared to strengthen the organization's Compliance Plan will be gathered and/or developed. The Compliance Officer must review and retain all materials used at the compliance training session.
- The Compliance Officer may take action as a result of the reporting of a compliance question and/or issue. The Compliance Officer shall properly document every action he/she takes. This documentation must fully explain the nature of the compliance issue and its resolution. The appropriate disciplinary action will be determined based on the nature, severity and extent of wrongdoing.

## **VIII. COMPLIANCE STANDARDS**

The compliance standards that follow are intended to be guidelines for compliance with laws regulations, and CPARC business principles. These guidelines are consistent with CPARC policies and procedures. CPARC Board members, officers, and employees should use their best judgment to avoid improprieties, or even the appearance of impropriety.

The conduct standards outlined below reflects general standards that apply to all CPARC operations. This general list is not exhaustive of all prohibited conduct or ethical situations. If unsure as to whether a particular situation raises a compliance issue, employees should always err on the side of caution by reporting it to the Compliance Officer or someone in their chain of command. Remember ...

### **WHEN IN DOUBT, POINT IT OUT!**

#### **Billing and Claims Submission**

CPARC shall charge, bill, document, and submit claims for reimbursement in the manner required by all applicable laws, regulations, and statutes. It is expected that all billed services shall be medically necessary and shall be adequately and accurately prescribed, identified, documented, and coded prior to submission to third party payers. This includes the accurate completion of evaluations (psychiatric and psychological), service/treatment plans, case/progress notes, discharges plans, referral forms, encounter/charge forms, and any/all other documentation pertaining to the services rendered to a consumer. CPARC staff shall strive to select billing codes accurately and, to the best of their knowledge, shall not miscode, or double-bill.

#### **Conflicts of Interest**

CPARC shall enforce its policies related to maintaining relationships that are free from conflict-of-interest. All Board members, officers, and employees must avoid any/all potential or perceived conflicts of interest. A conflict of interest may arise when a board member, employee, or contractor is involved in an action or controlling decision that might financially benefit themselves or any family members at the expense of the organization. Any concerns about what constitutes a “conflict-of-interest” should be discussed with the Compliance Officer, a member of the management team or someone in the employee’s chain of command.

#### **Market Competition/Anti-Trust**

CPARC shall comply with all laws and regulations pertaining to “antitrust” issues. According to these laws, CPARC is prohibited from sharing certain information ~ including information about CPARC charges, the salaries paid by CPARC, or other internal business practices ~ except those listed on the CPARC website.

#### **Kickbacks and Gifts**

CPARC shall follow all federal and state anti-kickback laws and regulations. Board members, officers, and employees may not accept a payment, gift, or other inducement in

return for purchasing goods or services, providing referrals, or for participating in other business transactions. In its place, a donation may be made to CPARC or to a specific program. Any offer of a gift, payment, or other inducement by a vendor or other individual must be immediately reported to the divisional director, program director, Compliance Officer or in some cases the Executive Director.

### **Confidentiality**

CPARC shall comply with all federal and state laws related to maintaining the confidentiality of the health care and business records we hold for staff as well as the individuals we serve. Staff and individual records are kept confidential and will not be shared without the candidate's written permission. CPARC policies allow for access to certain protected health information based upon each staff member's job duties. Board members, officers, and employees should not access any information that they do not need in order to do their job. Disciplinary actions will be taken against anyone violating CPARC confidentiality policies.

### **Response to Investigations**

CPARC shall cooperate with all investigations, court orders, subpoenas, search warrants, and other similar documents and actions to the full extent required by law. If contacted by an investigator, all Board members, officers, and employees must notify the Compliance Officer and/or the Executive Director immediately.

### **Non-Retribution and Non-Retaliation**

Any action which is intended to intimidate, threaten, coerce, discriminate against, or take any other retaliatory action against any CPARC employee for exercising his/her right(s) in good faith to report non-compliance as detailed in the Compliance Plan, or under federal, state, or local law or regulation, will not be tolerated and should be immediately reported to the Compliance Officer.

### **Exclusion Screening of Individuals/Entities from Federal Health Care Programs**

CPARC will not knowingly employ or contract with individuals or entities that are excluded by the Office of Inspector General (OIG) of the Department of Health and Human Services, excluded from Federal procurement and non-procurement programs as reported by the United States General Services Administration (GSA), or excluded by the Pennsylvania Department of Public Welfare (DPW). CPARC's Human Resource Department will check individuals and entities prior to entering into employment or contractual relationships, and monthly thereafter.

All employees, contractors, and board members are required to report to the Compliance Officer (CO) if they become subject to exclusion. Employees, contractors, and board members must also report to the CO if they become aware that another person has become subject to exclusion.

CPARC will terminate or stop business with any individual or entity found to be excluded by the OIG, GSA, or DPW; and report any discovered exclusion to the County and the Commonwealth of Pennsylvania's Bureau of Program Integrity.