

CORPORATE COMPLIANCE

I. PURPOSE:

To establish set guidelines on ethical standards of business practice for all Board of Directors (Board) members, STAIVA staff, volunteers and contractors. These guidelines focus on prevention, deterrence and detection of fraud.

II. DEFINITIONS:

<i>Ethical Standards</i>	Dealing with what is good and bad, with moral duty and obligation. A set of moral principles or values. Professional standards of conduct.
<i>Fraud</i>	Intentional turning away from truth or what is morally right; an act of deceiving or misrepresenting.
<i>Surety</i>	Formal engagement/pledge given for the fulfillment of an undertaking.
<i>Pecuniary</i>	Consisting of or measured in money.

III. POLICY:

All Board members, STAIVA staff, volunteers and contractors shall follow honest and ethical standards of business practice.

A. Compliance Officer

1. The Executive Director (ED) will appoint a Compliance Officer.
2. The duties and responsibilities of the Compliance Officer will include the following: implementation and oversight of the compliance program; assisting the Human Resources Department in development of corporate compliance training; directing and coordinating all internal auditing and monitoring activities, receiving and reviewing instances of suspected compliance issues, communicating findings, follow up when appropriate; monitoring of findings of internal and external reviewing bodies to identify risk areas or deficiencies requiring preventative and corrective action; issuing periodic reports on the status of the compliance program, creating jointly developed plans of action when an investigation warrants one and developing an annual compliance report on investigation data, training and recommendations to be given to the Executive Management Team and Board.

B. Prevention and Deterrence of Fraud

1. Guidelines for Business Practices and Ethical Standards

The following guidelines are intended to prevent actual or potential conflicts or possible illegal or unethical activity on the part of Board members, staff, volunteers or contractors.

- a. Board members, staff and volunteers hold a position of public trust and are responsible to the communities they serve.
- b. The Association's business will be conducted conscientiously and openly, subjecting their activities to public scrutiny.
- c. As visible representatives whose conduct directly affects the public's perception of the Association, they must adhere to high moral, ethical and legal standards.
- d. As stewards of public funds, they must strive to obtain the highest quality services at the lowest possible cost.
- e. Foremost in the Board's decision-making criteria must be the best interest of the Association's clients.
- f. All decisions made by the Board, and all resulting actions taken by the Association, must be fair and without bias.
- g. No Board member, staff or volunteer shall have any financial or other interest that conflicts with the interests of the Association. Board members, staff and volunteers must be attentive to potential conflicts and recognize and treat all concerns objectively.
- h. Board members, staff and volunteers are required to comply with all pertinent statutes and must understand that civil and/or criminal penalties may apply for violation of those provisions that are based in law. Administrative sanctions, up to and including recommendation for removal of office/termination, may apply for violation of these policies.
- i. A Board member shall not violate any law relating to his or her office.

2. Conflicting Interests

- a. A Board member, staff member or volunteer shall not hold any position outside the Association that could tend to impair his or her independence of judgment.
- b. A Board member, staff member or volunteer is not to serve on the Board of any entity that contracts with the Association if the Board member, staff member or volunteer receives any pecuniary or professional, or economic interest, excepting reimbursement of direct expenses incurred on behalf of that entity; i.e., travel.
- c. The Association shall not contract with any entity having on its Board a person related in the first degree of consanguinity (blood) or affinity (marriage) to a member of the Board of Directors of the Association, or to a staff member, if that person receives any pecuniary, professional, or economic interest, except reimbursement of direct expenses incurred on behalf of the entity; i.e., travel.
- d. A Board/staff member/volunteer shall not act as surety for a business entity that has work, business, or a contract with the Association.
- e. A Board/staff member/volunteer shall not act as surety on any official bond required of an officer of the Association.
- f. A Board/staff member/volunteer shall not rely on official information to acquire or assist another person in acquiring a financial interest in a

transaction that may be affected by the information; a Board/staff member/volunteer shall not speculate or assist another person in speculating on the basis of official information.

3. Conflicting Professional Practices
 - a. No Board/staff member/volunteer shall be reimbursed for services to patients or clients referred to his or her private practice by the Association.
 - b. No Board/staff member/volunteer shall be allowed use of the Association's facilities free of charge for the purpose of conducting a private practice. Any agreement whereby a Board/staff member/volunteer leases property from the Association shall be discussed and voted on by the Board in an open meeting.
 - c. No Board/staff member/volunteer shall use his or her unique access to the Association to recruit or build private practice clientele.
4. Personal Benefit by Board/Staff Members/Volunteers
 - a. A Board/staff member/volunteer shall not solicit, accept, nor agree to accept from another person:
 - i. Any benefit in return for the Board/staff member/volunteer's decision opinion, recommendation, vote, or other exercise of discretion as a public servant; or
 - ii. Any benefit in return for a violation of a duty imposed by law.
 - b. A Board/staff member/volunteer shall not solicit, accept, nor agree to accept any benefit from any person the Board/staff member/volunteer knows is interested or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the Board/staff member/volunteer's discretion.
 - c. A Board/staff member/volunteer shall not receive any benefit for referral of clients to the Association or to other service providers.
 - d. Neither Board members nor their relatives shall **use their influence to** receive any preferential services or considerations from the Association.
 - e. A Board/staff member/volunteer shall not misapply anything of value that has come into his or her possession by virtue of his or her office.
5. Nepotism
 - a. No Board member shall appoint or vote for or confirm the appointment of any person related to himself or herself, or to any other Board member, by affinity within the second degree, or by consanguinity within the third degree, to any office or position of employment with the Association paid for directly or indirectly from public funds.
 - b. An employee of the Association who is related to a Board member in the prohibited manner described above may continue to be employed if he or she was employed by the Association at least 30 days prior to the appointment of the Board member. If the individual has been employed by the Association for less than 30 days when his or her relative is appointed to the Board, either the employee or the Board member must resign.
 - c. When a relative of a Board member is allowed to continue employment within the provisions outlined above, the Board member must not participate in deliberation or voting on any issues specific to that employee unless such issues affect an entire class or category of employees.
 - d. No employee is permitted to be directly supervised by a relative.

- e. No relatives are permitted to work in the same department or residential setting or any other positions in which the Association believes that an inherent conflict of interest may exist.
 - f. An individual who is a relative of an employee of the Financial Services Division shall not handle cash in any capacity as an employee of the Association. Relatives shall not be employed in the Financial Services Division or in any other position involving a violation of the principles of sound internal fiscal control, management, and accountability.
 - g. Employees who marry or who cohabitate while employed by the Association are treated in accordance with these guidelines. If, in the opinion of the Association, an apparent or potential conflict with this policy arises as a result of the marriage or cohabitation or the creation of some other relationship contemplated by this policy, one of the employees will be reassigned to a different position or terminated at the earliest practicable time at the discretion of STAIVA administration.
6. Rights of Clients
 - a. Board/staff members/volunteers shall seek to ensure that all human and legal rights of clients, including those outlined in the Texas Mental Health Code and the Mentally Retarded Persons Act, are upheld by the Association and its employees.
 - b. Exploitation of clients shall not be permitted in any form; in particular, sexual relations shall not be initiated between a Board/staff member/volunteer and a client of the Association.
 7. Confidentiality
 - a. The Association shall maintain confidentiality of client records.
 - b. No Board member shall accept employment or engage in any business or professional activity that might reasonably be expected to induce him or her to disclose confidential information acquired by reason of official position on the Board.
 8. Screening Potential Employees/Volunteers/Contractors for History of Unethical Behavior.

Potential new employees and volunteers undergo a criminal history check and new employees undergo a Federal Bureau of Investigations (FBI) check. Contractors are required to disclose any convictions. These convictions include any crime related to any state or federally funded program including any of the Contractor's employees, officers, volunteers or directors. Contractor's licenses/credentials are verified when applicable.
 9. Education and Training

All staff and volunteers receive Corporate Compliance Training during New Employee Orientation (NEO) and annually thereafter. Both trainings include a competency test at the end of the course. Managers and Supervisors may request additional corporate compliance training at any time.
 10. Monitoring Activities

Managers/supervisors review clinical staff's progress notes on an ongoing basis. The Planning and Evaluation Department reviews a random set of progress notes from each program at least once a year. The review covers all compliance issues. External reviews by outside entities occur in most programs. If a concern is noted in any of these reviews the Corporate Compliance Officer is notified.

C. Detection of Possible Fraud/Misconduct

1. Examples of Reportable incidents, but not limited to the following, **when a Board member, staff, volunteer or contractor willfully does the following:**

- a. Submitting a false statement, false information, or misrepresentation when claiming payment for service delivery;
- b. Omitting pertinent facts when claiming payment for service delivery;
- c. Omitting pertinent facts when supplying information used to determine the right to payment for service delivery;
- d. Submitting a false statement, false information, or misrepresentation, or omitting pertinent facts to obtain greater compensation than the provider is legally entitled;
- e. Submitting a false statement, false information, misrepresentation, or omitting pertinent facts to meet pre-authorization requirements;
- f. Failing to provide and maintain quality services to clients within accepted medical community standards or standards required by statute, regulation, or contract;
- g. Providing or ordering services for consumers (whether or not eligible for benefits) that substantially exceeds the recipient's needs, are not medically necessary, are not provided economically or are of a quantity that fails to meet professionally recognized standards of health care;
- h. Submitting false statement, false information, or misrepresentation, or omitting pertinent facts on any application or any document requested as a prerequisite for payment;
- i. Failing to correct deficiencies in provider operations after receiving written notice to take action;
- j. Engaging in any negligent practice resulting in death, injury, or substantial probability of death or injury to the provider's consumers who receive or benefit from the provider's services;
- k. Submitting claims with a pattern of inappropriate coding or billing that results in excessive costs to the payer;
- l. Billing for services or merchandise that was not provided to the consumer;
- m. Submitting a cost report containing costs not associated with the payer or not permitted by the payer's policies;
- n. Submitting a false statement, false information, or misrepresentation that, if used has the potential of increasing an individual or state provider payment rate or fee; and
- o. Developing false source documents or failing to sign source documents, to retain supporting documentation, or to comply with the provisions or requirements of the department pertaining to electronic claims submission.

2. Reporting Alleged Misconduct

Employees, volunteers or contractors may confidentially contact the Compliance Officer or designee via mail, personal visit, telephone, fax or electronically.

All reports must be made in good faith. If it is confirmed that an employee made an allegation of misconduct with malicious intent, the employee will face disciplinary action, up to and including termination.

IV. REQUIRED DOCUMENTATION:

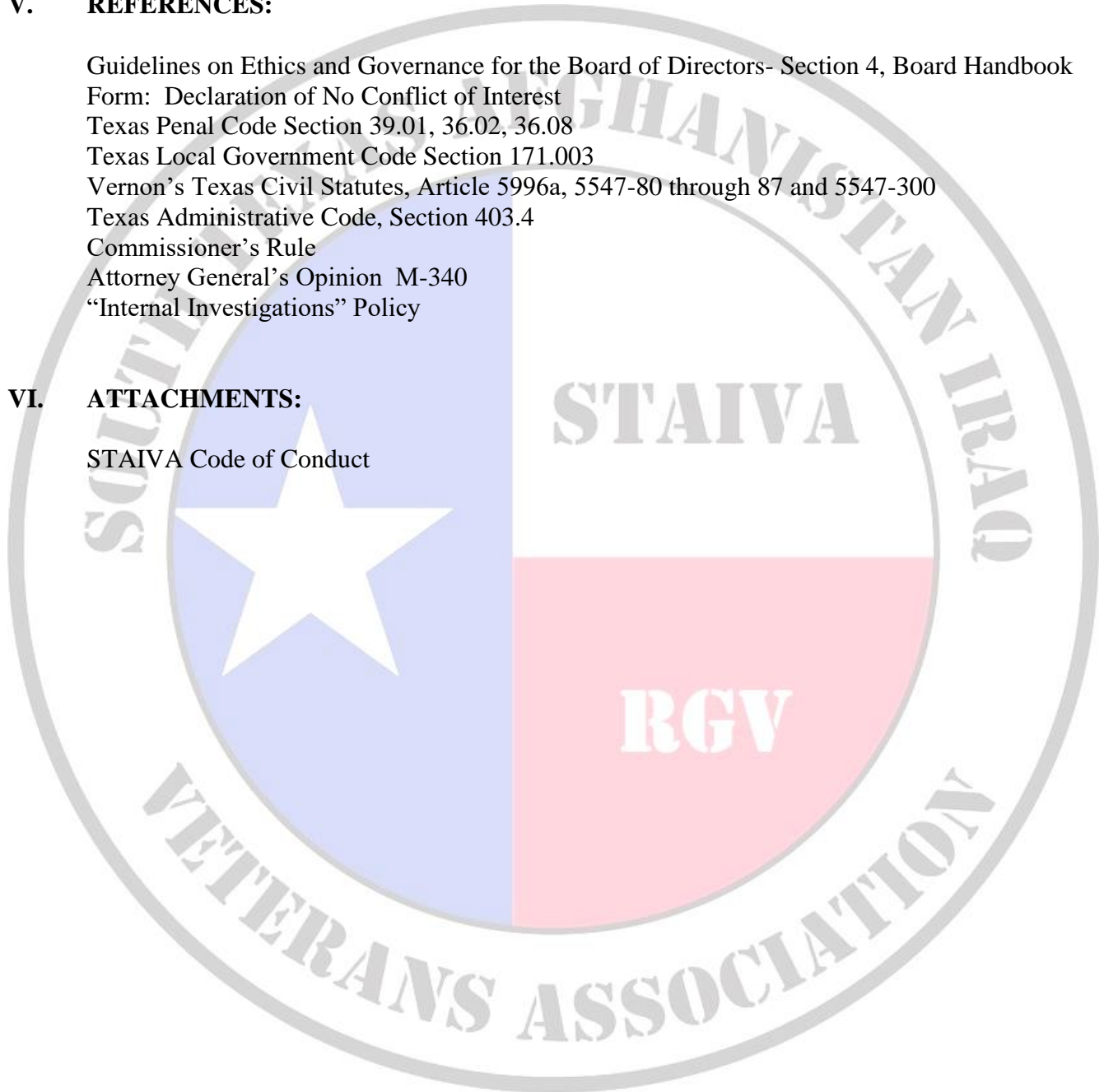
None

V. REFERENCES:

Guidelines on Ethics and Governance for the Board of Directors- Section 4, Board Handbook
Form: Declaration of No Conflict of Interest
Texas Penal Code Section 39.01, 36.02, 36.08
Texas Local Government Code Section 171.003
Vernon's Texas Civil Statutes, Article 5996a, 5547-80 through 87 and 5547-300
Texas Administrative Code, Section 403.4
Commissioner's Rule
Attorney General's Opinion M-340
"Internal Investigations" Policy

VI. ATTACHMENTS:

STAIVA Code of Conduct



STAIVA's CODE OF CONDUCT

This Code of Conduct has been adopted by the ED and Board of Directors of STAIVA to provide guidance to STAIVA employees, volunteers and contract providers as it relates to documentation, billing, the fight against fraud, waste and abuse and other claims related issues. This Code adheres to and promotes STAIVA's Mission and Goals and is required of all staff, volunteers and contract providers at all times. Services provided to clients of STAIVA are based on humanitarian ideals with recognition of the dignity and worth of each individual human being. All employees, regardless of occupation or profession, dedicate themselves to the social and emotional health of clients, their families, and the community at large.

Employment at STAIVA is a public trust that requires integrity, sensitivity, compassion and commitment. It requires both mastery of job-related knowledge and skill as well as adherence to ethical business practices and to standards of behavior with regard to clients, their families, STAIVA employees, community agencies and community standards.

The Principles set forth in this Code of Conduct shall be distributed to all board members, employees, volunteers and contract providers upon hire and periodically thereafter. All board members, employees, volunteers and contract providers are responsible to ensure their behavior and activities are consistent with this Code of Conduct in order to promote organizational-wide integrity and understand that failure to maintain this Code of Conduct may result in termination of employment.

As used in this Code of Conduct, the terms "board member", "officer," "director," "employees, volunteers and contract providers," include any persons who fill such roles or provide services on behalf of STAIVA or any of its divisions, subsidiaries, or operating or business units.

Principle 1 – Service Delivery

STAIVA improves the lives of people with behavioral health needs through the efficient and effective provision of quality services delivered with respect, dignity, cultural sensitivity, and a focus on recovery. (STAIVA) acknowledges its responsibility to advocate, promote and protect the human and legal rights of each individual served. STAIVA will maximize wellness and promote recovery. STAIVA continues its commitment to excellence and will be an innovative provider of comprehensive and compassionate behavioral health services. We will treat all stakeholders with honesty, fairness and respect. STAIVA will recognize and respect a client's right to participate in decisions involving his or her health care. STAIVA will not refuse to provide services solely on the basis of a client's age, gender, race, color religion, national origin, disability, sexual orientation, or political affiliation. All staff have an obligation to report any concerns or questions about the quality of care being delivered at STAIVA to their supervisor, manager, EMT or to the Corporate Compliance Officer.

Principle 2 – Legal Compliance

All board members, employees, volunteers and contract providers of STAIVA will strive to ensure all activity by or on behalf of the organization is in compliance with applicable federal and state laws and regulations. Witnessing of documents (powers of attorney, guardianships, advance directives, etc) by any employee, volunteer and contract provider is prohibited. All employees, volunteers and contract providers are expected to adhere to all STAIVA policies and procedures including those that speak on fraud, waste and abuse.

Principle 3 – Business Ethics And Relationships

To fulfill STAIVA's commitment to the highest standards of business ethics and integrity, board members, employees, volunteers and contract providers will accurately and honestly represent STAIVA and will not engage in any activity or scheme intended to defraud anyone of money, property or honest services. Business transactions or contractual relationships with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction. Personal fundraising (soliciting funds on behalf of a personal cause) is prohibited. All solicitations and fundraising activities conducted on behalf of the clients of the Association are to be approved by the Executive Management Team.

Principle 4 – Human Resource

STAIVA is an equal opportunity employer and does not discriminate in its hiring practices. STAIVA is in compliance with and promotes fair employment practices to ensure equal employment opportunity to STAIVA employees and job applicants in accordance with the U.S. Equal Employment Opportunity Commission. The Human Resources Department (HR) is charged with creating and sustaining an environment that: encourages all staff to reach their fullest potential in a positive and productive manner; respect the uniqueness and intrinsic worth of every individual; treat people with dignity, respect and compassion to foster a trusting work environment free of harassment, intimidation, and unlawful discrimination; ensure everyone has the opportunity to develop their skills and new competencies; develop, administer and advocate policies and procedures that foster fair, consistent and equitable treatment for all employees. The HR Department will safeguard privileged, restricted and confidential information.

Principle 5 – Conduct

Every employee at STAIVA is expected to act in a professional, responsible, and courteous manner at all times with fellow co-workers, clients and their families and all stakeholders. All STAIVA employees are required to maintain clear and explicit boundaries with clients who are or have received services from our STAIVA. While the nature of the job responsibilities for most staff members requires they interact closely with clients, it should be emphasized that these relationships must remain strictly professional. Rules and regulations regarding employee behavior are necessary for efficient business operations and for the benefit and safety of all employees. Conduct that interferes with operations, discredits the Association, or is offensive to clients, staff, volunteers or business associates will not be tolerated. Failure to adhere to these standards of conduct will result in disciplinary action, which could include termination.

Principle 6 – Confidentiality

STAIVA maintains policies and procedures governing its responsibility to comply with the HIPAA Privacy and Security Rules. STAIVA board members, employees, volunteers and contract providers shall strive to maintain the confidentiality of clients and other confidential information in accordance with applicable legal and ethical standards and all federal and state laws.

Principle 7 – Conflicts of Interest

STAIVA prohibits its employees or anyone providing a service on behalf of the Association from engaging in any activity, practice or act which conflicts with, or appears to conflict with the interests and stated values of the Association. Activities or conduct which is disloyal, disruptive, competitive or damaging to the Association is prohibited. No person associated with STAIVA shall accept gifts, money or gratuities intended to persuade business decisions, solicit an unfair advantage or reward

special attention or service. Board members, directors, officers, committee members and key employees, volunteers and contract providers owe a duty of loyalty to the organization. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of the organization.

Principle-8 Protection of Assets

All board members, employees, volunteers and contract providers will strive to preserve and protect STAIVA's assets by making prudent and effective use of STAIVA's resources and properly and accurately reporting all activities and costs. Personal use of STAIVA's assets is not allowed. STAIVA assets include but are not limited to: financial data, equipment, furniture, vehicles, office supplies, credit cards, employee time and computer/electronic supplies. Protection of assets includes respect for and safeguarding of the personal property of the persons served, visitors, and other personnel.

Principle 9- Business Marketing, Public Affairs & Outreach Programs

STAIVA's marketing, public affairs and outreach programs are designed to inform interested parties about our programs and services we provide. These programs include but are not limited to advertising, direct mail, media relations, publications, public advocacy, speaking engagements, events and seminars. We are committed to promoting truthful and accurate information at all times to all audiences. Our business marketing, public affairs and outreach programs comply with ethical standards of leading industry and professional associations.

Principle 10—Professional Responsibilities

All STAIVA board members, employees, volunteers and contract providers will: adhere to the highest standards of ethical and professional behavior; strive to achieve the highest levels of service, performance and social responsibility; strive to maintain and improve their professional knowledge, skills and abilities; set and maintain professional boundaries.