

## Agent and Vendor Compliance Program Notification

It is the policy of ValueOptions to comply with all local, state, and federal laws governing its operations; to conduct its affairs in keeping with the moral, legal and ethical standards of our industry; and to support the government's efforts to reduce healthcare fraud and abuse. The ValueOptions Corporate Compliance Program establishes a culture within the organization that promotes prevention, detection, and resolution of instances of conduct that do not conform to federal and state law, and federal, state, and private payor health care program requirements. Agents, subcontractors, vendors, and consultants who represent the company are expected to adhere to the Compliance Program.

### **Confidentiality:**

Clients receiving mental health and substance abuse services have the right to complete and total confidentiality regarding their receipt of services as well as the details of the services. Information designated as confidential should not be discussed with anyone other than on a “need to know” basis. In addition, agents and vendors have a responsibility to avoid disclosure of non-confidential internal information about the company, its employees, its clients and its business associates unless specifically authorized by the company. Agents and vendors authorized to access confidential information must sign a Confidentiality Statement and treat the information as protected confidential information.

### **Direct Care Concerns:**

Agents and vendors are to treat clients with dignity and respect for human rights, serving as positive role models, demonstrating professional and therapeutic attitudes and behavior, preventing abuse and neglect, and ensuring a safe environment. You have a responsibility to report any employee you observe who is disrespectful, abusive, neglectful, or untherapeutic with any client.

### **Business Information:**

ValueOptions considers its pricing information, pricing policies, terms, market studies, business or strategic plans, and any other similar information to be confidential. The sharing of information with competitors is a highly sensitive matter, particularly where that information could form the basis of a pricing agreement, express or implied. Although it is neither unusual nor improper to obtain information from customers, trade publications, or other legitimate sources about the activities of competitors, it is never proper to communicate such information to, or to receive it from, a competitor.

All bids or proposals should be accurate, complete and directly responsive to the prospective customer's request, and may not contain any information that is false or intentionally misleading.

### **Conflict of Interest:**

ValueOptions agents and vendors may not accept:

- Money or gifts (regardless of monetary value) from customers, i.e., those who purchase products or services from ValueOptions or those from whom ValueOptions purchases products or services;
- Gifts from vendors having a monetary value of \$50 or more (\$100 or more in a major city, such as Los Angeles or New York City).

"Gifts" include any item, gratuity, favor, discount, entertainment, meal, hospitality, loan, forbearance, personal service, transportation, travel, and lodging, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"Gifts do not include:

- Loans from banks and other financial institutions on terms generally available to the public;
- Opportunities and benefits, including favorable rates and commercial discounts, available generally to the public;
- Rewards and prizes given to competitors in contests or events, including random drawings, open to the public, unless your entry into the contest or event is required as part of your official duties.

### **Gifts and Improper Use of Funds:**

ValueOptions prohibits giving anything of value to government employees who work for customers or potential customers of ValueOptions. There are four permissible exceptions to this rule:

- Promotional items of nominal value (\$20.00 or less), such as a calendar or coffee mug displaying the company logo;
- Modest refreshments, such as coffee and donuts in connection with a business discussion;
- A meal on-site to accommodate continuing business meeting with government employees;
- Food, refreshments, entertainment, instructional materials at a widely attended event provided the government employee's agency has properly authorized his/her attendance.

Non-governmental personal may be provided with meals, refreshments, and entertainment with reasonable value, less than \$50.00, in connection with business discussions, provided this does not violate the Code of Conduct of the recipient's organization. To provide such items valued over \$50.00 requires company approval. Gifts or other considerations of more than a nominal value (\$20.00 or less) or money of any amount may not be given to a physician or anyone in a position to influence client referrals.

The Anti-Kickback Act of 1986 requires each prime contractor or subcontractor to promptly report a violation of the kickback laws to the appropriate Federal agency, Inspector General, or the Department of Justice if the contractor has reasonable grounds to believe that a violation exists.

### **Business Records:**

ValueOptions' records are maintained in a manner that provides for an accurate and auditable account of all financial transactions in conformity with generally accepted accounting principles. No false or deceptive entries may be made, and all entries must contain an appropriate description of the underlying transaction. All reports, vouchers, bills, invoices, payroll and service records, time worked, patient records, and other essential data must be prepared with care and honesty.

Agents or vendors having clinical responsibility requiring documentation in a client record must be aware of the rules and regulations regarding record maintenance, record retention, and record confidentiality. Agents and vendors have an obligation to ensure required documentation is maintained, kept confidential, and not falsified.

### **Billing Practices:**

ValueOptions is committed to accurate billing and submitting claims for services that are medically necessary, reflect the services and care provided to clients and are justified by medical record documentation. ValueOptions agents and vendors are required to report any potential or

suspected improper billing practices or violations of standard billing practices or of company policies and procedures.

### **False Claims:**

Federal and state laws and regulations govern billing of members for services provided by ValueOptions or its agents and procedures must be strictly followed. Failure to follow claims regulations can lead to exclusion from federal funding including payments from Medicare, Medicaid, and Champus as well as criminal and civil liability. Submission of claims for reimbursement which are false, fraudulent, inaccurate, incomplete, duplicative, or for noncovered services is prohibited.

The Federal False Claims Act covers fraud involving any federally funded contract, including Medicare and Medicaid. Liability is established for any person who knowingly presents or causes a false or fraudulent claim for payment by the U.S. government. “Knowingly” is defined as a person having actual knowledge of false claim information and acting in deliberate ignorance or reckless disregard of the information. Healthcare providers violating the Federal False Claims Act can be subject to civil monetary penalties ranging from \$5,500 to \$11,000 per false claim and three times the amount of the government’s damages.

The Criminal Penalties for Acts Involving Federal Health Care Programs provides for felonious criminal penalties and a fine of not more than \$25,000 and/or imprisonment for not more than five years for whomever makes false statements or submits false claims.

Any contractor, agent, vendor, or ValueOptions’ representative who is aware of or suspects any false report or document, false claim, improper billing practices, or violations of company policies and procedures must report their concern to the ValueOptions Corporate Compliance Committee or to the Ethics Hotline. Any violations will be investigated in accordance with LC106 Internal Compliance Investigation policy.

### **Fraud and Abuse:**

“Fraud” is defined as intentional deception or misrepresentation made by an entity or person with the knowledge that the deception could result in some unauthorized benefit to the entity or persons. Abuse is defined as practices that are inconsistent with sound fiscal, business, or medical practices and that result in an unnecessary cost to a government health care program or other health care plan.

The Deficit Reduction Act of 2005 (PL109-171) became effective on January 1, 2007 and requires health care organizations receiving five million dollars or more in annual Medicaid reimbursement to educate employees, contractors, and agents about fraud and abuse, false claims, and whistleblower protection laws and regulations. The Deficit Reduction Act requires investigation of all potential false claims and fraud/abuse; payment coordination; claims payment only for US citizens or qualified aliens; co-payment limits compliance; and electronic claims submission by large providers.

Administrative Remedies for False Claims and Statements states any person who makes, presents, or submits a claim that is false or fraudulent is subject to a civil penalty of not more than \$5,000 for each claim and an assessment of not more than twice the amount of the claim.

Per LC106, Internal Compliance Investigations, ValueOptions will ensure all potential fraud and abuse violations will be investigated and actions taken to resolve the identified problem. The Special Investigation Unit reviews all referrals of fraudulent abusive billing by providers per S103 Healthcare Fraud and Abuse Investigations.

### **Whistleblowers:**

The False Claims Act Whistleblower Employee Protection Act prohibits a company from discharging, demoting, suspending, threatening, harassing, or discriminating against any employee, vendor or agent if the individual reports or assists in the investigation of a false claim. Under no circumstances will ValueOptions take any adverse action or retribution of any kind against any employee, contractor, agent, or vendor because he reports a suspected violation of Federal or state laws and regulations.

### **Insider Trading:**

ValueOptions has a long-standing policy prohibiting trading on insider information. Agents and vendors who have material non-public ("insider") information obtained through a relationship with ValueOptions are prohibited from purchasing or selling the security. Agents and vendors may not use insider information for the purpose of communicating such information ("tipping") to those who trade.

### **Research:**

ValueOptions is committed to supporting ethical research which is dedicated to the advancement of healthcare knowledge and to the improvement of patient care. ValueOptions is committed to the safety of the research participants and only uses drugs, devices, and procedures which have government approval. Research is to be conducted in accordance with federal standards and ValueOptions policies. ValueOptions is also committed to using federal grant money in compliance with applicable laws, including filing of assurances.

### **Government Sanctioning:**

ValueOptions does not contract with individuals or companies sanctioned under government programs.

All agents and vendors must:

- ◆ Notify ValueOptions of any known or suspected violations of law or regulations pertaining to the agent's or vendor's relationship with the Company.
- ◆ Disclose to ValueOptions any government investigations in which the agent or vendor is, was or may become involved.
- ◆ Disclose to ValueOptions any persons affiliated with the agent or vendor, including any officer, director, owner, employee, or contractor who has been disbarred or excluded from participation in any federal or state funded health care program.
- ◆ Immediately disclose to ValueOptions, any persons affiliated with the agent or vendor, including any officer, director, owner, employee or contractor of the agent or vendor, who has been convicted of or pleaded guilty to a felony or other serious offense and who remains in affiliation or employment relationship with the agent or vendor after the conviction or guilty plea.