

INVESTIGATION OF COMPLIANCE ISSUES

Purpose

ILA has implemented a Corporate Compliance Program in an effort to establish a culture within the organization that promotes prevention, detection and resolution of misconduct, waste, fraud or abuse. This is accomplished, in part, by establishing communication channels for employees to report problems and concerns. Employees are encouraged to report issues via the traditional chain of command, Human Resources, Compliance Hotline, or directly to the Compliance Officer. Therefore, the Compliance Officer is responsible for responding to compliance issues that are raised through the various communication channels. This policy is designed to establish a framework for managing and responding to compliance issues that are raised to the Compliance Officer.

Policy

ILA will respond to reports or reasonable indications of suspected non-compliance with the rules and regulations of Medicaid and Medicare and other principles contained in this policy by commencing a prompt and thorough investigation of the allegations to determine whether a violation has occurred. Note: The Compliance Officer is only responsible for resolving compliance-related issues; however, employees should not be discouraged from using any specific communication channel. Employees who report non-compliance related issues or concerns to the Compliance Officer or the Compliance Hotline will be politely redirected to the appropriate department or individual. In instances where the employee seeks confidentiality or reports anonymously, the Compliance Officer shall redirect the report to the appropriate department or individual.

Procedures

1. The Compliance Officer, in concert with executive staff, will conduct or oversee all internal investigations involving compliance-related issues involving employees, contractors, agents or volunteers of the Agency. The Chair of the Compliance Committee (the "Chair"), with such support of the executive staff, shall conduct or oversee all investigations involving an officer or director of the Agency. The Compliance Officer or the Chair, as the case may be, shall have the authority to engage legal counsel/outside legal or other consultants, as needed. Before conducting an investigation of any compliance-related issue, the Compliance Officer or Chair shall have a full understanding of the relevant laws, regulations, and government issuances.

2. Upon report or notice of alleged non-compliance, the Compliance Officer or Compliance Committee, as the case may be, will conduct an initial inquiry into the alleged situation. The purpose of the initial inquiry is to determine whether there is sufficient evidence of possible non-compliance to warrant further investigation. The initial inquiry may include documentation review, interviews, audit, or other investigative technique. The Compliance Officer should: (a) conduct a fair impartial review of all relevant facts; (b) restrict the inquiry to those necessary to resolve the issues; and (c) conduct the inquiry with as little visibility as possible while gathering pertinent facts relating to the issue.

- a. If, during the initial inquiry, the Compliance Officer or the Committee determines that there is sufficient evidence of possible noncompliance of any criminal, civil, or administrative law, or corporate policy to warrant further investigation, the issue should be referred to legal counsel. A memorandum to this effect should be directed to legal counsel with a copy to (i) the Executive Director if the initial inquiry involves an employee, contractor, agent or volunteer, or (ii) the Chair of the Board of Directors if the initial inquiry involves and officer or director. The memorandum

should state whether legal counsel, the Compliance Officer or the Compliance Committee will be leading the investigation. All documents produced during the investigation by legal counsel to be possibly protected from disclosure should include the notation: "Privileged and Confidential Document; Subject to Attorney-Client Privileges; Attorney Directed Work Product."

- b. For investigations that do not involve legal counsel, the Compliance Officer or Compliance Committee, as the case may be, will determine what personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Compliance Officer or Compliance Committee will also decide whether the Agency has sufficient internal resources to conduct the investigation or whether external resources are necessary.
- c. The Compliance Officer or the Chair, as the case may be, shall work with the investigation team to develop a strategy for reviewing and examining the facts surrounding the possible violation. The Compliance Officer will consider the need for an audit of billing practices and determine the scope of interviews.
- d. In no event may the individual that is the subject of the complaint of misconduct participate or be present at any Board or Committee deliberations or vote on the matter relating to such complaint, provided however, that such individual may respond to requests by such Board or Committee to provide information as background and to answer questions.

The Compliance Officer will maintain all notes of the interviews and review of documents as part of the investigation file. The Compliance Officer should ensure that the following objectives are accomplished:

1. Identify cause of problem, desired outcome, affected parties, applicable guidelines, possible regulatory or financial impact;
2. Fully debrief complainant;
3. Notify appropriate internal parties;
4. Provide a complete list of findings and recommendations;
5. Determine the necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, training/education);
6. Document the investigation
7. Upon receipt of the results of the investigation, depending upon the scope and severity of the identified violations, the Compliance Officer should consult with the Executive Director, the Corporate Compliance Committee and as directed by the aforementioned consult with inside/outside legal counsel to determine: (a) the results of the investigation and the adequacy of recommendations for corrective actions, (b) the completeness, objectivity and adequacy of recommendations for corrective actions; and/or (c) further actions to be taken as necessary and appropriate, the results of which will be submitted to the Board of Directors for review.
8. Upon conclusion of the investigation, the Compliance Officer will organize the information in a manner that enables the Agency to determine if an infraction did, in fact, occur. The Corporate Compliance Officer will track the investigation, responsible parties and due

dates in a compliance log. The log will include the resolution of the investigation as closed or fully resolved.

9. The Compliance Officer will be responsible for reporting the results of all investigations to the Executive Director, Corporate Compliance Committee and to the Board.