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# *Corporate Compliance Plan*

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**EPIC** MANAGEMENT, L.P.

Epic Management, L.P.  
Corporate Compliance Plan

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## **I. Introduction**

This document summarizes the overall compliance program and policies related to the corporate compliance activities of EPIIC, Inc. and Epic Management, LP (“Epic”). It is Epic’s policy to comply fully with the letter and spirit of all laws and ethical standards applicable to the business of Epic. This commitment is an integral part of the organization’s mission, and all employees are expected to support the organization’s commitment. Epic has instituted a Code of Ethical Conduct (the “Code”) and other related policies to reflect these commitments. This Corporate Compliance Plan (the “Compliance Plan”) sets forth the means by which the code and related policies are to be implemented and monitored. The code and related documents are statements of policy with which all personnel must comply.

This plan is organized along several key elements:

- Establishing compliance rules and procedures that is reasonably capable of reducing the prospect of wrongdoing and in particular, criminal conduct;
- The assignment of high-level personnel to oversee the compliance program;
- Establishing of a policy and procedure to use due care to prevent delegation of substantial discretionary authority to individuals who have a propensity to engage in illegal activities;
- Establishing standards and procedures for effective communication of the Compliance Plan and Code to all employees through training programs and dissemination of the information;
- Taking reasonable steps to achieve compliance with the policies by using monitoring and auditing systems reasonably designed to prevent and detect criminal conduct and establishing and publicizing a reporting system which employees and other agents can report criminal conduct without the fear of retribution;
- Consistent enforcement of the standards through disciplinary mechanisms, including discipline of individuals responsible for the failure to detect an offense;
- Epic will take appropriate response to offenses detected, including the implementation of any modifications to the program necessary to prevent future offenses of the same kind.

The Corporate Compliance Plan and Code of Conduct do not eliminate other policies. Other corporate policies and procedures referenced herein are incorporated herein by this reference.

## **II. Corporate Compliance Plan Oversight Responsibilities**

### **A. Compliance Officer**

The Compliance Officer shall be responsible for the coordination and implementation of the Organization's compliance plan, subject to the overall authority of the Organization's board of directors.

The Compliance Officer shall report directly to the Corporation's Chief Operating Officer, shall have a direct line of communication with all officers and directors of the corporation, and shall have independent authority to seek the advice of legal counsel regarding compliance related issues on an as needed basis

In addition to the duties set forth in the Code, the Corporate Compliance Officer will be responsible for coordinating the regular review of the Compliance documents, recommending to the Epic Chief Operating Officer and the Epic Board of Directors modifications of the Compliance documents as necessary and appropriate, and developing additional compliance procedures and training as appropriate.

The designation of a Corporate Compliance Officer in no way diminishes or vitiates the responsibility of all personnel to comply with all policies and procedures, nor does it diminish every supervisor's responsibility to ensure that those personnel for which he or she has responsibility comply with the Code and related policies

### **B. Compliance Committee**

The Corporate Compliance Committee is directly responsible to the Epic Board of Directors and shall have responsibility for evaluating and taking action upon matters which may be brought to its attention including obligations of criminal conduct or violation of Epic's policy. The Corporate Compliance Committee shall hold regular quarterly meetings and shall hold special meetings as may be necessary. The membership of the Corporate Compliance Committee shall consist of the Corporate Compliance Officer, Chief Operating Officer, Accreditation & Safety Officer, Human Resources Director, Business Office Director, Vice President of Nursing, Quality Management Patient Care Coordinator, and Laboratory Director. The Epic Medical Director will serve as the medical advisor to the committee.

### **C. Dissemination of Information**

A critical aspect of a Corporate Compliance Plan is the effective communication of the Code and related policies to every employee. The Corporate Compliance Officer is responsible for establishing procedures to ensure that every employee has received, read and agrees to comply with the Code and the Compliance Plan. These procedures shall include the following:

- Within 90 days following the adoption of the Code and the Compliance Plan and after participating in an orientation program developed by the Corporate Compliance Officer, all present employees will be given a copy of the Code and Compliance Plan and will be expected to read them and sign an acknowledgment stating the employee has read and understands the code and other relevant policies and understands that this is a condition of employment at Epic.
- Every newly hired employee will be given a copy of the Code, Compliance Plan and other policies relevant to his or her employment. The new employee must sign an acknowledgment during the hiring process stating that the employee has read and understands the Code, Compliance Plan and other relevant policies and understands that this is a condition of employment at Epic.
- Every employee will be required annually to review the Code, Compliance Plan, and relevant related policies and sign acknowledgment of these educational sessions.
- The Corporate Compliance Officer is responsible for ensuring that these acknowledgments are retained as a part of the employee's educational record.

### **D. Education and Training Programs**

The Corporate Compliance Officer is responsible for developing and implementing procedures to ensure that education and training programs, and appropriate supplemental materials, regarding the Code documents are developed and made available to all employees. Training procedures consist of the following:

- All employees will receive, review and acknowledge their understanding and agreement of the Code and relevant related policies upon commencing employment with Epic.
- Supervisors are responsible for ensuring that employees are made available for and receive the education and training established by the Corporate Compliance Officer.

### III. Reporting of Violations

Epic is committed to the policy that every employee has a responsibility to report any violation of the Code or related policies to his or her Supervisor or Director, as indicated in the Code or in the Corporate Compliance Program. Potential criminal activities should be reported directly to the Corporate Compliance Officer immediately. Employees may not be subject to any reprisal for a good faith report of a suspected violation of the Code or related policy.

Epic is committed to establishing an environment that encourages and allows employees to seek and receive prompt guidance before engaging in conduct that may violate the Code or related policies.

To achieve these objectives, the Corporate Compliance officer is responsible for ensuring that the following practices and procedures are implemented and publicized in writing to all employees:

- Employees may consult their supervisors about any questions regarding the Code or related policies. The supervisor should respond to any inquiry and/or refer the question to the appropriate personnel within Epic.
- Employees may report to their supervisors any violation of the Code or related policy. Supervisors who receive such reports from employees shall immediately report the information to the Corporate Compliance Officer. Employees may not be subject to any reprisal for a good faith report of a suspected violation of the Code or related policy.
- All management personnel shall have an “open door policy” that permits an employee to present any suspected violation of the Code or related policies.
- The Corporate Compliance Officer has the responsibility to review all reports received of suspected violations of the Code or related policies. The Corporate Compliance Officer or agents of Epic shall maintain the confidentiality of the identity of employees who submit reports of violations or suspected violations.
- In addition to the established chain of command or any formal written communication, the Corporate Compliance Officer shall establish and publicize a reporting mechanism via telephone that permits reports of violations of the Code or related policies directly to the Corporate Compliance Officer or his designee. The telephone access shall also be available to submit questions regarding the Code or related policies which will be answered in a timely manner. Confidentiality of the reporter’s identity will be maintained.

## **IV. Response to Allegation of Code Violations**

### **A. Immediate Response Necessary**

Epic wants to know promptly of any potential or suspected violation of the Code documents. Any employee who is aware of a violation of the Code or related policies is responsible for reporting that information immediately to his or her supervisor or to the Corporate Compliance Officer through the means described in Section III.

The Corporate Compliance Officer may consult with legal counsel regarding the various questions raised by the report of a violation of the Code or related policies. Among the issues that should be addressed when a violation is reported are the following:

- Should an internal investigation be conducted?
- Should legal counsel conduct the investigation?
- Should a disclosure be made to the appropriate government agency?
- Do employees need separate legal counsel?
- Should Epic provide separate legal counsel for employees?

### **B. Investigations of Violations**

All employees are expected to cooperate in the investigation of an alleged violation of the Code or related policies. Preliminary investigation of any suspected violation should not be conducted without consultation with and direction from the Corporate Compliance Officer who may seek the assistance and guidance of legal counsel. Investigations may raise complicated legal issues and investigations conducted without the advice of legal counsel could result in the waiver of important Epic legal privileges.

Where employee interviews are necessary for an investigation, employee rights established by law or under Epic policy will be respected. To ensure that an investigation is based on all the relevant facts, an employee who is suspected of a violation will be informed of, and permitted to respond to the allegations under investigation before the investigation is considered completed.

Epic is in a regulated industry which is subject to frequent government reviews and audits, many of which are routine. As a result, Epic may receive requests for production of documents, requests for interviews, summons, search warrants, and subpoenas. It is Epic's policy to cooperate in all government audits and investigations. Epic may inform employees of their rights and obligations with respect to requests for interviews from governmental investigators. The Corporate Compliance Officer is responsible for providing any such notice to employees in appropriate circumstances.

Every contact involving Epic's business by a government representative regarding an investigation, whether at work or at home should be referred to the Corporate Compliance Officer.

### **C. Decisions**

Based on the results of the investigation, management will determine what Epic actions are required, including consideration of the following areas:

- Whether to discipline the employee or employees involved in the conduct constituting the violation, and if so, what discipline;
- Whether a report to a government agency should be made;
- Whether any amount should be refunded to a government or third party payor;
- Whether other notices or disclosures are required;
- And whether the Code documents or other policies require modification.

#### **D. Discipline for Violations**

Employees who have failed to comply with the Code and related policies will be subject to discipline, up to and including dismissal. Epic will document all reasons for disciplinary action taken against its employees for violations of the Code and related policies. The determination of the appropriate discipline shall be made in accordance with Epic policy. The following considerations will be taken into account in determining the appropriate disciplinary action to impose for a violation of the Code or related policies:

- The nature of the violation and the ramifications of the violation to Epic;
- The disciplinary action imposed for similar violations;
- Any history of past violations;
- Whether the violation was willful or unintentional;
- Whether the individual was directly or indirectly involved in the violation;
- Whether the violation represented an isolated occurrence or a pattern of conduct;
- If the violation consisted of the failure to supervise another individual who violated the Code or related policies, the extent to which the circumstances reflect lack of diligence;
- If the violation consisted of retaliation against another individual for reporting a violation or cooperating with an investigation, the nature of such retaliation;
- Whether the individual in question reported the violation;
- The degree to which the individual cooperated with the investigation.

#### **E. Preservation of Documents**

Epic has developed a comprehensive document retention policy. Document destruction may only take place in accordance with this policy. Supervisors are responsible for monitoring compliance with this policy within their departments. Epic must retain all potentially responsive documents if it has been served with a government subpoena or, if it has reason to believe that there is an impending government investigation, it must retain all documents that may pertain to that investigation.

## **V. Monitoring Corporate Compliance in Specific Substantive Areas**

The Code applies to all employees of Epic and each employee is personally responsible for his or her conduct in complying with the Code. In addition to policies concerning general employee conduct and the adherence by all employees to the commitment and mission of Epic, the code focuses on employee conduct with respect to the laws that most frequently and directly impact the business conduct of employees. A brief description of the policies discussed in the code and the procedures that must be followed to effectively monitor corporate compliance with the laws that may impact the business conduct of Epic employees is set forth below. Neither the Code nor this section purports to alert employees to all potential problem areas and neither is a substitute for consulting with their immediate supervisor, the Corporate Compliance Officer or legal counsel as may be appropriate.

### **A. Financial Accounting and Records**

Policies regarding financial account and records are set forth in the Code. Epic will develop policies and procedures for periodic auditing and monitoring of Epic financial transactions could raise concerns regarding compliance with laws regarding fraud and abuse.

### **B. Patients' Rights**

Policies regarding patients' rights are set forth in the Code. Department directors/supervisors shall ensure that each employee in their department is aware of state and federal laws and facility licensing requirements concerning patient rights, in addition to Epic policies requiring that patients receive quality care delivered in a considerate, respectful and cost-effective manner.

### **C. Anti-Trust and Trade**

Policies regarding competition and corporate compliance with the anti-trust laws are set forth in the Code. Epic shall implement these policies to prevent employees from intentional or inadvertent violations of the antitrust laws.

**D. Environment**

Policies regarding the environment and corporate compliance with the environmental laws are set forth in the Code. Epic will establish these policies to prevent employees from intentional or inadvertent violations of the environmental laws.

**E. Confidential Business Information**

Policies regarding confidentiality and business information are set forth in the Code. The Corporate Compliance Officer will direct department heads to ensure that employees in their departments understand policies with respect to the disclosure to unauthorized persons of confidential business information including trade secrets, commercially sensitive information, and financial information about Epic.

**F. Employee Rights**

Policies on employees' rights and obligations require a working environment free from harassment, illegal drugs, alcohol and unlawful discrimination and are set forth in the Code. In addition to the policies discussed in the Code, Epic has procedures to ensure corporate compliance with certain federal laws governing employment and the workplace.

**G. Fraud and Abuse**

Policies regarding fraud and abuse are set forth in the Code. The Corporate Compliance Officer is responsible for identifying and reviewing internal controls to detect improper billing. The audit system is designed to discover any billing practices which violate Epic policies, state and federal laws and licensing requirements. The following are monitored on a continuous basis to prevent and detect violations of state and federal laws and licensing requirements:

- Reasonable and necessary services
- Coding of services and items
- Correctness of charge or reimbursement rates
- Billing to appropriate payer source
- Sufficiency of documentation