Policy Revision Notification

Overview

The revisions below were made on **September 24, 2024**.

Document Name: Fraud Prevention Policy

Document Owner: Jeff Felty, Chief Compliance Officer

Document Approver: Jason Turk, Chief Financial Officer

Stakeholders

The individuals and/or groups affected by this update:

- Compliance
- General Counsel
- All Centria/LSAA Team Members

Summary / Nature of the Update

Verbiage updates and added an option to the report list.

Detailed Updates by Page

The table below describes the updates made by page number.

Page Number	Update
All	Made a few small verbiage updates
	Updated the owner and approver
3	Added "Submitting a complaint or violation on the Centria website" to the list of reporting options
6	Fixed incomplete sentence in the Stark Law section

centria HEALTHCARE centria AUTISM life skills AUTISM ACADEMY	**Policy + Procedure Title** Fraud Prevention	**Document Number**	CC.P+P.009.06
		Last Revision	09/03/2024
		Current Effective Date	09/03/2024
	Policy + Procedure Owner Chief Compliance Officer	**Policy + Procedure Approver** Chief Financial Officer	

Purpose/Scope

The Fraud Prevention policy is established to promote the detection and prevention of fraud, waste, or abuse of resources belonging to Centria or Life Skills Autism Academy (hereafter referred to as "the Company") and the individuals we support, including healthcare benefits paid on their behalf. It is the intent of the Company to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conduct of investigations.

This policy applies to any actual or suspected fraud, waste, or abuse of resources involving Company team members, agents, consultants, vendors, contractors, and/or any other parties with a business relationship with the Company. Any investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

Responsibility

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate or unethical conduct. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indications of irregularity.

Any fraud that is detected or suspected must be reported immediately to a supervisor or the Compliance Department (see Reporting Requirements and Guidance).

Policy

Fraud is the deliberate use of misrepresentation or other deceitful means to obtain something to which a person is not otherwise entitled. When dealing with government contracts or funding, a person need not have known that the information provided to the Government was false. Fraud may also occur when a person acts in "deliberate ignorance" or "reckless disregard" of the truth or falsity of such information.

Team members are expected to comply with the laws and regulations indicated in this policy (see References: Fraud and Abuse Statues, Regulations, and Policies). No team member is permitted to engage, either directly or indirectly, in any corrupt or inappropriate business practice intended to influence, induce, or reward favorable decisions of any government representative, patient, client, physician, provider, vendor, contracted facility, or any person or entity in a position to benefit company in any way.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to the following:

- A dishonest or fraudulent act;
- Falsification of documentation related to any service or other entry into a person's medical record;
- Improperly billing for services that were provided (including upcoding and/or unbundling services);
- Forgery or alteration of any document or account belonging to the Company;
- Impropriety in the handling or reporting of money or financial transactions;
- Misappropriation of funds, securities, supplies, or other assets belonging to the Company;
- Theft, misappropriation or misuse of the identity, personal funds, or property of the people we serve;

- Disclosing confidential and proprietary information to outside parties;
- Providing false information to governmental entities or other funding sources;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company;
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment;
- Profiteering as a result of insider knowledge of company activities; and/or
- Any similar or related inappropriate conduct.

Other Inappropriate Conduct

Suspected improprieties concerning any moral, ethical, or behavioral conduct that does not involve an act of fraud should be resolved by management in consultation with the Human Resources Department, Compliance Department, or Legal Department. If there is any question as to whether an action constitutes an act of fraud, the Compliance Department or Legal Department should be contacted for guidance.

Investigation Responsibilities

Either the Compliance Department or Legal Department has the primary responsibility for the investigation of any suspected fraudulent acts as defined in this policy. If the investigation substantiates that fraudulent activities have occurred, reports will be issued to senior management, including General Counsel and to the Compliance Committee of the Board of Directors. Decisions to prosecute or refer any investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

Confidentiality

The Compliance Department treats all information received as confidential to the extent allowed by law. Any individual who suspects dishonest or fraudulent activity should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Requirements and Guidance section below).

Caution must be exercised during the investigation of suspected improprieties or wrongdoings. This will protect the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

Authorization for Investigating Suspected Fraud

Team members appointed to conduct fraud investigations will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of Company files, computers, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Any questions pertaining to a team member's authority under this section should immediately be directed to the Chief Compliance Officer.

Procedures

Reporting Requirements and Guidance

Any individual who discovers or suspects fraudulent activity should contact his/her supervisor or the Compliance Department immediately. Allegations reported to the Compliance Department may be made by:

- Sending an email to the Company's compliance reporting system at CorporateCompliance@centriahealthcare.com;
- Calling the Compliance Hotline at (866) 842-7126;
- Submitting a Complaint or Violation on the Centria website at https://www.centriahealthcare.com/submit-a-complaint-or-violation; or
- Directly contacting the Chief Compliance Officer at (248) 864-1893.

Any inquiries from the suspected individual, his or her attorney or representative, or any other inquirer related to the activity under investigation should be directed to the Compliance Department or the Legal Department. Any individual reporting suspected fraudulent activity should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Legal Department or Compliance Department.
- Any form of retaliation or retribution against individuals who make good faith reports of known or suspected instances of inappropriate business conduct or activity will not be tolerated.
- Any person using the Compliance Reporting Procedures to purposely report false information or allegations will be subject to corrective action.

Team members may exercise their rights and responsibilities to directly contact any regulatory authority, government agency, or entity to report possible violations or make other disclosures required by law. This reporting process is not intended to restrict, discourage, or interfere with communications or actions required or protected by state or federal law. However, reports such as these are not a substitute for the Company's internal reporting requirements. It is also necessary to report these matters to Centria's Compliance Department.

Mandatory Disclosure

The Company's management shall timely disclose, in writing, to the appropriate federal or state oversight agency in connection with the award, performance, or closeout of any government contract or subcontract, when it has credible evidence of a violation of federal or state law involving fraud, conflict of interest, bribery or gratuity violations. In those situations where a government contract or subcontract is involved, a copy of the written notice shall be provided to the appropriate Contracting Officer.

Fraud Prevention & Detection Controls

The Company's management has acted upon their responsibility of designing and implementing systems and internal controls for the prevention and detection of fraud. This is demonstrated by creating an environment that promotes both honest and ethical behavior from not only the Company's Leadership Team, but also the various levels of team members.

In order to prevent fraud at the Company, the following fraud prevention controls are in place:

- Code of Conduct
- Compliance Committee Oversight
- Written Policies and Procedures
- Corporate Compliance Plan and Compliance Program Manual
- Compliance Orientation Training for new team members
- Annual Compliance Training for all team members
- Fraud Prevention Training
- Micro-learning via Compliance eNewsletters

In order to detect fraud at the Company, the following fraud detection controls are in place:

- Compliance Reporting Procedures (including the anonymous Compliance Hotline)
- Internal Audit Function
- Management's Internal Control Environment

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed and approved by Human Resources and/or the Legal Department before any such action is taken.

Administration

The Chief Compliance Officer or designee is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed at least annually and revised as needed.

References

Fraud and Abuse Statues, Regulations, and Policies

The Company is committed to compliance with the billing and documentation requirements of the federal government, state government, and other third-party payers and customers. The term "fraud and abuse laws" generally describes a number of federal and state laws that contain penalties for violations of laws that regulate both the provision of health care services as well as the methods and requirements for documenting and submitting claims for services to third party payers.

Federal and State False Claims Acts

The Federal False Claims Act (UNITED STATES CODE TITLE 31 SECTIONS 3729 – 3733) is federal law which authorizes private individuals to file lawsuits on behalf of the federal government against other individuals or entities who make false claims for financial payment or reimbursement from the federal government. Such lawsuits are called "whistleblower" or "qui tam" suits. The purpose of the law is to prevent fraud, waste, and abuse. The law applies to corporate entities and individuals. Under the law, any corporate entity or person who makes a request or demand for money, property, or reimbursement from the federal government, knowing the request is false or fraudulent, can be prosecuted. Additionally, any corporate entity or individual who makes, uses or facilitates the use of a false record or statement to obtain payment or reimbursement from the federal government can be

prosecuted. The law contains both criminal and civil liability for a corporate entity or individual found responsible for illegal activity.

In addition to the Federal False Claims Act, the Deficit Reduction Act of 2005 contains additional provisions aimed at reducing Medicaid fraud and abuse. Among these provisions are financial incentives for individual states to develop their own false claims acts with provisions that meet or exceed those of federal law. A list of states which currently have their own false claims act or general statutes related to false claims is set forth in Attachment A.

The Fraud Enforcement and Recovery Act of 2009 further strengthens the False Claims Act by, expanding liability to indirect recipients of federal funds, expanding liability for the retention of overpayments (even where there is no false claim), adding a materiality requirement and defining it broadly, expanding protections for whistleblowers, expanding the statute of limitations, and providing relators with access to documents obtained by the government.

Both the Federal and State False Claims Acts provide protection from retaliation by employers against team members who file whistle blower suits. The federal act, and some state acts, also provide for sanctions against anyone who files a whistleblower suit that is found to be frivolous, vexatious or filed primarily for the purposes of harassment.

The Program Fraud Civil Remedies Act

The Program Fraud Civil Remedies Act of 1986 (UNITED STATES CODE TITLE 31 SECTIONS 3801-3812) provides federal agencies the ability to obtain administrative remedies, separate from and in addition to, compensatory and punitive damages available under the Federal False Claims Act. The act applies to corporate entities and individuals. The statute authorizes a federal agency to seek administrative remedies in the event a corporation or individual knowingly submits false claims or statements to the agency. Available remedies include civil penalties of up to $5,000 for each false claim or statement and assessments of up to twice the amount of each false claim or statement. Agencies may also pursue actions to suspend or debar any corporate entity or individual from entering into contracts with the federal government.

The Health Insurance Portability and Accountability Act (HIPAA)

HIPAA amended the federal penal code to criminalize federal healthcare offenses. These offenses include, for example, fraud against any public or private healthcare benefit program or obtaining money by false pretenses in connection with the delivery or payment of healthcare benefits. The offenses also include false statements relating to matters concerning any public or private health benefit program. These offenses are punishable by fine and imprisonment.

The Federal Anti-Kickback Statute

The federal Anti-Kickback Statute, 42 USC 1320A-7b(b), is a criminal statute that bars the knowing and willful solicitation or receipt of any remuneration (broadly defined to encompass "anything of value") in return for: (i) referring a patient; or (ii) purchasing or otherwise arranging for an item or service, for which payment may be made under Medicare, Medicaid, or other federal healthcare programs. The statute also prohibits the offer or payment of remuneration to induce a person to refer patients. Unless the activity is protected by one of the

exceptions to the statute or by a safe harbor regulation that protects certain activities, violations can result in imprisonment and civil monetary penalties.

The Stark Law

The Stark Law, 42 USC 1395nn, contains a self-referral ban that prohibits a physician from making a referral to an entity for the furnishing of designated health services (*e.g.*, PT, OT, home health, clinical laboratory services) to Medicare or Medicaid beneficiaries if the physician (or a member of the physician's immediate family) has a financial relationship with that entity. It also prohibits entities from presenting or causing to be presented to any claims with Medicare (or billing another individual, entity, or third-party payor) for any improperly referred designated health services.

Attachment A

False Claims Act by State

	STATE	STATUTE	OIG CERTIFICATION	REVIEW DATE
1	Arizona	No State FCA - Ariz. Rev. Stat. Ann. §§ 36-2918 and 36-2957; Ariz. Stat. Ann. § 13-2311; Ariz. Rev. Stat. Ann. §§ 38-531 to 38-532; Ariz. Rev. Stat. Ann. §§ 23-1501 to 23-1502; Ariz. Rev. Stat. Ann. § 12-2-510	No	NA
2	California	State FCA - CA Govt. Code § 12650 – 12656	YES	1/25/2019
3	Georgia	State FCA – (Medicaid Only) O.C.G.A. § 49-4-168.1 – 168.6	YES	1/25/2019
4	Indiana	State FCA - Ind. Code§§ 5-11-5.7-1 through 5-11-5 -7-18	YES	12/28/2016
5	Maryland	State FCA – (Medicaid Only) Md. Code Ann. Health-General Title 2 § 2-601 (2014); (all other state claims) Md. Code Ann. Gen. Prov. § 8-101 et seq.	No OIG review	N/A
6	Massachusetts	State FCA - MASS Gen. Laws Ch. 12, §§ 5A-5O	YES	12/28/2016
7	Michigan	State FCA - (Medicaid Only) MCLS §§ 400.601 - 400.615	No	3/21/2011
8	Minnesota	State FCA – Minnesota False Claims Act, Minn. Stat. §§ 15C.01 through 15C.16	YES	5/27/2021
9	New Jersey	State FCA - N.J. Stat. Ann. §§ 2A:32C-1-3	No	3/21/2011
10	New Mexico	State FCA - N.M. Stat. Ann. §§ 27-14-1 – 27-14-15	No	7/24/2008
11	North Carolina	State FCA – N.C. Gen. Stat. §§ 1-605-618; N.C. Gen. Stat. §§ 108A-70.10 to 70.16	YES	10/26/2018
12	Oregon	State FCA - ORS § 180.750-785	No OIG review	N/A
13	Texas	State FCA - (Medicaid Only) Tex. Hum. Res. Code Ann. §§ 36.001 - 36.132	YES	12/28/2016
14	Virginia	State FCA – Va. Code Ann. § 8.01-216.1 et seq.	YES	8/14/2018
15	Washington	State FCA – (Medicaid Only) RCW Chapter 74.66	YES	8/14/2018

Attachment A Revision History

Revised On	*Version*	*Description*
03-Sep-2024	*06*	• *Made a few small verbiage updates* • *Added "Submitting a complaint or violation on the Centria website" to the list of reporting options* • *Fixed incomplete sentence in the Stark Law section*
13-May-2024	*05*	• *Co-branded document with all three company logos* • *Updated Attachment A statute information as needed*
01-Aug-2023	*04*	• *Replaced "employee" with "team member" throughout document*
11-Jul-2022	*03*	• *Updated Attachment A review dates for Michigan and Minnesota* • *Updated Attachment A OIG certification for Minnesota* • *Updated Attachment A statute chapter information for Washington*
11-Jan-2021	*02*	• *Updated Attachment A statute information as needed.*