



**CORPORATE COMPLIANCE POLICY**  
Reviewed and Revised 2023.04.11

**I. Introduction**

The purpose of this Policy is to establish processes to ensure that there is a committed compliance organization within Daystar Kids. The Compliance Program is a central component of the Company's commitment to fostering a culture of compliance where integrity is the bottom line.

**II. Policy**

Daystar Kids (Agency) complies with all applicable, federal, state and local laws and regulations, and fiduciary requirements. Daystar Kids adheres to the Code of Ethics that is adopted by its Board of Directors (BOD), Chief Executive Officer (CEO), and Compliance Committee (Committee).

**III. Commitment**

Daystar Kids is committed to its responsibility to conduct the agency's business affairs with integrity based on sound ethical and moral standards. The Agency holds its BOD, employees, providers, volunteers, contractors, and vendors to these same standards and best practices.

**IV. Monitoring**

Daystar Kids is committed to maintaining and measuring the effectiveness of its compliance policies and standards through monitoring and auditing systems reasonably designed to detect noncompliance by its employees and its agents. The agency performs regular and periodic compliance audits by internal and/or external auditors focusing on risk areas.

**V. Responsibility**

All employees, volunteers, providers, contractors, and vendors shall acknowledge their responsibility to report any suspected instances or known noncompliance to their immediate supervisor and the Compliance Officer (CO).

- Reports may be made anonymously without fear of retaliation or retribution.
- Failure to report known noncompliance or making reports which are not in good faith will be grounds for disciplinary action, up to and including termination.
- Reports related to harassment or other workplace-oriented issues will be referred initially to Daystar Kids Human Resources Manager and the CEO. If circumstances involve the CEO reports will be referred to the CO, up to and including BOD.

**VI. Policies and Procedures**

Daystar Kids communicates its compliance standards and policies to all board members, employees, providers, contractors, volunteers, and vendors (it should be noted that contractors and vendors are notified through established business agreements).

**VII. Enforcement**

The Compliance Policy will be consistently enforced through appropriate disciplinary measures, including, if appropriate, discipline of individuals responsible for failure to detect and/or report noncompliance.

**VIII. Agency Response**

Responses to detected noncompliance, through any mechanism (i.e., compliance auditing procedures, confidential reporting, etc.) will be addressed immediately. Daystar Kids is dedicated to the resolution of such matters and will take all reasonable steps to prevent further violations, including updating the Compliance Plan as needed.

**IX. Due Diligence**

Daystar Kids will exercise due diligence regarding background checks and professional license verifications for all prospective employees, contractors, providers, vendors, volunteers, and members of the Board of Directors, as required. Employees and prospective employees are required to disclose any name changes and any involvement in non-compliant activities including but not limited to health care related crimes. In addition, Daystar Kids performs exclusionary screening checks of employees, providers, contractors, vendors, and board members as required.

**X. Code of Ethics and Philosophy**

Daystar Kids is committed to operating under the highest moral and ethical standards and to maintaining a positive, ethical work environment for all. Daystar Kids established its Code of Ethics to guide every board member, employee, provider, contractor, and/or volunteer affiliated with Daystar Kids to act in an honest, respectful, and legally responsible manner.

**XI. Mission**

Daystar Kids mission is to joyfully celebrate children with special health care needs and enrich their lives by promoting each child’s individual health care, developmental, and psychosocial goals in an encouraging atmosphere of their peers; and to strengthen and support their families.

**The Role of the Compliance Officer**

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**I. Compliance Officer**

The BOD authorizes the CEO as the CO or to designate a dedicated CO to serve in this role. The CO has direct lines of communication to the CEO, the BOD, and Daystar Kids legal counsel.

**II. Job Duties**

The CO is directly obligated to serve the best interests of the Agency, its employees, and individuals served by the Agency. Responsibilities of the CO include but are not limited to:

- Aid in the development and implementation of annual compliance work plan, compliance policies and procedures.
- Oversee and monitor the implementation of the compliance program.
- Provide at least quarterly reports on the implementation and maintenance of the compliance program to the governing body, CEO, and Committee.
- Conduct annual review of compliance program and periodically update the Compliance Plan to reflect changes within Daystar Kids, and/or in federal, state, and local laws,

regulations, and fiduciary requirements.

- Oversee efforts to communicate awareness of the existence and contents of the Compliance Plan.
- Coordinate, develop and participate in employee educational and training programs.
- Ensure that independent contractors are aware of the requirements of Daystar Kids Compliance Plan to the extent that they are affected by agency risk areas and within their scope of contracted authority.
- Actively seek up-to-date materials and releases regarding regulatory compliance.
- Maintain a reporting system to track responses to concerns, complaints, and questions related to the Compliance Plan.
- Serve as a resourceful leader regarding regulatory compliance issues.
- Investigate and act on issues related to compliance.
- Coordinate internal investigations and implement corrective action, as required.
- Monitor internal and external audits to identify potential non-compliance issues and share with CEO, senior management, Committee, and governing body.
- CO may be the Chairperson of the Committee but is required to be an active member and sets the direction of the committee.

## **The Structure, Duties and Responsibilities of the Committee**

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### **I. Reporting Structure and Purpose**

Committee members are appointed by the CEO. Compliance issues are reported by the Committee to the CEO, Chair of the Finance-Audit Committee, and the BOD, as appropriate. The Committee's purpose is to advise and assist the CO with the implementation of the Compliance Plan. The Committee will meet at least quarterly, or more frequently as needed.

### **II. Duties and Responsibilities**

The role of the Committee includes but are not limited to:

- Analyzing the business environment where Daystar Kids operates, including legal requirements for compliance.
- Reviewing and assessing existing policies and procedures that address these risk areas for possible incorporation into the Compliance Plan.
- Working with departments to develop standards and policies and procedures that address specific risk areas and encourage compliance according to legal and ethical requirements.
- Advise and monitor appropriate departments relative to compliance matters.
- Developing internal systems and controls to carry out compliance standards and policies.
- Ensure that the written policies and procedures and required standards of conduct are current, accurate, and complete, and that required training completed in a timely manner.
- Monitoring internal and external audits to identify potential non-compliant issues.
- Implementing corrective and preventive action plans.
- Developing a process to solicit, evaluate and respond to complaints and problems.
- Ensure communication and cooperation by affected individuals on compliance-related issues, internal or external audits, or any other function or activity required in the regulations.
- Ensure that effective systems and processes are in place to identify Compliance Program risks, overpayments, and other issues, and effective policies and procedures for correcting and reporting such issues.

## **Education and Training**

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### **I. Expectations**

Education and training are critical elements of the Compliance Plan. Every employee and board member are expected to be familiar and knowledgeable about Daystar Kids Compliance Plan and have a solid working knowledge of his/her responsibilities under the plan. Compliance policies and standards will be communicated to all employees through required participation in training and professional development programs. In addition, volunteers will receive compliance training as appropriate. All contractors/vendors subject to compliance plan requirements will be included within their business agreement and only to the extent they are affected by agency risk areas and within their scope of contracted authority.

### **II. Training Topics - General**

All employees and members of the Board of Directors shall participate in training on the topics identified below:

- Government and private payer reimbursement principles
- History and background of Corporate Compliance
- Role of the Compliance Officer and Compliance Committee
- General prohibitions on paying or receiving remuneration to induce referrals and the importance of fair market value
- Prohibitions against submitting a claim for services when documentation of the service does not exist to the extent required
- Prohibitions against signing for the work of another employee
- Prohibitions against alterations to records and appropriate methods of alteration
- Prohibitions against rendering services without a signed physician's order, if applicable
- Proper documentation of services rendered
- Duty to report/how to report misconduct and compliance concerns
- Disciplinary standards
- Risk areas and organizational experiences
- Written P&P (Standards of Conduct, reporting/investigation/resolution of compliance issues)
- False Claims Act and Whistleblower Provisions/Protections
- HIPAA

### **III. Training Topics - Targeted**

Targeted training will be provided to all employees whose job responsibilities include activities related to compliance topics, particularly those whose duties relate to billing, coding, and its documentation. This training will be provided at hire, with ongoing training, monitoring, and evaluation. Supervisors shall assist the CO in identifying areas that require specific training.

### **IV. Orientation**

As part of each employee's initial orientation, they receive compliance training as outlined above and a written copy of the Compliance Plan. A signed acknowledgement of receipt of the compliance plan and standards of conduct will be completed for each employee.

### **V. Attendance**

All education and training relating to the Compliance Plan will be verified by attendance or

signed attestation.

## **Detection and Response**

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### **I. Violation Detection**

The CO, CEO, and the Finance-Audit Committee, as appropriate, shall determine whether there is any basis to suspect that a violation of the Compliance Plan has occurred.

If it is determined that a violation *may have* occurred, the matter may be referred to legal counsel, who, with the assistance of the CO, shall conduct a more detailed investigation. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct a thorough investigation. This investigation may include, but is not limited to, the following:

- Interviews with individuals having knowledge of the facts alleged.
- A review of documents.
- Legal research and contact with governmental agencies for the purpose of clarification. If advice is sought from a governmental agency, the request and any written or oral response shall be fully documented.

### **II. Reporting**

At the conclusion of an investigation a report will be issued to the CO (unless CO is the person completing investigation report), CEO, and Finance-Audit Committee Chair, as appropriate, summarizing the findings, conclusions and recommendations and will render an opinion as to whether a violation of the law has occurred. When legal counsel is involved:

- The report will be reviewed with legal counsel in attendance. Any additional action will be on the advice of legal counsel.
- The CO and/or CEO shall report to BOD and/or the Finance-Audit Committee regarding an investigation as appropriate.

### **III. Rectification**

In the event Daystar Kids identifies that an overpayment was received from any third-party payer, will follow requirements to report, return and explain overpayment as outlined in OMIG's Self-Disclosure Program. Daystar Kids will seek advice and assistance from legal counsel when indicated. It is our policy to not retain any funds which are received from an overpayment. Systems will be put in place to prevent such overpayments in the future.

### **IV. Record Keeping**

Regardless of whether a report is made to a governmental agency, the CO shall maintain a record of investigation, including copies of all documentation, any disciplinary action taken if appropriate and corrective actions implemented. This record will be considered confidential and privileged and will not be released without the approval of the CEO or legal counsel.

## **Whistleblower Provisions, Protections and False Claims Act**

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### **I. Overview of the False Claims Act**

The False Claims Act, 31 U.S. Code § 3729, is a federal law designed to prevent and detect fraud,

waste, and abuse in federal healthcare programs, including Medicaid and Medicare. Under the False Claims Act, anyone who “knowingly” submits false claims to the Government is liable for damages up to three times the amount of the erroneous payment plus mandatory penalties of \$5,500 to \$11,000 for each false claim submitted.

## **II. Provisions**

The False Claims Act provides protection to qui tam relators (employee or former employees) who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the False Claims Act.

Daystar Kids will not take any retaliatory action against an employee if the employee in good faith does any of the following:

- discloses, or threatens to disclose to supervisor or to a public body an activity, policy or practice of Daystar Kids that the employee reasonably believes is in violation of law, rule or regulation or that the employee reasonably believes poses a substantial and specific danger to the public health or safety;
- provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such activity, policy or practice by Daystar Kids; or
- objects to, or refuses to participate in any such activity, policy, or practice.

## **III. Protections**

The employee’s disclosure to a public body is protected only if the employee has made a good faith effort to notify Daystar Kids by bringing up the matter with a supervisor and gave Daystar Kids a reasonable opportunity to correct the activity, policy or practice, unless there is an imminent and serious danger to the public or enrollee health and safety, and the employee believes in good faith that reporting to a supervisor would not result in corrective action.

Daystar Kids will protect qui tam relators with remedies that include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys’ fees.

If Daystar Kids takes any retaliatory action against the qui tam relator (employee), the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys’ fees.

Resources:

- [Laws and Regulations | Office of the Medicaid Inspector General \(ny.gov\)](#)
- [MED282200016 Part521 Adopted \(6\).pdf](#)
- [Office of Inspector General](#)
- [Medicaid Fraud – New York State Department of Health \(ny.gov\)](#)
- [SAM.gov | Exclusions](#)
- [New York State Education Department \(nysed.gov\)](#)
- [New York State Department of Health \(ny.gov\)](#)