



**NATIONAL
SEATING &
MOBILITY**

LET'S GET *moving*

COMPLIANCE MANUAL



National Seating & Mobility is committed to providing the best care to our clients. We are equally as committed to providing that care ethically and in compliance with all applicable laws and regulations.

Meeting this commitment depends on all of us. NSM's Compliance Program, including this manual, our Code of Conduct and our Policies & Procedures, is designed to provide you with the tools and guidelines you need to do your part.

If you're faced with an ethical dilemma, or you suspect or observe inappropriate or illegal conduct, discuss it with your supervisor or use the reporting process outlined in the Compliance Program, including calling the Compliance Hotline at 1-855-252-7606, or filing a report via the internet at www.hotline-services.com. You may also contact the Compliance Department directly at Compliance@nsm-seating.com.

The online manual is to be considered the most current, updated version. Printing paper copies is not recommended unless they are to be used for training or review purposes.

TABLE OF CONTENTS

Introduction.....	4
Commitment to Compliance	5
Client Care	5
Open Lines of Communication.....	6
NSM Compliance Program.....	7
Director of Compliance and the Compliance Committee.....	9
Code of Conduct.....	10
Leadership Responsibilities.....	10
Compliance Policies & Procedures	11
Education and Training	12
Reporting Compliance Violations.....	13
Reports made to Supervisors.....	14
Response to Compliance Issues	15
Enforcement and Disciplinary Actions.....	16
Program Monitoring and Auditing.....	17
Healthcare Laws & Regulations – an Overview	18
Referral Statutes.....	19
Providing Safe, Quality Care.....	20
Relationships with Beneficiaries.....	21
Accurate Claims and Information.....	22
Privacy and Security of Protected Health Information	23
Responding to External Investigations and Requests for Information.....	24
Employment.....	25
Convicted, Ineligible or Excluded Individuals.....	26
Conflicts of Interest	27
Confidentiality of the Compliance Program.....	28
Compliance Policies & Procedures Summary List	29

INTRODUCTION

We take it for granted that you have the best interests of our clients and our company in mind throughout your entire relationship with NSM. However, even with the best of intentions, violations of the law and our corporate policies can occur if you aren't made aware of them. It is very important for you to have the necessary tools and information to maintain compliance; this Manual is a vital part of that information.

This Manual is your guideline; it's not intended to fully describe the laws that apply to personnel or to detail company policies and procedures. For complete information, the Compliance Manual should be read along with the Code of Conduct and the Policies and Procedures, which can be found on WNSM.

The Manual, along with the documents mentioned above, is housed in an electronic format on WNSM so that you can be assured that you always have the most up to date information. It will be revised as the laws and regulations affecting our business change. As soon as practical, we will notify you of any changes and updates.

It is important that you completely read this Manual and become thoroughly familiar with its contents. Violation of the provisions of this Manual could result in disciplinary action, up to and including termination.

If you have questions, please direct them to the appropriate supervisor. If any question is not answered to your satisfaction, you are encouraged to call the Director of Compliance at 615-595-1115 ext 0209, or to send your questions by email to Compliance@nsm-seating.com.

COMMITMENT TO COMPLIANCE

NSM is committed to full compliance with all applicable laws and regulations. Failure to comply with the requirements is taken seriously and will subject individuals to disciplinary action, up to and including termination. NSM has developed policies and procedures that describe how employees' duties are to be performed. Every employee is required to know, understand and follow all policies and procedures that apply to their position, and to seek clarification from their supervisor if they have any questions.

CLIENT CARE

NSM is committed to providing safe, quality care to our clients. Services are available to all clients who meet the service criteria regardless of age, race, religion, gender, disability, national origin or sexual orientation. Acceptance of clients requesting services is based upon a reasonable expectation that the clients' medical equipment needs can be safely and adequately met in a timely and ethical manner.

Our clients are to be treated with respect and dignity and care is to be provided with compassion and integrity at all times.

OPEN LINES OF COMMUNICATION

Because employee input helps us quickly identify and respond to compliance issues or problems, NSM encourages open communication without fear of retaliation. If there are any questions or concerns regarding compliance of any kind, or of any aspect of the Compliance Program, employees should seek immediate clarification from their supervisor or from the Compliance Department.

If anyone has knowledge of, or in good faith suspects, a compliance violation involving:

- documenting, coding, or billing for equipment or services
- NSM's financial practices
- any violation of any law or regulation
- a violation of NSM policy
- any other compliance concern

they are expected to report it promptly so that an investigation can be conducted and appropriate action taken. Reports can be filed with the Compliance Department at compliance@nsm-seating.com; they can also be filed via the toll-free Compliance Hotline 1-855-252-7606 on the internet at www.hotline-services.com. These reports may be made anonymously. Reporting by any method can be done without fear of retaliation.

Anyone can report suspected improper conduct or compliance issues using the Compliance Hotline at 1-855-252-7606, or via the internet at www.hotline-services.com. Hotline or internet reports may be made anonymously.

NSM COMPLIANCE PROGRAM

NSM is committed to an effective Compliance Program that includes the following elements:

- Implementing written policies, procedures, and standards of conduct;
- Designating a compliance officer and compliance committee;
- Conducting effective training and education;
- Developing effective lines of communication, including a toll-free hotline and internet-based reporting that permit anonymous reporting without fear of retaliation;
- Enforcing standards through well-publicized disciplinary guidelines;
- Conducting internal monitoring and auditing; and
- Responding promptly to detected deficiencies.

The Compliance Program also defines roles and responsibilities, assigns oversight for compliance and conducts assessments of the Program's effectiveness.

The Compliance Program is an integral part of NSM operations and corporate functions. The Program reviews and evaluates compliance issues and concerns and is designed to assure compliance with all laws, rules and regulations relating to client care. As part of its Compliance Program, NSM has developed the Compliance Manual and the Code of Conduct, which are designed to communicate to all employees the intent to comply with all applicable laws and regulations, as well as all NSM Policies and Procedures.

NSM COMPLIANCE PROGRAM *(CONTINUED)*

NSM is committed to an effective Compliance Program that will:

- Review NSM's business activities and consequent legal compliance and risks;
- Educate all employees regarding the Code of Conduct and compliance requirements and provide appropriate training so they may perform their job activities in compliance with state and federal law and with NSM Policies and Procedures;
- Implement auditing, monitoring and reporting functions to measure the effectiveness of the Compliance Program and to address issues in an efficient and timely manner; and
- Include enforcement and disciplinary components to assure that all employees take their compliance responsibilities seriously and adhere to all applicable requirements.

Overall responsibility for the Compliance Program belongs to the NSM Board of Directors. However, responsibility for the day-to-day operation and oversight is held by the Director of Compliance, who has direct access to the Board of Directors and makes regular reports to them on the status of the Compliance Program. The Director of Compliance is supported by the Compliance Committee.

DIRECTOR OF COMPLIANCE AND THE COMPLIANCE COMMITTEE

NSM has designated a Director of Compliance to oversee the Compliance Program. The Director of Compliance focuses on compliance with the rules and regulations of regulatory agencies, and with NSM policies and procedures, and works to assure that behavior meets appropriate standards of conduct.

The NSM Compliance Committee supports the Director of Compliance and provides oversight for the implementation and operation of the Compliance Program. Members of the Compliance Committee include representatives from multiple areas of responsibility, including the following:

Operations – Chief Operating Officer

Legal – In-house Counsel

Human Resources – VP of Human Resources

Billing and Collections – VP of Financial Operations

Clinical – Director of Clinical Operations

Field Representatives – 2, nominated by the Committee to serve 1 year terms

Other areas as determined by the Director of Compliance and the Compliance Committee

The Compliance Committee reviews the reports and recommendations of the Director of Compliance concerning Compliance Program activities, including data generated through audits, monitoring and individual reporting. Based on these reports, the Compliance Committee makes recommendations regarding the activities and effectiveness of the Compliance Program. The Committee also reviews the Director of Compliance's recommendations regarding updating or modifying policies and procedures, and any recommended updates to the program or manual.

CODE OF CONDUCT

NSM has created a Code of Conduct that is intended to promote honest and ethical behavior, and to help prevent wrongdoing. The Code of Conduct provides a framework for compliance, and describes the fundamental principles and values by which all NSM employees are expected to abide. It provides guidance on acceptable conduct and makes clear the expectation that NSM employees will comply with all applicable governmental laws, rules and regulations, as well as all NSM policies and procedures, and that they will report violations of the law or policies to appropriate persons. The Code of Conduct is available in the Compliance section of WNSM or from the Compliance Department.

LEADERSHIP RESPONSIBILITIES

NSM expects its leaders to be a role model in every aspect. Our leaders must help to create a culture that promotes the highest standards of ethics and compliance. Every employee should feel empowered to share concerns at any time without fear of retaliation. Business objectives must never outweigh ethical and compliant behavior.

COMPLIANCE POLICIES AND PROCEDURES

NSM has developed compliance policies and procedures designed to help employees perform their jobs in compliance with applicable regulations, including federal healthcare program requirements, while maintaining our mission and objectives. Compliance policies and procedures, however, are not separate from NSM's operational policies and procedures. They are a part of the compliant operational policies and procedures that apply to each position and department of NSM.

A summary of NSM compliance policies may be found at the end of this manual. Full copies of these and of the operational policies and procedures are available in the Policies and Procedures Manual on WNSM, or by contacting the Compliance Director.

EDUCATION AND TRAINING

NSM provides compliance training and education for all employees. Training in risk areas will be conducted at least annually and will include one or more of the following subjects:

- The Corporate Compliance Program;
- Overview of the fraud and abuse laws as they relate to the claim development and submission process;
- A review of laws regarding prohibited referrals (Stark, Anti-Kickback Statute, etc.);
- A review of Medicare and other payer requirements; and/or
- The consequences to both individuals and NSM of failing to comply with applicable laws.

The purpose of this education and training is to be sure that all employees are fully informed and able to complete their work while remaining compliant with all applicable rules, regulations and NSM's policies and procedures.

REPORTING COMPLIANCE VIOLATIONS

NSM's commitment to compliance and ethical conduct depends on all of our employees. If any NSM employee has knowledge of, or in good faith suspects any violation of any law or regulation or a violation of any NSM policy, they are expected to promptly report it so that an investigation can be made and appropriate corrective action can be taken. Failure to report suspected violations may result in disciplinary action, up to and including termination.

A report may be made by:

- explaining the suspected violation in person or in writing to the employee's supervisor;
- e-mailing the Director of Compliance at Compliance@nsm-seating.com; or calling at 615-595-1115 ext 209
- Via the hotline at 1-855-252-7606 or www.hotline-services.com. Hotline or internet reports may be made anonymously.

When a report is received, an appropriate person will conduct an investigation to determine the nature, scope and duration of the violation, if any. NSM investigates all non-frivolous reports of violations. If a true violation is discovered, a plan for corrective action will be created. Corrective action may include refunding any overpayments, notifying a governmental agency, disciplinary action and/or making changes to policies and procedures to prevent future violations.

Retaliation in any form against anyone who files a report is strictly prohibited. Any retaliation should be reported using the methods above.

REPORTS MADE TO SUPERVISORS

When a supervisor receives a report that raises a compliance issue, they must report the issue to the Director of Compliance immediately.

Supervisors are not to retaliate in any way against employees who report issues in good faith and/or cooperate in an investigation. Retaliation against anyone who files a report and/or cooperates in an investigation is strictly prohibited by law and is a violation of both the NSM Code of Conduct and NSM policy.

The only situation in which disciplinary action for filing a report will be considered is when it has been clearly determined that the employee filed the report maliciously or frivolously.

RESPONSE TO COMPLIANCE ISSUES

As issues or deficiencies are discovered through audits, reporting, and other Compliance Department activities, corrective measures and disciplinary actions will be implemented to address the noncompliance. NSM has developed Compliance Policies that define the procedures for:

- conducting internal investigations
- creating Corrective Action Plans for specific instances
- implementing remedial action to prevent recurrence of issues or violations

Corrective Action Plans and other remedial actions will typically include, among other actions, employee education and training, additional monitoring and auditing, and can involve reporting to outside agencies as required.

ENFORCEMENT AND DISCIPLINARY ACTIONS

Disciplinary action may be taken against any person who:

- authorizes or participates, directly or indirectly, in any violation of NSM policy or applicable laws and any situations where proposed conduct may constitute such a violation;
- fails to promptly report a possible violation; or withholds information concerning a possible violation of which the employee or agent becomes aware;
- supervises a person involved in a possible violation to the extent that the circumstances reflect inadequate supervision or lack of appropriate diligence by the supervisor;
- attempts to retaliate or participates in retaliation, directly or indirectly, against a person who in good faith reports a possible violation or encourages others to do so;
- makes a report of a possible violation which is known (or should reasonably be known) by the reporting person to be false or misleading; or
- fails to cooperate fully with NSM's efforts to investigate or otherwise address a possible violation.

Disciplinary actions will reflect the severity of the noncompliance, up to and including termination.

PROGRAM MONITORING & AUDITING

To help assure compliance with law and policy, the Director of Compliance develops a yearly audit work plan, including a review of the OIG work plan and risk assessment results. The Director of Compliance initiates compliance audits at least annually, and more often as needed, to identify problems that are considered high-risk for compliance, and to address other significant compliance issues. Audit reports prepared by the Director of Compliance are submitted to the Compliance Committee. Audit reports and audit work plans are reviewed annually.

NSM will conduct or oversee these audits, which are designed to monitor and detect misconduct, noncompliance or failure to follow policies and procedures. All NSM employees are expected to cooperate with all NSM-authorized monitoring and audit activities.

HEALTHCARE LAWS AND REGULATIONS – AN OVERVIEW

NSM expects all employees to fully comply with all applicable federal, state and local laws and regulations. Failure to comply is a serious violation of NSM policy and can lead to immediate disciplinary action, up to and including termination. To be compliant, however, you need to be aware of the laws that apply to NSM.

The following is an overview of some of the more important federal laws and regulations and how they apply to NSM. This is not intended to be a complete discussion of each law, or to cover every applicable regulation. More detailed information on the laws and how to stay compliant may be found in the policies and procedures.

The main laws and regulations are:

- False Claims Act
- Anti-Kickback Statute
- Stark Law
- Civil Money Penalty Law
- Health Insurance Portability and Accountability Act (HIPAA)
- Health Information Technology for Economic and Clinical Health (HITECH)

REFERRAL STATUTES

Paying for referrals, with money, gifts or other inducements, is strictly prohibited by Federal and State laws. The Anti-Kickback Statute and the Stark Law are federal statutes that prohibit the offer or payment of any compensation or other remuneration to anyone for the referral of patients and/or federal healthcare business.

The Stark Law prohibits a provider from billing government payers for services rendered as a result of an improper financial arrangement with a referring physician or an immediate family member of the physician.

The Medicare-Medicaid Anti-Kickback Statute (“AKS”) prohibits knowingly and willfully offering, paying, soliciting, or receiving, directly or indirectly, anything of value if the purpose is to get a referral for business. Unlike the Stark Law, this statute is not limited to physicians or their family members. An arrangement that is intended to get referrals violates the AKS even when the payment is not directly related to the volume or value of referrals and there is no agreement to make referrals.

All NSM employees are expected to avoid any type of payment, gift or any other kind of arrangement that could be interpreted in any way as a request for referrals, or as a way to thank any person or entity for referrals. Compliance policies and procedures have been established to provide complete information on the specific activities that are not allowed. The policies and procedures also provide guidance regarding what activities may be allowed by law and how those must be approved and tracked. No NSM employee may provide anything of value to any referral source or potential referral source without the review and approval of the Director of Compliance.

PROVIDING SAFE, QUALITY CARE

All NSM employees are expected to provide safe, quality care that is medically necessary and that meets the Joint Commission standards at all times. Substandard or unnecessary care will not be tolerated. All employees shall work to ensure that:

- all personnel practice within the scope of their licensure and training;
- regulatory requirements related to licensure and certification are met;
- needed services are determined in a timely manner;
- any concerns about quality of care are addressed promptly and efficiently; and
- patient or family complaints are addressed promptly and efficiently.

All NSM employees will provide such care without regard to race, sex, color, national origin, ethnicity, religion, age, or sexual orientation.

In addition to being part of our mission and the right thing to do, providing safe, quality care also helps assure our participation in federal programs. The OIG has the authority to exclude those who deliver substandard care or care that is not necessary.

RELATIONSHIPS WITH BENEFICIARIES

Offering or providing gifts or inducements to beneficiaries in government healthcare programs, such as Medicare and Medicaid, is prohibited by federal fraud and abuse laws. The laws allow the Office of the Inspector General (OIG) to impose civil money penalties for violations.

NSM clients or potential clients may not be offered direct or indirect financial or other incentives to utilize our services. This includes gifts, gratuities, and other things of value.

Marketing or promotional items (trinkets such as mugs, pens, t-shirts, etc.) are allowed, as long as the retail value of the item is minimal (\$10 individually and \$50 annually, in the aggregate, per client) and the items are not provided in order to influence decisions.

Because they have monetary value, copayment requirements may not be waived except in certain limited circumstances. Company policy regarding waiver of deductibles and copayments must be followed, and clients and families should never be told that they do not have to worry about paying the copayment amount.

NSM expects all employees and agents of NSM to conduct themselves in an ethical and legal manner in relation to their patients. Inappropriate relationships or actions between patients and NSM's employees or agents are strictly prohibited and may result in disciplinary action, including termination where appropriate.

ACCURATE CLAIMS AND INFORMATION

All NSM employees are expected to provide accurate information so that claims may be submitted timely and accurately. Appropriate documentation is needed to support all claims, and the diagnosis and procedure codes must match the information documented in the medical records and other applicable documents.

All NSM employees involved in any aspect of providing information for claims or in the actual filing of claims must comply with all applicable rules, regulations, policies and procedures, especially those regarding:

- Accuracy in all billing activities
- Billing for items actually provided
- Billing only for medically necessary equipment and services
- Billing with correct codes
- Assuring no duplicate billing

If a billing error is identified, appropriate staff will investigate the source of the error and a corrected claim will be submitted. If the error resulted in an overpayment, NSM will complete the voluntary refund process with the appropriate DME MAC or other payer, and will refund the overpayment within sixty (60) days from the date on which the overpayment was identified.

NSM will take steps to provide education and training to prevent the problem that caused the error so that there are no future errors. In the event a Billing Supervisor determines that an error in HCPCS coding is attributable to an individual, the Director of Compliance may determine if additional training or discipline, up to and including termination, is appropriate.

PRIVACY AND SECURITY OF PROTECTED HEALTH INFORMATION (PHI)

NSM is committed to maintaining our clients' rights of privacy, consistent with applicable legal requirements, including the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. All patient medical records must be kept secure and confidential and only authorized persons may have access to them. All NSM employees will receive annual training on HIPAA requirements and are expected to maintain the integrity of all PHI.

NSM strictly prohibits the unauthorized use or disclosure of confidential information. Employees are expected to keep all PHI confidential during its collection, use, storage and destruction.

Breach of this confidentiality requirement may result in disciplinary action up to and including termination.

RESPONDING TO EXTERNAL INVESTIGATIONS AND REQUESTS FOR INFORMATION

NSM's policy is to fully cooperate with any lawful investigation or audit. If an NSM employee is contacted by a representative of a payer, agency, governmental body or any other outside party requesting information, they should first ask for identification and credentials. The employee's supervisor should be notified and the Compliance Department should be contacted before any inspection or investigation begins. The Director of Compliance will assist the branches in the proper response, as outlined in the NSM policy.

EMPLOYMENT

NSM assures equal employment opportunity in all recruitment, hiring, transfer, promotion, compensation, benefits, training, layoff and recall practices.

Employment policies will be administered without regard to race, sex, color, national origin, ethnicity, religion, age, disability, medical condition, marital status, parental status, veteran status, use of FMLA or any other leave, or sexual orientation.

Neither will the company retaliate against anyone for a complaint of discrimination or for exercising their rights to complain about unfair treatment. All employment decisions, including hiring, promotion, transfer, discipline and dismissal, will be made on job-related factors only.

It is the responsibility of each NSM office to support this non-discrimination policy in word and deed through professional action and personal example. Furthermore, it is the duty of every employee to create a workplace that is conducive to a discrimination free environment for all.

NSM is also committed to complying with all applicable federal and state employment laws.

CONVICTED, INELIGIBLE OR EXCLUDED INDIVIDUALS

NSM does not conduct business with or hire any person who has been convicted of a criminal offense related to health care, or who is listed as debarred, excluded, or otherwise ineligible for participation in federal health care programs. It is NSM policy that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. The Human Resources Department is responsible for screening employees and maintaining a record of this information.

All NSM employees are required to report to their supervisor or to Human Resources if they become excluded, debarred or otherwise ineligible to participate in Federal healthcare programs.

It is NSM's intent to assure that no government healthcare program payment is sought for any items or services provided or directed by an ineligible person.

CONFLICTS OF INTEREST

It is the policy of NSM to promptly identify a conflict of interest that may affect the company and/or its employees and agents.

A conflict of interest exists when an NSM employee or any member of his / her immediate family has a financial or non-financial interest in a customer, supplier, competitor, or other principal dealing with NSM, and NSM determines that the interest is such that it might reasonably affect the judgment or decisions exercised on behalf of National Seating & Mobility.

NSM owners, directors, agents, managers and employees performing any management, administrative or direct service to a client are expected to avoid situations that might lead to a conflict of interest or even an appearance of one.

They are also expected to disclose any situation that creates an actual or potential conflict of interest in advance of any situation. If an NSM employee feels that they may have a conflict of interest, they are to speak with their manager as soon as possible.

Managers are to disclose and discuss any potential conflicts with the senior management. Senior management is expected to manage the company according to the code of ethics which includes avoiding any conflict of interest.

CONFIDENTIALITY OF THE COMPLIANCE PROGRAM

The success of the Compliance Program depends, to a great degree, on employee participation. To facilitate candid and open participation, National Seating & Mobility is committed to protecting the confidentiality of the information shared, to the extent allowed by law.

Compliance records and information will be shared only as necessary to carry out the objectives of the program and only on a need to know basis.

COMPLIANCE POLICIES SUMMARY LIST:

(Full policies are located on WNSM in the Compliance Section.)

Claims Review
Compliance Auditing
Compliance Training
Conflict of Interest
Document Retention
Employee Screening
Enforcement
False Statements/False Claims
Gifts
HCPCS Coding
Internal Reporting
Investigations
Marketing
Medical Documentation - Signatures and Alterations
Medical Necessity
Medicare Assignment
Medicare Coverage and Upgrades
Payment Likely to be Denied
Physician Orders
Refusing to Submit a Claim to Medicare
Waiver of Deductibles and Co-Insurance
Wiretapping