LUTHERAN SOCIAL MINISTRIES OF MARYLAND

and its Communities

Compliance and Ethics Program

Code of Integrity

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Scope of our Program

Our Compliance and Ethics Program Code of Integrity covers the compliance issues, laws and regulations, and guidelines that are relevant to a provider of senior services including Senior Living Communities that provide a wide range of healthcare services. This includes but is not limited to Medicare and Medicaid regulatory issues; guidelines from the Office of Inspector General, Internal Revenue Service, and the Office of Civil Rights of the Department of Health and Human Services, Occupational Safety and Health Administration; as well as other federal and state regulatory and business issues. The program fosters a culture of compliance that promotes legal and ethical behavior in the workplace by creating processes that detect and prevent fraud, waste, abuse, and policy violations. **The Code of Integrity is supported by our compliance policies and procedures and should be read and understood jointly with those policies and procedures.**

We use the term **"Team Member"** to define the various individuals who are associated with **Lutheran Social Ministries of Maryland.** All individuals, including team members, contractors, volunteers, directors, and officers are members of our team in providing care and services to our residents. We use the term Resident to refer to individuals who receive the various types of healthcare and other services that we provide.

Any questions regarding the policies in this Code of Integrity, compliance policies, or related references, should be directed to your immediate supervisor, the Compliance Official, a member of the Compliance Committee, or the Compliance Officer.

LUTHERAN SOCIAL MINISTRIES OF MARYLAND has Continuing Care Retirement Communities licensed under the laws of Maryland to provide the following services:

- Skilled Nursing
- Assisted Living
- Independent Living

Compliance Officer

AQORD's Vice President of Compliance, Karla Dreisbach, CHC, CHPC, CCEP serves as our Compliance Officer. She has the responsibility to assist the Compliance Official, the CEO, and the Board of Trustees in designing and overseeing efforts in establishing, maintaining, and monitoring compliance within our organization.

The Compliance Officer works with our President/CEO and our Compliance Official and has direct reporting responsibility to the Board of Trustees. The Compliance Officer is responsible for continued coordination with the Compliance Official for the development, implementation, training, monitoring, and enforcement activities related to the overall compliance program. The Compliance Officer is assisted by AQORD Compliance Managers and Compliance Specialists in providing services to our organization.

Compliance Program Management

Our Board of Trustees, through the President/CEO, carries the overall responsibility for creating a culture that values and emphasizes compliance and integrity. Consistent with the expectations of the United States Sentencing Commission's Guidelines our board is knowledgeable and has an understanding of their role in the oversight of the compliance program. The board is knowledgeable about the content and operation for the compliance program and provides reasonable oversight with respect to the implementation and effectiveness of the Plan.

To ensure effective oversight and accountability, new board members receive orientation to the Plan during onboarding, which includes an overview of the Compliance Program, Code of Conduct, regulatory responsibilities, and key risk areas. Annual board education is provided to reinforce understanding of compliance risks, enforcement trends, and program performance. The Compliance Officer/ designee holds executive sessions with the board at least annually to discuss sensitive compliance matters confidentially and without management present. The board receives at a minimum, quarterly compliance reports, including updates on audits, investigations, training, and hotline activity.

Governance responsibilities are defined in our written charters and job descriptions. The documentation for board training, meeting minutes, and compliance oversight activities are maintained in accordance with internal policies and regulatory expectations. Accordingly, the responsibility for any exceptions to this policy rests with the President/CEO.

Liza Folstein, Vice President of Human Resources, has been appointed by the President/CEO and Board of Trustees as the Compliance Official and is responsible for coordinating the day-to-day compliance activities in conjunction with the Compliance Officer. These activities include audits, responses to hotline calls, and leading the organization's Compliance Committee. As a function of this role, the Compliance Official also functions as the Privacy Officer.

LUTHERAN SOCIAL MINISTRIES OF MARYLAND's Compliance Committee is comprised of members of the executive team and other key team member positions. The Compliance Official is the chairperson for this committee. The committee meets at least quarterly, and more frequently as needed.

FROM THE PRESIDENT/CEO

Dear Team Member:

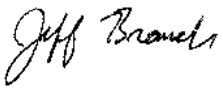
We have a long tradition of providing healthcare services to older adults in a way that demonstrates Christian love and compassion. We strive to follow our faith-based heritage of ethical and moral decision making in the care we provide. This heritage enables us to share our values with the residents we serve.

The healthcare industry is constantly changing and being impacted by numerous laws and regulations. In our desire to establish a workplace that complies with these laws and regulations, we have developed a Compliance and Ethics Program that supports Lutheran Social Ministries of Maryland Team Members in making the right decisions. This document, called the Code of Integrity, represents the primary focus for our Compliance and Ethics Program. The Code of Integrity not only reflects our heritage and values but also serves as a bold statement that influences how we enhance a resident's quality of life.

The Compliance and Ethics Program and the Code of Integrity exist to guide our normal decisions that are both ethical and compliant with applicable laws, statutes, and regulations. Our Code of Integrity does not replace each person's obligation in making wise, fair, and honest decisions. It is intended to explain our personal and organizational responsibility and to reflect those areas in which improper or unwise decisions can harm our entire organization and impair our commitment to share Christian love and compassion to those we serve.

We value your contribution to the residents and appreciate your support in properly maintaining the most ethical workplace possible. We commend you for your commitment to honesty and integrity, which are also part of the values of Lutheran Social Ministries of Maryland. Each Team Member is responsible for helping to protect our work environment and its compliance with laws and regulations. I thank you for your commitment and contribution to Carroll Lutheran Village's mission, values and, most importantly, to our residents.

Sincerely,



Jeff Branch
President/CEO
Lutheran Social Ministries of Maryland

LUTHERAN SOCIAL MINISTRIES OF MARYALND

Code of Integrity

Introduction

The Code of Integrity is the foundation of the Compliance and Ethics Program. The Code of Integrity is a guide to appropriate workplace behavior; it will help you make the right decisions if you are not sure how to respond to a situation. All Team Members must comply with both the spirit and the letter of all federal, state, and local laws and regulations that apply to the healthcare and other services that our organization provides, as well as all laws that apply to our business dealings. Violations of these laws and regulations can result in severe penalties for us and the individuals we do work with including financial penalties, exclusion from participation in government programs, and, in some cases, imprisonment.

As Team Members, we share a commitment to legal, ethical, and professional Integrity in everything that we do. We support these commitments in our work each day, whether we care for residents, order supplies, prepare meals, keep records, pay invoices, or make decisions about the future of our organization.

The *success of LUTHERAN SOCIAL MINISTRIES OF MARYLAND as providers of healthcare and other services depends on you, your personal and professional integrity, your responsibility to act in good faith, and your obligation to do the right things for the right reasons*.

The Compliance and Ethics Program provides principles and standards to guide you in meeting your legal, ethical, and professional responsibilities. As a Team Member, you are responsible for supporting the Compliance and Ethics Program in every aspect of your workplace behavior. Your continued working relationship with our organization includes understanding and adhering to the Compliance and Ethics Program.

The Code of Integrity discusses the importance of:
Care Excellence – providing quality, compassionate, respectful, and clinically-appropriate care.
Professional Excellence – maintaining ethical standards of healthcare and business practices.
Regulatory Excellence – complying with federal and state laws, regulations, and guidelines that govern healthcare, housing services, and other services we provide.

A Shared Responsibility

Because we are in the business of caring for and providing services for others, it is critical that each of us adheres to appropriate standards of behavior. As individuals and as an organization, we are responsible to many different groups. We must act ethically and responsibly in our relations with:
Residents and their families;
Colleagues and co-workers;

Volunteers and affiliated colleagues;
Healthcare payers, including the federal and state governments;
Regulators, surveyors, and monitoring agencies;
Physicians, Nurse Practitioners, Physician Assistants;
Vendors and contractors;
Business associates; and
The communities we serve.

Any compromise in our standards could harm our residents, our co-workers, and our organization. Like every organization that provides healthcare, we do business under very strict regulations and close governmental oversight. Fraud, waste, and abuse are serious issues. Sometimes even an innocent mistake can have significant consequences that could result in substantial penalties to **Lutheran Social Ministries of Maryland**.

A Personal Obligation

As we are each responsible for following the Code of Integrity in our daily work, we are also responsible for enforcing it. This means that you have a duty to report any problems you observe or perceive, regardless of your role.

As a Team Member, you must help ensure that you are doing everything practical to comply with applicable laws. If you observe or suspect a situation that you believe may be unethical, illegal, unprofessional, or wrong, or you have a clinical, ethical, or financial concern, you must report it. You are expected to satisfy this duty by complying with the **Three Step Reporting Process**. If you fail to report noncompliance with the Code of Integrity, policies and procedures, or applicable federal or state laws, you will be subject to discipline up to and including termination. We have a zero tolerance for retaliation. No one may retaliate against a member who reports a concern in good faith.

Training and Education

All Team Members, contractors, and vendors understand their compliance responsibilities and are equipped to identify and respond to potential risks in accordance with federal and state regulations, internal policies, and the Plan. Team Members are required to complete training on the Code of Integrity and the Compliance and Ethics Program as a condition of employment or business relationship. The Code of Integrity sets forth mandatory standards and is also administered on an annual basis.

If you ever have questions about the Code of Integrity, please speak to your supervisor or a member of the Executive Team for clarification before deviating from any part of it.

Every Team Member is responsible for ensuring that he or she complies with the Code of Integrity and all policies and procedures. Any Team Member who violates any of these standards and/or policies and procedures is subject to discipline up to and including termination.

Reporting Compliance Concerns

The Three Step Reporting Process

First, talk to your supervisor. He or she is most familiar with the laws, regulations, and policies that relate to your work.

Second, if you do not want to talk to your supervisor, seek out another member of the Executive Team or someone from Human Resources.

Third, if you still have a concern, contact the Compliance Official, a member of the organization's Compliance Committee, or the Compliance Officer.

You may also call the toll free Compliance Line number at any time.

Compliance Line

Toll Free Compliance Line -- 800-211-2713
All calls are confidential and you may call *ANONYMOUSLY* if you choose.

The Compliance Line is available 24 hours a day, 7 days a week, for callers to report compliance-related issues. Concerns that are reported to the Compliance Line are taken seriously.

You can make calls to the Compliance Line without fear of reprisal, retaliation, or punishment for your actions. Anyone, including a supervisor who retaliates against a team member for contacting the Compliance Line or reporting a compliance issue in any other manner, may be disciplined.

Care Excellence

Our most important job is providing quality care to residents. This means offering compassionate support to residents and working toward the best possible outcomes while following all applicable rules and regulations including the Medicare Conditions of Participation.

Resident Rights

Residents receiving healthcare and other services have clearly defined rights. A document describing these rights is provided to each resident upon admission and is posted in conspicuous locations throughout the organization for the residents' and your reference. While a complete list of resident rights can be obtained from your supervisor, below is a partial list of actions we take to honor these rights:

- Make no distinction in the admission, transfer, or discharge of a resident, or in the care we provide on the basis of race, gender, age, religion, national origin, disability, color, marital status, veteran status, medical condition, sexual orientation, or other protected class status;

- Treat all residents in a manner that preserves their dignity, autonomy, self-esteem, and civil rights;
- Protect every resident from physical, emotional, verbal, or sexual abuse or neglect;
- Protect all aspects of resident privacy and confidentiality;
- Respect residents' personal property and money and protect it from loss, theft, improper use, and damage;
- Respect the right of residents and/or their legal representatives to be informed of and participate in decisions about their care and treatment;
- Respect the right of residents and/or their legal representatives to access their medical records as required by the Health Information Portability and Accountability Act (HIPAA);
- Recognize that residents have the right to consent to or refuse care and the right to be informed of the medical consequences of such refusal;
- Protect residents' rights to be free from physical and chemical restraints; and
- Respect the residents' right to self-determination and autonomy.

Abuse and Neglect

We will not tolerate any type of resident abuse or neglect – physical, emotional, verbal, financial, or sexual. Residents must be protected from abuse and neglect by Team Members, family members, legal guardians, friends, or any other person. This standard applies to all residents at all times.

Federal law defines abuse as the willful infliction of injury, unreasonable confinement, intimidation, or punishment with resulting physical harm, pain, or mental anguish. This presumes that instances of abuse of all residents, even those in a coma, cause physical harm, or pain or mental anguish. Neglect means failure to provide goods and services necessary to avoid physical harm, mental anguish, or mental illness. The failure to follow a resident's care plan may constitute abuse.

The State of Maryland defines abuse as:

1. Abuse — under federal law, "Abuse" means the willful infliction of injury, unreasonable confinement, intimidation, or punishment with, resulting physical harm or pain or mental anguish.
2. Mental Abuse - includes, but is not limited to humiliation, harassment, and threats of punishment or deprivation.
3. Physical Abuse - includes, but is not limited to hitting, slapping, pinching, kicking, etc. It also includes controlling behavior through corporal punishment.
4. Sexual Abuse - includes, but is not limited to sexual harassment, sexual coercion, or sexual assault.

5. Verbal Abuse - refers to use of oral, written or gestured language that includes disparaging and derogatory terms to residents or their families or within their hearing distance.
6. Involuntary Seclusion - the separation of a resident from other residents or from their room or confined to their room against the resident's will, or the will of the resident's legal representative. Temporary monitored separation from other residents will not be considered involuntary seclusion and may be permitted if used as a therapeutic intervention to reduce agitation or to protect the health and safety of other residents as determined by professional staff and consistent with the plan of care.
7. Misappropriation - Under federal law, 'Misappropriation" means the deliberate misplacement, exploitation or wrongful temporary or permanent use of a resident's belongings or money without the resident's consent.
8. Neglect - Under federal law, "Neglect" means failure to provide goods and services necessary to avoid physical harm, mental anguish or mental illness.
9. Staff - For purposes of reporting under this policy, staff is any individual used by the facility to provide services directly or indirectly to residents. This includes volunteers, students, individuals employed by the facility or individual under contract to provide services to the facility,
10. Resident - includes a current long term care resident or former resident of Carroll Lutheran Village or The Lutheran Village at MILLER'S GRANT.
11. Catastrophic Reaction- an extraordinary reaction of a resident to ordinary stimuli such as the attempt to provide care.
12. Injury of Unknown Source – An injury is classified as an "Injury of Unknown Source" when both the following conditions are met.
    a. The source of the injury was not observed by any person, or the source of the injury could not be explained by the resident; and
    b. The injury is suspicious because of the extent of the injury, the location of the injury, the number of injuries observed at one particular point in time, or the incidence of injuries over time.

Any Team Member who abuses or neglects a resident is subject to termination. In addition, legal or criminal action may be taken. Abuse and neglect MUST BE REPORTED IMMEDIATELY to your supervisor or other member of management.

Compliance Policies and Procedures

We are committed to complying with all applicable laws. While it is not practical to list all laws, we expect that team members and agents will always do the right thing, ask questions when they are uncertain and comply with all applicable laws, regulations and policies. Additionally, team members and agents should never directly or indirectly participate in improper or illegal activities. Prohibited activities include but are not limited to kickbacks, upcoding, providing services that are not medically necessary, accepting or soliciting of money or goods or services to influence the actions of a person contrary to professional judgement.

We maintain a comprehensive set of policies and procedures that address high-risk areas and promote compliance with appliable laws and regulations. We review these policies annually and update them as needed to reflect changes in law, guidance, and operational practices. The

following is not exhaustive but an illustration of the many civil and criminal statutes and regulations that we must follow.

Elder Justice Act

The Elder Justice Act (EJA) requires timely reports of any reasonable suspicion of a crime against a resident of a long-term care facility. The EJA requires organizations to implement measures for the prevention, detection, and reporting of elder abuse, neglect, and exploitation. It mandates reporting suspected crimes against elderly people in federally funded long-term care organizations and includes provisions for grant funding, oversight, and data collection to improve the quality of care and safety for older adults. Compliance with the EJA is integrated into organizational policies through mandatory reporting, mechanisms, education for recognizing and responding to suspected abuse, and adherence to federal documentation protocols.
https://acl.gov/about-acl/elder-justice-act

Please note: We must report our reasonable suspicion to the State of Maryland Office of Health Care Quality and local law enforcement within two (2) hours if the suspected crime involves serious bodily injury or within 24 hours if the suspected crime does not involve serious bodily injury.

> ***DO NOT*** *call the Compliance Line for allegations of abuse or neglect.*
> ***Report suspected abuse or neglect immediately to your supervisor!***

Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)) (AKS)

The AKS makes it a criminal offense to knowingly and willfully offer, pay, solicit, or receive any remuneration (including kickbacks, bribes, or rebates) directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward patient referrals or generate federal healthcare business. Violations may result in criminal and civil penalties, including fines, imprisonment, and exclusion from participation in federal health care programs.
https://oig.hhs.gov/compliance/physician-education/fraud-abuse-laws/

Deficit Reduction Act of 2005 (Pub. L. 109–171) (DRA)

The DRA requires certain entities receiving or making payments under a state Medicaid plan to provide team members, contractors, and agents with detailed information about the False Claims Act (FCA), whistleblower protections, and the organization's policies and procedures for detecting and preventing fraud, waste, and abuse. Compliance with the DRA is mandatory for continued Medicaid participation. (Applicable if receiving over $5,000,000 from any state Medicaid program.)
https://www.cms.gov/regulationsandguidance/legislation/deficitreductionact/downloads/checklist1.pdf

False Claims Act (31 U.S.C. §§ 3729–3733 (FCA)

The FCA imposes liability on any person or entity who knowingly submits, or causes the submission of, a false or fraudulent claim for payment or approval to the federal government. The FCA includes provisions for whistleblower (qui tam) actions and includes significant penalties for violations, including treble damages and per-claim civil monetary penalties. https://www.justice.gov/civil/false-claims-act

Physician Self-Referral Law (42 U.S.C. § 1395nn) (PSL)

The PSL prohibits a physician from making referrals for certain designated health services payable by Medicare or Medicaid to an entity with which the physician (or an immediate family member) has a financial relationship unless an exception applies. Any claim submitted in violation of this statute is not payable, and both civil and administrative penalties may be imposed for noncompliance, including denial of payment, required refunds, and potential exclusion from federal healthcare programs. The PSL was previously referred to as the Stark Law.
https://www.hhs.gov/hipaa/for-professionals/regulatory-initiatives/fact-sheet-42-cfr-part-2-final-rule/index.html

Our policies include a clear statement of purpose and scope, defined roles and responsibilities, procedures for implementation and documentation, and references to applicable laws and regulations. Failure to comply with policies may result in disciplinary action, up to and including termination of employment. Disciplinary measures are applied consistently and fairly, regardless of position or tenure, and are documented in accordance with the organization's enforcement protocols.

Resident Confidentiality/HIPAA

All Team Members must use and disclose medical, financial, or personal information only in a manner consistent with the HIPAA Privacy policies and procedures and state and federal law. You are responsible for keeping resident protected health information (PHI) confidential. PHI is defined as individually identifiable health information that is transmitted or maintained in any form or medium, including electronic health information.

Any unauthorized exposure of PHI which compromises the security or privacy of information is a potential breach.

If you become aware of a breach of any protected or sensitive information it is important that you report it immediately to your supervisor or the Privacy Officer.

If the disclosure results in a breach, **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** must investigate and comply with all state and federal HIPAA regulations for breach notification.

Resident Property

Team Members must respect residents' personal property and protect it from loss, theft, damage, or misuse. Team Members who have direct access to resident funds (e.g., resident trust funds) must maintain accurate records and accounts.

Providing Quality Care

As a CCRC, our primary commitment is to provide the care, services, and resources necessary to help each resident reach or maintain his or her highest possible level of physical, mental, and psychosocial well-being. **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** have policies and procedures and provide training and education to help each Team Member strive to achieve this goal.

Our care standards include:

- Accurately assessing the individual needs of each resident and developing interdisciplinary care plans that meet those assessed needs;
- Reviewing goals and plans of care to ensure that the residents' ongoing needs are being met;
- Providing only medically necessary, physician prescribed services and products that meet the residents' clinical needs;
- Confirming that services and products (including medications) are within accepted standards of practice for the resident's clinical condition;
- Ensuring that services and products are reasonable in terms of frequency, amount, and duration;
- Measuring clinical outcomes and resident satisfaction to confirm that quality of care goals are met;
- Providing accurate and timely clinical and financial documentation and record keeping;
- Ensuring that residents' care is given only by properly licensed and credentialed providers with appropriate background, experience, and expertise;
- Reviewing resident care policies and procedures and clinical protocols to ensure that they meet current standards of practice; and
- Monitoring and improving clinical outcomes through a Quality Assurance Performance Improvement (QAPI) Committee with established benchmarks.

Medical Services

We are committed to providing comprehensive, medically necessary services for our residents. The Medical Director provides oversight to physicians and other medical providers and services as defined by state and federal regulations. The Medical Director oversees the care and treatment policies and is actively involved in the Quality Assurance Performance Improvement (QAPI) Committee.

Professional Excellence

The professional, responsible, and ethical behavior of every Team Member reflects on the reputation of our organization and the services we provide. Whether you work directly with residents or in other areas that support resident services, you are expected to maintain our standards of honesty, integrity, and professional excellence, every day.

Hiring and Employment Practices

LUTHERAN SOCIAL MINISTRIES OF MARYLAND are committed to fair employment practices. When hiring and evaluating, we:

- Comply with federal, state, and local Equal Employment Opportunity laws, hiring the best qualified individuals regardless of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, disability, or genetic information. All promotions, transfer evaluations, compensation, and disciplinary actions also follow this policy.
- Conduct employment screenings to protect the integrity of our workforce and welfare of our residents and Team Members.
- Require all who need licenses or certifications to maintain their credentials in compliance with state and federal laws. Documentation of licenses or certifications must be provided.

Team Member Screening

Team Members are screened in accordance with federal and state law to ensure the safety of our residents. Screening procedures have been implemented and are conducted prior to hire and at a minimum of quarterly thereafter.

LUTHERAN SOCIAL MINISTRIES OF MARYLAND are prohibited by federal law from employing, retaining, or contracting with anyone who is excluded from any federal or state funded programs. Screening of all Team Members through the Office of Inspector General's List of Excluded Individuals and Entities, GSA's System of Award Management, and the Maryland Medicaid Excluded Provider List database is conducted prior to hire and at a minimum of quarterly thereafter.

As long as you are employed or affiliated with **LUTHERAN SOCIAL MINISTRIES OF MARYLAND**, you must immediately report to your supervisor:

- If you are arrested or indicted for a criminal offense;
- If you are convicted of an offense that would preclude employment in a healthcare facility;
- If action has been taken against your license or certification; or
- If you are excluded from participation in a federal or state healthcare program.

Licensure and/or Certification Verification

We are committed to ensuring that only qualified professionals provide care and services to residents. Practitioners and other professionals treating residents must abide by all applicable licensing, credentialing and certification requirements. In addition, every effort is made to validate licenses and certification through the appropriate state or federal agency.

Team Member Relations

To maintain an ethical, comfortable work environment, team members must:

- Refrain from any form of sexual harassment or violence in the workplace;
- Treat all colleagues and co-workers with equal respect, regardless of their national origin, race, color, gender, religion, sexual orientation, age, gender identity, disability, or inclusion in any other protected class;
- Protect the privacy of other Team Members by keeping personal information confidential and allowing only authorized individuals access to the information;
- Not supervise or be supervised by an individual with whom they have a close personal relationship; and
- Behave professionally and use respectful communication at all times.

Workplace Safety

Maintaining a safe workplace is critical to the well-being of our residents, visitors, and co-workers. That is why policies and procedures have been developed describing the organization's safety requirements. Every Team Member should become familiar with safety regulations and emergency plans regarding fire and disaster in his or her work area.

In addition to organizational policies, we must abide by all environmental laws and regulations. You are expected to follow organizational safety guidelines and to take personal responsibility for helping to maintain a secure work environment. If you notice a safety hazard, you must take action to correct it if you can or to report it to your supervisor immediately.

Drug and Alcohol Abuse

We are committed to maintaining a team dedicated and capable of providing quality resident services. To that end, you are prohibited from consuming any substance that impairs your ability to provide quality services or otherwise perform your duties.

You may never bring onto our property illegal drugs, or un-prescribed legal controlled substances, or report to work under the influence of alcohol, illegal drugs, and/or narcotics. If a Team Member would appear to have work performance problems related to drug or alcohol use, a drug and alcohol screening may be conducted and appropriate action will be taken, if necessary.

Illegal, improper, or unauthorized use of any controlled substance that is intended for a resident is prohibited. If you become aware of any improper diversion of drugs or medical supplies, you must immediately report the incident to your department supervisor, the Compliance Official, the Compliance Officer, or use the Compliance Line. Failure to report a known instance of noncompliance with this policy may result in disciplinary action against the Team Member, up to and including termination.

Organizational Relations

Professional excellence in organizational relations includes:

- Complying with federal tax law to maintain tax exempt status under section 501(c)(3) of the Internal Revenue Code;
- Maintaining company privacy and keeping proprietary information confidential;
- Avoiding outside activities or interests that conflict with responsibilities to **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** and reporting such activity or interest prior to and during employment;
- Allowing only designated management team members to report to the public or media; and
- Requiring that **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** complies with the licensing and certification laws that apply to its business.

Proprietary Information

In the performance of your duties you may have access to, receive, or may be entrusted with confidential and/or proprietary information that is owned by **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** and that is not presently available to the public. This type of information should never be shared with anyone outside the organization without authorization from a member of the Executive Team.

Examples of proprietary information that should not be shared include, but are not limited to:

- Resident and Team Member data and information;
- Details about clinical programs, procedures, and protocols;
- Policies, procedures, and forms;
- Training materials;
- Current or future charges or fees or other competitive terms and conditions;
- Current or possible negotiations or bids with payers or other clients;
- Compensation and benefits information for team members;
- Stocks or any kind of financial information; and
- Market information, marketing plans, or strategic plans.

Gifts

Team Members may not accept any tip or gratuity from residents and you may not receive individual gifts from residents. Team Members may not give gifts to residents. Any goods or services worth more than $10 per item or totaling $50 per year is a gift.

Team Members may not borrow money from nor lend money to residents; nor may you engage with residents in the purchase or sale of any item. No Team Member may accept any gift from a resident under a will or trust instrument except in those cases where they are related by blood or marriage.

Team Members may not serve as a resident's executor, trustee, administrator, or guardian or provide financial services or act under a power of attorney for a resident except in those cases where they are related by blood or marriage unless otherwise allowed by state law.

Business Courtesies

LUTHERAN SOCIAL MINISTRIES OF MARYLAND prohibits any Team Member from offering, giving, soliciting, or accepting business or professional courtesies including entertainment and gifts that could be interpreted as attempts to influence decision making. Under no circumstances will a Team Member solicit or accept business courtesies, entertainment or gifts that depart from the Business Courtesies policy.

Conflict of Interest

A conflict of interest exists any time your loyalty to the organization is, or even appears to be, compromised by a personal interest. There are many types of conflict of interest and these guidelines cannot anticipate them all, however the following provide some examples:

- Financial involvement with vendors or others that would cause you to put their financial interests ahead of ours;
- Team Member/Officer participation in public affairs, corporate or community directorships, or public office;
- An immediate family member who works for a vendor or contractor doing business with the organization and who is in a position to influence your decisions affecting the work of the organization;
- Participating in transactions that put your personal interests ahead of **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** or cause loss or embarrassment to the organization;
- Taking a job outside of **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** that overlaps with your normal working hours or interferes with your job performance; or
- Working for **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** and another vendor that provides goods or services at the same time.

All Team Members must seek guidance and approval from our President/CEO or Compliance Official before pursuing any business or personal activity that may constitute a conflict of interest.

Use of Property

We must protect the assets of the organization and ensure their authorized and efficient use. Theft, carelessness, and waste have a direct impact on the organization's viability. All assets must be used solely for legitimate business purposes.

Everyone must make sure that they:

- Only use property for the organization's business, not personal use;
- Exercise good judgment and care when using supplies, equipment, vehicles, and other property; and
- Respect copyright and intellectual property laws; or
- If unable to assess the copyright or intellectual property laws, never copy material and/ or download software.

Computers | Internet

Team Members are expected to use computers, email, and internet/intranet systems appropriately and according to the established policy and procedure. You are not permitted to use the Internet for improper or unlawful activity or download any games, movies or music without prior approval.

Internet use can be tracked and how you use your time on the Internet may be monitored. You should have no expectation of privacy when you use our computers, email, telephones, smart phones and internet/intranet system. Our organization has the right to sanction or discipline team members who violate the Code of Integrity in a digital, cyber, or other non-face-to-face environment. You should be familiar with our Social Media policy and abide by it.

Vendor Relationships

We take responsibility for being a good client and dealing with vendors honestly and ethically. We are committed to fair competition among prospective vendors and contractors for our business. Arrangements between **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** and its vendors must always be approved by management. Certain business arrangements must be detailed in writing and approved by management. Agreements with contractors and vendors who receive resident information, with the exception of care providers, will require a Business Associate Agreement (BAA) with the organization as defined by HIPAA. Contractors and vendors who provide resident care, reimbursement, or other services to resident beneficiaries of federal and/ or state healthcare programs are subject to the Code of Integrity and must:

- Maintain defined standards for the products and services they provide to us and residents;

- Comply with all policies and procedures as well as the laws and regulations that apply to their business or profession;
- Maintain all applicable licenses and certifications and provide evidence of sanction screening, current workers compensation, and liability insurance as applicable; and
- Require that their team members comply with the Code of Integrity and the Compliance and Ethics Program and related training as appropriate.

Marketing and Advertising

We use marketing and advertising activities to educate the public, increase awareness of our services, and recruit new Team Members. These materials and announcements, whether verbal, printed, or electronic, will present only truthful, informative, non-deceptive information.

Regulatory Excellence

Because we are in healthcare, we must follow the many federal, state, and local laws that govern our business. Keeping up with the most current rules and regulations is a big job – and an important one. We are all responsible for learning and staying current with the federal, state, and local laws, rules, and regulations, as well as the policies and procedures that apply to our job responsibilities.

Risk Assessment, Auditing, and Monitoring

The compliance committee completes an annual risk assessment to identify our potential exposures and vulnerabilities from violations of law, regulations and other legal requirements. This includes potential violations of federal and state health care program requirements. Information for the risk assessment is gathered from a range of internal and external sources. And includes ongoing scanning of the regulatory and legal environments impacting the work of the organization. Elements from the OIG Work Plan are incorporated as applicable. to. Information from quality and risk management functions will be utilized to assist in prioritizing resources for the development of the annual compliance work plan. The compliance work plan includes the auditing and monitoring activities for the upcoming year.

Auditing and monitoring are critical components of the compliance program, designed to proactively identify, assess, and mitigate compliance risks across the organization. These activities are structured to ensure adherence to internal policies, federal and state regulations, and ethical standards outlined in this Plan.

The Compliance Official, in collaboration with the Compliance Committee, develops an annual risk-based auditing plan based on the risk assessment that prioritizes high-risk areas such as billing practices, documentation accuracy, quality of care, quality of life, safety, vendor relationships, and resident rights.

Audits are conducted using standardized tools and methodologies. Findings are documented in a consistent format that includes the scope, methodology, results, and recommended corrective

actions. Monitoring activities, such as real-time reviews and trend analyses, are performed regularly to detect emerging risks and ensure ongoing compliance.

Audit and monitoring results are reviewed by the compliance committee and shared with executive leadership and the board of directors. Corrective actions are tracked to resolution, and lessons learned are used to update training materials and policies. The Compliance Officer/Official maintains detailed records of all auditing and monitoring activities, including work plans, reports, meeting minutes, and follow-up actions, in accordance with policy and regulatory expectations.

Team Members are educated on the purpose and outcomes of audits to promote transparency and engagement. We foster a non-punitive and no retaliatory environment that encourages reporting and continuous improvement, consistent with our Code of Conduct.
https://oig.hhs.gov/documents/compliance-guidance/1135/HHS-OIG-GCPG-2023.pdf.
https://oig.hhs.gov/documents/compliance/10038/nursing-facility-icpg.pdf.

Billing and Business Practices

We are committed to operating with honesty and integrity. Therefore, all Team Members must ensure that all statements, submissions, and other communications with residents, prospective residents, the government, suppliers, and other third parties are truthful, accurate, and complete.

We are committed to ethical, honest billing practices and expect you to be vigilant in maintaining these standards at all times. We will not tolerate any false or inaccurate coding or billing. Any Team Member who knowingly submits a false claim, or provides information that may contribute to submitting a false claim such as falsified clinical documentation, to any payer – public or private – is subject to termination. In addition, legal or criminal action may be taken.

Prohibited practices include, but are not limited to:

- Billing for services or items that were not provided or costs that were not incurred;
- Duplicate billing - billing items or services more than once;
- Billing for items or services that were not medically necessary;
- Assigning an inaccurate code or resident status to increase reimbursement;
- Providing false or misleading information about a resident's condition or eligibility;
- Failing to identify and refund credit balances;
- Submitting bills without supporting documentation;
- Soliciting, offering, receiving, or paying a kickback, bribe, rebate, or any other remuneration in exchange for referrals; and/or
- Untimely entries into medical records.

If you observe or suspect that false claims are being submitted or have knowledge of a prohibited practice, you must immediately report the situation to a supervisor, the Compliance Official, the Compliance Officer, or call the Compliance Line. Failure to report a known prohibited practice will subject you to disciplinary action up to and including termination.

Referrals and Kickbacks

Team Members and related entities often have close associations with local healthcare providers and other referral sources. To demonstrate ethical business practices, we must make sure that all relationships with these professionals are open, honest, and legal.

Resident referrals are accepted based solely on the clinical needs and our ability to provide the services. **LUTHERAN SOCIAL MINISTRIES OF MARYLAND** never solicits, accepts offers, or gives anything of value in exchange for resident referrals to our skilled nursing or assisted living units or in exchange for purchasing or ordering any good or service for which payment is made by a federal health care program. Anything of value includes any item or service of value including cash, goods, supplies, gifts, "freebies," improper discounts or bribes.

Accepting kickbacks is against our policies and procedures and also against the law. A kickback is anything of value that is received in exchange for a business decision such as a resident referral. To assure adherence to ethical standards in our business relationships, you must:

- Verify all business arrangements with physicians or other healthcare providers or vendors in a written document; and
- Comply with all state and federal regulations when arranging referrals to physician-owned businesses or other healthcare providers.

Team Members cannot request, accept, offer, or give any item or service that is intended to influence – or even appears to influence – the referral, solicitation, or provision of healthcare service paid for by any private or commercial healthcare payer or federal or state healthcare program, including Medicare and Medicaid, or other providers.

Inducements to Prospective Residents

Team Members may not provide anything of value including goods, services, or money to prospective residents or any beneficiary of a federal or state healthcare program that you know or should know will likely influence that person's selection of a provider of healthcare services.

For the purposes of this policy, anything of value includes but is not limited to any waiver of payment, gift, or free service that exceeds a value of $10 per item or $50 annually in total. If you have a question about whether a particular gift or service would be considered "of value," ask your supervisor or the Compliance Official.

Copyright Laws

Most print and electronic materials are protected by copyright laws. Team Members are expected to respect these laws and not reproduce electronic print or printed material without obtaining permission as required by the writer or publisher. When in doubt, ask your supervisor.

Financial Practices and Controls

Ensuring that financial and operating information is current and accurate is an important means of protecting assets. Each one of us must make sure that all information provided to finance team members, accountants, reimbursement team members, internal and external auditors, and compliance team members is accurate and complete. This includes ensuring the accuracy of clinical documentation which supports our reimbursement. We must also comply with federal and state regulations when maintaining clinical records, accounting records and financial statements, and cooperate fully with internal and external audits.

Fair Dealing

All Team Members must deal fairly with residents, suppliers, competitors, and one another. No Team Member, manager, or director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Document Creation, Use and Maintenance

Every Team Member is responsible for the integrity and accuracy of documents, records, and e-mails including, but not limited to, resident medical records, billing records, and financial records. No information in any record or document may ever be falsified or altered.

You must not disclose, internally or externally, either directly or indirectly, confidential information except on a **need to know** basis and in the performance of your duties. Disclosure of confidential information externally must follow organization policies.

Upon termination of employment, you must promptly return all confidential information, medical and/or business, to the organization. Examples of confidential business information include potential or threatened litigation, litigation strategy, purchases or sales of substantial assets, business plans, marketing strategies, organizational plans, financial management, training materials, fee schedules, department performance metrics, and administrative policies.

Voluntary Disclosure

It is our policy to voluntarily report known overpayments and any improper/irregular Integrity, including fraudulent Integrity, which affects any federal or state healthcare program. Reporting will be completed within the time frames identified under the Patient Protection and Affordable Care Act.

Philanthropy Engagement Principles and Ethical Standards

LSMMD is committed to conducting all philanthropic activities with integrity, transparency, and accountability. We foster trust by providing clear information about fundraising practices, the use of donations, and the impact of philanthropic initiatives.

We are accountable to our donors, stakeholders, and communities by ensuring all philanthropic efforts align with our mission and organizational goals. We treat all donors, beneficiaries, and partners with respect, fairness, and inclusivity, while avoiding conflicts of interest and bias in decision-making.

Government Investigations

LUTHERAN SOCIAL MINISTRIES OF MARYLAND are committed to cooperating with requests from any governmental inquiry, audit, or investigation. You are encouraged to cooperate with such requests, conscious of the fact that you have the following rights:

- You have the right to speak or decline to speak;
- You have the right to speak to an attorney before deciding to be interviewed; and
- You can insist that an attorney be present if you agree to be interviewed.

In complying with our policy, you must not:

- Lie or make false or misleading statements to any government investigator or inspector;
- Destroy or alter any records or documents;
- Attempt to persuade another Team Member or any person to give false or misleading information to a government investigator or inspector; or
- Be uncooperative with a government investigation.

If you receive a subpoena or other written or oral request for information from the government or a court, contact your supervisor, the Compliance Official, or the Compliance Officer before responding.

Disciplinary Action

Disciplinary action will be taken against anyone who fails to act in accordance with this Code of Integrity**,** the Compliance and Ethics Program, supporting policies and procedures, and applicable federal and state laws. Disciplinary action may be warranted in relation to violators of the Compliance and Ethics Program and to those who fail to detect violations or who fail to respond appropriately to a violation, whatever their role in the organization. When taking disciplinary action against a Team Member, we will utilize standard disciplinary processes which may lead to the termination of business relationships and agreements. The Compliance Officer may initiate and recommend corrective or disciplinary action against a Team Member through the Compliance Official and President/CEO and may also monitor appropriate implementation of the disciplinary process. We will discipline anyone who engages in prohibited retaliatory behavior.

Compliance Questions

The laws applicable to our operations are numerous and complicated. When you are not sure whether a particular activity or practice violates the law or the Compliance and Ethics Program, you should not guess the correct answer. Instead, you should immediately seek guidance from your department supervisor or the Compliance Official. You will not be penalized for asking compliance-related questions. In fact, we are intent on creating a culture in which you should feel comfortable asking questions to ensure you understand the duties that are imposed upon you under this Code of Integrity, the Compliance and Ethics Program, and other applicable federal and state laws.

Conclusion

The Compliance and Ethics Program is critical to LUTHERAN SOCIAL MINISTRIES OF MARYLAND'S continued success. You are crucial in ensuring the integrity of Lutheran Social Ministries of Maryland. The Code of Integrity and the Compliance and Ethics Program set standards for the legal, professional, and ethical Integrity of our business. Some key points to remember are:

- LUTHERAN SOCIAL MINISTRIES OF MARYLAND and all of our Team Members are committed to personal and organizational integrity, to acting in good faith, and to being accountable for our actions.
- The Code of Integrity and the Compliance and Ethics Program prepare us to deal with the growing complexity of ethical, professional, and legal requirements of delivering healthcare in the CCRC environment.
- The Compliance and Ethics Program is an ongoing initiative designed to foster a supportive work environment, provide standards for clinical and business Integrity, and offer education and training opportunities for Team Members.

The success of LUTHERAN SOCIAL MINISTRIES OF MARYLAND'S Compliance and Ethics Program depends on our commitment to act with integrity, both personally and as an organization. As a Team Member, your duty is to ensure that the organization is doing everything practicable to comply with applicable laws. You are expected to satisfy this duty by performing your responsibilities in accordance with professional standards, the regulations guiding our business practices, and our policies and procedures.

Compliance Official	**Compliance Officer**
Liza Folstein	Karla Dreisbach, CHC, CHPC
443-605-1018	215-646-0720
lfolstein@lsmmd.org	

Toll-Free Compliance Line
1-800-211-2713

AQORD Compliance Collaborative

AQORD, a national association formed in January 2026 by the merger of Friends Services Alliance (FSA) and MHS Association, serves as a faith-based organization supporting Brethren, Mennonite, and Quaker-rooted providers in the senior services and human services sectors have established a collaborative Compliance and Ethics Program known as the AQORD Compliance Collaborative.

AQORD
670 Sentry Parkway
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Updated April 2026

END OF POLICY