NUVANCE HEALTH

COMPLIANCE AND ETHICS PROGRAM

CHARTER

October 31, 2019
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Compliance and Ethics Program Charter

I. PURPOSE OF THE COMPLIANCE AND ETHICS PROGRAM

Overall Purpose

1) The purpose of the Nuvance Health Compliance and Ethics Program (the “Compliance Program” or the “Program”) is to establish an organizational culture throughout Nuvance Health that promotes the prevention, detection, and resolution of conduct that fails to comply with:

- Applicable Federal and State administrative, civil, and criminal law;
- The requirements of Federal healthcare programs and private payors; and
- Nuvance Health’s standards of ethical and business conduct and the implementing policies and procedures thereof.

Facilitation of Guidance

2) The Program provides guidance to the Nuvance Health Board of Directors (the “Board”), senior management, physicians, clinicians, allied health professionals, administrators, support staff, and other personnel regarding the efficient management and operation of Nuvance Health facilities, units, and entities.

II. SCOPE

3) The Program governs compliance implementation, monitoring, and oversight activities in all Nuvance Health facilities, units and entities including, without limitation, the following:

- Nuvance Health;
- Health Quest Systems, Inc. (“HQSI”);

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1 Throughout this document the subject Compliance and Ethics Program Charter is referred to as “this Charter” or “the Charter.”

2 See U.S. Department of Health and Human Services, Office of Inspector General (“OIG”), Publication of the OIG Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8987, 8988, §[1]. Note, for purposes of the Charter, the term “law” shall mean all criminal, civil, and administrative laws, rules, codes, and regulations and corresponding applicable case law. For purposes of this Charter, the term “State” (which includes any local government within said State) shall mean: (i) the State of New York and the State of Connecticut; (ii) any State in which Nuvance Health is an enrolled provider in said State’s Medicaid program; and (iii) consistent with the U.S. Constitution, any State that has promulgated laws that apply to Nuvance Health.

3 See 63 Fed. Reg. 8987, 8988, §[1].
Western Connecticut Health Network, Inc. ("WCHN");

• Danbury Hospital and its New Milford campus;

• Eastern New York Medical Services, P.C.;

• Health Quest Home Care, Inc.;

• Health Quest Medical Practice, P.C. ("HQMP");

• Hudson Valley Cardiovascular Practice, P.C. ("the Heart Center");

• Vassar Health Quest Medical Practice of Connecticut, Inc.;

• Northern Dutchess Hospital;

• Northern Dutchess Residential Health Care Facility, Inc.;

• The Norwalk Hospital Association;

• Putnam Hospital;

• Sharon Hospital;

• Vassar Brothers Medical Center;

• Western Connecticut Home Care Inc.;

• Western Connecticut Health Network Physician Hospital Organization ACO, Inc.;

and

• Western Connecticut Medical Group, Inc. ("WCMG").

III. APPLICABILITY

4) The Program applies to all Nuvance Health workforce members\(^4\), business affiliates, and agents (hereinafter collectively referred to as "Covered Individuals").

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\(^4\) Applies to all temporary and permanent workforce members who function, onsite or remotely, in a full time, part time or per diem role at a Nuvance Health facility, unit or entity.
5) For purposes of this Charter, workforce members shall include any of the following individuals at Nuvance Health:

- Members of the Nuvance Health Board of Directors and the Boards of any Nuvance Health related entity listed in Section II above;
- Officers;
- Employees;
- Affiliates;
- Medical Staff Members;
- Appointees;
- Volunteers;
- Personnel;
- Interns;
- Students;
- Trainees; and
- Any individual whose conduct is under the direct control of Nuvance Health, whether or not they are paid by Nuvance Health

6) For purposes of this Charter, Business Affiliates shall include any non-workforce member contractor, vendor, person, subcontractor or third-party, who or that, in acting on behalf of Nuvance Health:

- Delivers, furnishes, prescribes, directs, authorizes or otherwise provides Federal healthcare program items and services;
- Performs billing or coding functions;\(^5\)
- Monitors the healthcare provided by Nuvance Health;\(^6\) or


\(^6\) See id.
• Contributes to Nuvance Health’s entitlement to payment under Federal healthcare programs.⁷

7) For purposes of this Charter, agents are individuals or entities that have entered into an agency relationship with Nuvance Health. Agents may fall under the categories of either Workforce Members or Business Affiliates.

IV. COMPLIANCE PROGRAM BENEFITS AND GOALS

Benefits

8) The compliance program firmly demonstrates to all Covered Individuals and other Nuvance Health stakeholders (e.g., community leaders, patients, regulatory oversight agencies) Nuvance Health’s commitment to honesty, corporate responsibility, and ethical conduct.⁸ Some benefits of this commitment include the following:⁹

• The identification and prevention of criminal, unethical, and unprofessional conduct;

• The establishment of a centralized resource for the dissemination of information related to: (i) statutes, regulations, and other legal requirements; (ii) fraud, waste, and abuse initiatives and prohibitions; (iii) Federal healthcare program requirements; and (iv) internal standards of conduct and associated policies;

• Improvement of patient quality of care; and

• The establishment of a culture and methodology for Covered Individuals to report compliance concerns, issues, and Program violations.

Compliance Program Goals:

9) The goals of the Program include, without limitation:¹⁰

• Detecting, deterring, and reducing incidents of illegal, unprofessional and unethical conduct, and fraud, waste and abuse;

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⁸ See 63 Fed. Reg. 8987, 8988, § [I][A].

⁹ See id.

• Enhancing Nuvance Health’s operations and the quality of healthcare delivery; and
• Reducing healthcare costs.

V. CORPORATE COMPLIANCE OFFICE

10) The Nuvance Health Corporate Compliance Office shall consist of the Compliance, Privacy, and Internal Audit divisions and shall be headed by the Chief Compliance, Audit, and Privacy Officer (“CCAPO”).

11) The Internal Audit division of the Compliance Office shall operate as defined in the Internal Audit Charter, last updated and subsequently approved and adopted by the Audit and Compliance Committee on July 25, 2019. (Note: The Internal Audit Charter is annexed hereto for reference purposes as Exhibit “1.”).

VI. ROLE OF THE CHIEF COMPLIANCE, AUDIT, AND PRIVACY OFFICER

Overview

12) The CCAPO serves as Nuvance Health’s principal compliance, audit, and privacy officer. The CCAPO is responsible for overseeing all aspects of corporate responsibility to ensure compliance with applicable laws and regulations including implementing enterprise-wide programs to ensure compliance. This includes performing compliance and enterprise-wide risk assessments, developing training materials and monitoring tools, performing compliance audits, and presenting compliance and enterprise risk reports to the Executive Compliance Committee (“ECC”) and the Audit and Compliance Committee of the Nuvance Health Board of Directors (“Audit and Compliance Committee”) and, where necessary, the Nuvance Health Board of Directors (“Nuvance Health Board”).

13) The CCAPO also oversees the internal audit function, which may be operated internally, co-sourced, outsourced or any one or more combinations thereof. Regardless of the methodology utilized to fulfill internal audit functions, duties, and initiatives, the CCAPO is responsible for ensuring that the internal audit function: (i) proactively reviews the adequacy and effectiveness of Nuvance Health’s internal controls; (ii) performs an annual risk assessment; and (iii) reports audit results to senior management, the ECC, and the Audit and Compliance Committee.

14) The CCAPO shall be responsible for implementing compliance initiatives designed to ensure compliance with Federal health care program requirements and the obligations under the Corporate Integrity Agreement between the U.S. Department of Health and Human Services Office of Inspector General (“OIG”) and Health Quest Systems, Inc., Health Quest Medical Practice, P.C., Health Quest Urgent Medical Care Practice, P.C., and Health Quest Home Health Care, Inc. (“Health Quest”) (collectively “Health Quest CIA”).
15) In addition to the above, the CCAPO oversees the Nuvance Health privacy function, which includes oversight of the HIPAA Privacy and Security programs.

16) The CCAPO shall serve as Chair of the ECC, as set forth below in § VII, infra.

Reporting

17) The CCAPO: (i) directly reports administratively to the Chief Executive Officer of Nuvance Health and functionally to the Audit and Compliance Committee; (ii) makes periodic reports regarding compliance matters directly to the Audit and Compliance Committee as needed but in no event less than on a quarterly basis; and (iii) is authorized to report compliance matters directly to the Audit and Compliance Committee, as well as to the Nuvance Health Board of Directors where necessary, at any time.

18) The CCAPO shall at no time be subordinate to the General Counsel or the Chief Financial Officer.

Major Responsibilities:

19) The CCAPO’s responsibilities include, without limitation the following:

- Implementing enterprise wide programs, policies, and procedures to ensure compliance with applicable Federal and State laws and regulations, such as those for Medicare, Medicaid, OSHA, and IRS;

- Establishing and maintaining effective means of communication including confidential hotline to help ensure complaints, concerns, or questions relative to compliance issues are disclosed and resolved;

- Overseeing development of written materials and training programs designed to promote an understanding of compliance issues, laws and regulations, and consequences of non-compliance;

- Developing auditing and monitoring tools within the organization for corporate compliance correction of identified problems;

- Ensuring that any third party auditing firm executes their duties appropriately and directs it to determine the adequacy and effectiveness of the network of internal controls. Reviews and directs the Firm's work on auditing, operating, and reporting systems and its recommended changes based on findings to improve efficiency, accountability, and compliance with relevant regulations;

- Preparing and presenting reports to senior management and the Audit and Compliance Committee periodically, as requested, and as deemed appropriate.
Reports to the Audit and Compliance Committee shall occur on at least a quarterly basis;

- Drives continuous improvement in organizational processes and services, using quality improvement processes and assessment tools to better identify and serve customer needs. Actively improves the effectiveness and productivity of the Compliance function;

- Maintaining compliance with mandatory/regulatory requirements and assures team members do the same. Aligning and collaborating closely with the Legal and Risk departments. Participate as a vital and contributing member of the senior management team;

- Establishing a clear and regular communication rhythm with staff and with stakeholders across Nuvance Health. Translates vision into strategies with clear objectives and practical action plans providing clear guidelines for meeting goals;

- Fulfills all compliance responsibilities related to the position;

- Overseeing the Nuvance Health compliance initiatives related to employee and patient privacy, including, for example, its HIPAA Privacy and Security Program;

- With regard to the Health Quest CIA, assuming responsibility for all obligations charged to the Chief Compliance Officer (“CCO”) under the Health Quest CIA, including, without limitation, the following:
  - Developing and implementing policies, procedures, and practices designed to ensure compliance with the Health Quest CIA and Federal healthcare program requirements;
  - Making periodic reports, but in no event less than on a quarterly basis, regarding compliance matters directly to the Audit and Compliance Committee;
  - Exercising his/her authority, as necessary, to report compliance matters directly to the Audit and Compliance Committee, as well as the Nuvance Health Board of Directors, at any time;
  - Providing written documentation of his/her reports made to the Audit and Compliance Committee to OIG upon request;
  - Monitoring the day-to-day-compliance activities engaged in by Health Quest as well as any reporting obligations created under the Health Quest CIA;
Limiting the performance of any noncompliance job responsibilities and ensuring that noncompliance job responsibilities, if any, do not interfere with the CCO’s ability to perform the duties outlined in the Health Quest CIA;

Avoiding the assumption of any responsibilities that involve acting in the capacity as legal counsel or supervising legal counsel functions for Health Quest;

Serving as Chair of the ECC and convening ECC meetings at least on a quarterly basis; and

Monitoring internal and external audits and investigations and providing reports to the ECC and the Audit and Compliance Committee related to such monitoring;

- Ensuring compliance with applicable Federal and State compliance program requirements including, without limitation, the following: (i) N.Y. Social Services Law § 363-d and 18 NYCRR part 521; (ii) 42 CFR § 483.85; and (iii) 42 CFR §§ 425.300 et seq.;

- Completing or facilitating the completion of compliance program-related certifications required under applicable law including, for example, the N.Y. State Office of the Medicaid Inspector General’s compliance program and Deficit Reduction Act of 2005 annual certifications; and

- Performing other duties, as assigned and as necessary to implement and maintain an effective Program.

Access to Records, Facilities, and Personnel

20) Unless otherwise prohibited by applicable law, the CCAPO shall have unrestricted and unimpeded access to all Nuvance Health books, records, files, information, data and documents and facility areas necessary for the CCAPO’s fulfillment of his/her compliance program responsibilities. The CCAPO shall also have access to Covered Individuals who may have information that is potentially relevant to a compliance matter under review.

Resources

21) The CCAPO shall have sufficient resources to effectuate the Program. The Audit and Compliance Committee shall approve the Corporate Compliance Office’s budget, including its staffing plan, on an annual basis.
VII. ESTABLISHMENT OF AN EXECUTIVE COMPLIANCE COMMITTEE ("ECC")

22) Nuvance Health has established and shall continue to maintain an ECC composed of members with requisite seniority and comprehensive experience within their respective Nuvance Health departments and work areas. The purpose of the ECC is to provide advice, guidance, counsel, support, and assistance to the CCAPO related to the development, implementation, operation, and monitoring of the Program.

23) At the minimum, the ECC shall consist of the following individuals by title:

- Chief Compliance Officer (Chair);\textsuperscript{11}
- Chief Executive Officer;
- President;
- Chief Operating Officer;
- Chief Administrative and Legal Officer;
- Chief Medical Officer;
- General Counsel;
- The President of each Nuvance Health Hospital;
- Chief Financial Officer;
- Chief Human Resources Officer;
- Chief Information Officer;
- Chief Information Security Officer;
- The President for Nuvance Health Medical Practice Groups;
- A Vice President of Medical Affairs; and
- Deputy Chief Compliance Officer.

24) The CCAPO shall serve as the Chair of the ECC.

\textsuperscript{11} This role is fulfilled by the CCAPO.
25) The ECC shall operate as set forth in the ECC Charter, which was approved and adopted by the Audit and Compliance Committee on April 25, 2019. (Note: the ECC Charter annexed hereto for reference purposes as Exhibit “2”).

26) The ECC, by official action, may establish Subcommittees, ad hoc committees, and taskforces as it deems necessary to carry out the purposes of the ECC.

VIII. ESTABLISHMENT OF FACILITY COMPLIANCE COMMITTEES

27) Within ninety (90) days of the adoption of this Charter, the CCAPO shall ensure the establishment of a Facility or Regional Compliance Committee at the following Nuvance Health facilities, units, and entities:

- All Nuvance Health hospitals and nursing homes;
- Nuvance Health Medical Practice Groups;
- Nuvance Health home care entities; and
- WCHN ACO.

Such facility or regional compliance committees shall be chaired by the lead compliance officer assigned to each of the enumerated facilities, units or entities.

IX. COMPLIANCE PROGRAM REQUIREMENTS

Key Components

Nuvance Health shall at all times operate and maintain an effective Compliance Program.

28) Generally, in order for Nuvance Health to establish and maintain an effective Program, said Program must be reasonably designed to:

- Promote the highest level of corporate responsibility;
- Demonstrate Nuvance Health’s commitment to ethical conduct and compliance with all: (i) applicable Federal and State laws; (ii) Federal health program and private payor requirements; and (iii) requirements and obligations set forth under the Health Quest CIA;
- Encourage the good faith participation in the Program through the mandatory reporting of known or suspected compliance violations;
- Protect whistleblowers from retaliation; and
Facilitate the imposition of sanctions and/or other disciplinary measures against Covered Individuals that engage in prohibited activities or otherwise fail to affirmatively participate in the Program.

Understanding the Eight Key Elements of an Effective Compliance and Ethics Program

29) Nuvance Health is committed to compliance with applicable legal requirements and sound ethical standards and satisfying the requirements described for an effective compliance program under the 2018 United States Sentencing Commission Guidelines Manual ("USSCGM") § 8B2.1 - Effective Compliance and Ethics Program.¹²


31) Nuvance Health consists of numerous entities that are enrolled providers in the New York State Medical Assistance Program ("NYS Medicaid") and it complies with the requirements for provider compliance programs set forth under Social Services Law § 363-d and its implementing regulations found at 18 NYCRR Part 521 (collectively hereinafter referred to as "Part 521").

32) To meet the requirements for an effective compliance program as described in the guidance documents listed in ¶ 30 of this section, supra, the USSCGM, and Part 521, Nuvance Health's Program must, at the minimum, be comprised of the following eight (8) key elements:¹⁹

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¹⁸ Additionally, Nuvance Health acknowledges and, where appropriate, considers the key principles found in: (i) the U.S. Department of Justice, Criminal Division Fraud Section, Evaluation of Corporate Compliance Programs (available at: https://www.justice.gov/criminal-fraud/page/file/937501/download); and (ii) when contracting with third-party billing companies, OIG’s Compliance Program Guidance for Third-Party Medical Billing Companies, 63 Fed. Reg. 70138 (1998).
• **ELEMENT # 1** – The development and dissemination of written policies and procedures including, without limitation, standards of conduct (e.g., code of ethics, code of conduct), that promote Nuvance Health’s commitment to carrying out its operations in a legally compliant and ethical manner.

• **ELEMENT # 2** - The designation of a Chief Compliance Officer (“CCO”) to operate and monitor the Program. Additionally, the establishment of a compliance committee for the purpose of, among other things, to provide advice and counsel to the CCO and to assist in the implementation of the Program.

• **ELEMENT # 3** – The development of training and education for all affected Covered Individuals.

• **ELEMENT # 4** - The establishment of open lines of communication between the CCO and all Nuvance Health Covered Individuals. Additionally, the maintenance of a process, such as a confidential compliance helpline, to receive compliance complaints in an anonymous and confidential manner.

• **ELEMENT # 5** – The enforcement of disciplinary standards for Covered Individuals who have failed to comply with applicable law Federal and State law and Nuvance Health’s internal standards of conduct.

• **ELEMENT # 6** - The performance of auditing and monitoring to facilitate the ongoing monitoring of the Program.

• **ELEMENT # 7**– The investigation of potential offenses, the development of corrective action plans in response to confirmed violations of the Program and/or applicable law, as well as the mandatory reporting and refunding of any overpayments.

• **ELEMENT # 8** – The establishment of anti-retaliation policies.
Health Quest CIA 20

33) In addition to meeting Federal healthcare program requirements and implementing an effective compliance program as outlined above, Nuvance Health, on behalf of Health Quest, is committed to complying with all requirements set forth under the Health Quest CIA, which are generally described in the following seventeen (17) categories of Health Quest CIA obligations:

- Appointment of Chief Compliance Officer;
- Review and oversight by the Board;
- Development and implementation of policies and procedures;
- Engagement of an Independent Review Organization;
- Establishment of a disclosure program;
- Notification to OIG of other government agency investigations;
- Notification to OIG of any reportable events;
- Annual certification by Chief Compliance Officer, Chief Executive Officer and Chief Financial Officer;
- Appointment of a Compliance Committee;
- Implementation of annual employee certification process;
- Implementation of training and education;
- Development of a risk assessment and internal review process;
- Implementation of Ineligable Persons screening requirements;
- Implementation of an overpayment policy;
- Notification to OIG regarding certain sales or purchases;
- Submission of implementation report to OIG; and
- Submission of the annual report to OIG.

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20 The Nuvance Health Board of Directors and its Audit and Compliance Committee are acting on behalf of HQSI to meet the Board requirements of the CIA.
X. COMPLIANCE PROGRAM RISK AREAS

34) The Program shall address the following compliance risk areas:

<table>
<thead>
<tr>
<th>Compliance Risk Areas</th>
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<tbody>
<tr>
<td>✓ Medical Documentation</td>
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<tr>
<td>✓ Payments</td>
</tr>
<tr>
<td>✓ Governance</td>
</tr>
<tr>
<td>✓ Risks related to human resources and labor employment</td>
</tr>
<tr>
<td>✓ Reporting and refunding overpayments</td>
</tr>
<tr>
<td>✓ Anti-markup (i.e., payment limitations to technical components of diagnostic tests purchased from outside suppliers)</td>
</tr>
</tbody>
</table>
35) In addition to the above, risks involving activities prohibited under the Stark Law and Anti-kickback statute, as well as other improper inducements (e.g., financial arrangements -- including administrative and strategic arrangements -- between hospitals and physicians in group practice and hospital-based physicians; medical directorships; hospital incentives to physicians; physician compensation; professional services arrangements; gain and profit sharing arrangements; space rentals; equipment rentals; personal services and management contracts; sale or purchase of physician practices; ambulatory surgical center arrangements; managed care and risk sharing arrangements; and other financial arrangements with outside entities to whom HQMP or WCMG may refer Federal health care program business), shall also be evaluated and addressed.21

XI. PRIVACY AND SECURITY PROGRAM

Commitment to Privacy and Data Security

36) Nuvance Health is committed to protecting the confidentiality, integrity, and availability of protected health information (“PHI”) and other forms of confidential personal information (i.e., employee health records; personal identifying employee information;22 social security numbers; driver’s license numbers or non-driver identification card numbers; account, credit or debit card numbers that can be used to access an individual’s financial account; biometric information;23 user names or email addresses in combination with a password or security question and answer that would permit access to an online account). As part of this commitment, Nuvance Health has implemented administrative, physical, and technical safeguards to facilitate the ongoing identification of, and timely response to, reasonably anticipated threats to Nuvance Health devices and systems that house, store or transmit confidential personal information.

37) Nuvance Health strictly prohibits the impermissible access, use or disclosure of confidential personal information.

Mandatory Reporting and Breach Notification

38) All Covered Individuals who have access to or otherwise use Nuvance Health confidential personal information shall promptly report any suspected, potential or actual incident involving the privacy or security of such information. Such reporting shall be made as provided

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21 According to the OIG, “[i]n particular, arrangements with hospitals, hospices, nursing facilities, home health agencies, durable medical equipment suppliers, pharmaceutical manufacturers and vendors are areas of potential concern.” 65 Fed. Reg. at 59440.

22 For purposes of the Charter, “personal identifying employee information” shall mean an employee’s social security number, home address or personal telephone number, personal electronic mail address, internet identification name or password, parents surname prior to marriage, or driver’s license number. (See Labor Law § 203-d).

23 For purposes of the Charter, “biometric information” shall mean “data generated by electronic measurements of an individual’s unique physical characteristics, such as a fingerprint, voice print, retina or iris image, or other unique physical representation or digital representation of biometric data which are used to authenticate or ascertain the individual’s identity.” (General Business Law § 899-aa [b][3] (eff. 10/23/19)).
in ¶¶ 46-47 of § XIV, infra, except that all Covered Individuals who are business associates\textsuperscript{24} of Nuvance Health shall report such incidents as set forth in their business associate agreement with Nuvance Health.

39) If an incident occurs that may constitute a breach of confidential personal information (see ¶ 40, infra, for more details) including, for example, PHI, the Compliance Office will, through the undertaking of a responsive investigation and the application of relevant Nuvance Health internal policies and procedures, determine whether such incident constitutes a breach of confidential personal information under applicable Federal or State law. The Compliance Office will, where necessary and appropriate (e.g., phishing incidents, incidents involving malicious software) consult with the Information Security division within the Information Technology Department when making this determination.

40) Where a breach has been determined under State and/or Federal Law (e.g., HIPAA, General Business Law § 899-aa, CGSA § 36a-701b) to have occurred, Nuvance Health is committed to providing, in a timely fashion, all required notices to: (i) persons affected by the breach; (ii) State and Federal regulatory oversight agencies; and (iii) the media. Such breach notification will be provided pursuant to Federal and State law and Nuvance Health’s internal breach notification and incident response policies and procedures.

Sanctions for Non-compliance

41) Covered Individuals who violate Nuvance Health’s privacy and data security policies shall be subject to disciplinary action as outlined in this Charter below (see § XVI, infra).

XII. RESPONSIBILITIES OF COVERED INDIVIDUALS

42) All covered individuals are responsible for affirmatively participating in the Program by:

- Performing their work functions, duties, and role in a legally compliant and ethical manner by complying with all applicable Federal and State laws, Federal health care program requirements, private payor standards, and applicable internal standards of conduct and associated policies, procedures, and directives;

- Promptly reporting (see ¶¶ 45-47 of § XIV, infra) compliance issues, concerns and Program violations including, for example, any of the prohibited activities listed in section XIII below;

\textsuperscript{24} A "business associate" is defined by the U.S. Department of Health and Human Services Office of Civil Rights as "a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information on behalf of, or to, a covered entity." (See HHS, Health Information Technology, Business Associates, available at: https://www.hhs.gov/hipaa/for-professionals/privacy/guidance/business-associates/index.html (last accessed on 10/14/19)).
• Avoiding the participation in the Program in a non-compliant manner;\footnote{See 18 NYCRR § 521.3 [e][5][ii].}

• Steering clear of conduct that involves the encouraging, directing, facilitating or permitting either actively or passively non-compliant behavior;\footnote{See 18 NYCRR § 521.3 [e][5][iii].}

• Avoiding retaliatory conduct;

• Safeguarding patient and workforce member private and confidential information;

• Promptly reporting any actual or potential privacy incident in furtherance of Nuvance Health’s efforts to provide, pursuant to applicable law and Nuvance Health’s internal policies and procedures, timely breach notification to affected individuals, the media, and regulatory oversight agencies (see ¶ 38-40 of § XI, \textit{supra}); and

• Completing all Nuvance Health mandated compliance training and education, as well as all other assigned training.

XIII. PROHIBITED ACTIVITIES

43) The following are examples of prohibited activities:

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\begin{tabular}{|l|}
\hline
\textbf{Fraud, Waste and Abuse, Conflict of Interest and Standards of Conduct} \\
\hline
• Improper coding, billing or accounting \\
• Improper patient referrals \\
• Theft or misappropriation of Nuvance Health assets or government funds \\
• Acceptance or offering of inappropriate gifts or gratuities \\
• Inappropriate business arrangements \\
• Actual or potential conflicts of interest \\
• Fraudulent or corrupt conduct \\
• Embezzlement, bribery, kickbacks, and abuse or misuse of corporate assets \\
• Financial wrongdoing \\
\hline
\end{tabular}
\end{table}

• Actual or suspected violations of Federal or State law or Nuvance Health’s internal policies and procedures including, without limitation, legacy WCHN’s Code of Conduct and Business Ethics and legacy Health Quest’s Code of Conduct and Vendor Code of Conduct

• Failure to comply with Federal healthcare program conditions of participation or private payor requirements

• Failure to refund overpayments

\footnotetext{25 See 18 NYCRR § 521.3 [e][5][ii].}
\footnotetext{26 See 18 NYCRR § 521.3 [e][5][iii].}
### Privacy and Security of Patient, Employee, and other Confidential Information

- Inappropriate access, use, disclosure or disposition of confidential patient, workforce member or business information  
- Violations of Nuvance Health HIPAA, information technology or record management policies and procedures

### Medical Necessity, Quality of Care, and Patient Rights

- Patient harassment, discrimination, abuse or other patient rights violations  
- Preventable adverse patient events  
- Human subject research misconduct  
- Providing substandard, unsafe or medically unnecessary patient care

### Environmental and Workplace Safety and the Protection of Human Resources

- Workforce member harassment including, without limitation, sexual harassment  
- Workplace incivility or conduct that amounts to a hostile work environment  
- Environmental hazards and other safety concerns  
- Conduct that endangers the safety of the Nuvance Health workforce  
- The improper handling and/or disposal of medical waste, sharps, pharmaceuticals or radioactive or other toxic substances  
- Workforce member discrimination

### XIV. REPORTING

#### Confidentiality

44) The Corporate Compliance Office shall maintain confidential and anonymous methods for the reporting of compliance issues, concerns, complaints, and violations by Covered Individuals, as well as patients and other Nuvance Health stakeholders. All reports made to the Corporate Compliance Office through one or more of its confidential methods must be kept confidential whether requested or not by the reporter. Such confidentiality shall be maintained unless disclosure of the reporter is required by applicable law or the matter being investigated is turned over to law enforcement.
Reporting Requirements

45) All Covered Individuals are required to assist Nuvance Health in its compliance efforts by promptly reporting compliance questions or concerns including, without limitation, any prohibited activity (see section XIII above) that the Covered Individual becomes aware of, to the Corporate Compliance Office as described in §§ 46-47 below.

Reporting Procedure

46) Covered Individuals may confidentially report compliance issues, concerns and Program violations in person, by U.S. mail or interoffice mail, telephone, fax, email, or web submission as follows:

   Address:

   Nuvance Health Corporate Compliance Office
   14 Research Drive, Suite 201E
   Bethel CT 06801
   1351 Route 55, Suite 200
   Lagrangeville, NY 12540

   General E-mail Address:

   Compliance@wchn.org or Compliance@Health-Quest.org

   General Office Line:

   203-739-7110 or 845-475-9755

   General Facsimile Line:

   203-739-8576 or 845-475-9761

47) Covered Individuals may report compliance issues, concerns, and Program violations anonymously and confidentially by:

   • Calling the 24-hour Nuvance Health confidential and anonymous Compliance Hotline at:
     ➢ 844.YES.WeComply (for Covered Individuals at legacy Health Quest)
     ➢ 1-844-395-9331 (for Covered Individuals at legacy WCHN); or

   • Through web submission online at: www.wchn.ethicspoint.com
XV. ANTI-RETAILIATION/WHISTLEBLOWER PROTECTION

48) Nuvance Health is steadfast in its protection of whistleblowers and strictly prohibits retribution, harassment, intimidation or any other form of retaliation against Covered Individuals or other persons or entities ("Protected Persons") that, in good faith, make a compliance report or complaint, engage in protected activities or have otherwise participated in the Program.27

49) For purposes of this Charter, retaliation includes any of the following actions taken by Covered Individuals against a Protected Person who has participated in good faith in the Program: (i) the discharge, discipline, suspension, demotion, change in responsibilities or any other adverse employment action, negative consequence or detrimental change in the terms or conditions of employment, whether formal or informal,28 (ii) adverse contractual action; (iii) intimidation, retaliatory action, harassment, and threats of violence; (iv) penalization;29 and (v) discrimination.30

50) Examples of protected activities include the following:

- Reporting or threatening to report potential compliance issues including, without limitation, the violation of applicable Federal or State law including, for example, the commission of healthcare fraud and the submission of false or fraudulent claims;31
- Reporting or threatening to report conduct that constitutes improper quality of patient care;32
- Reporting or threatening to report the commission of any prohibited activity listed in section XIII above;33
- Reporting or threatening to report corruption, unethical practices, mismanagement, gross waste of funds, abuse of authority or danger to the public safety;34
- Investigating potential compliance issues;35

27 See, generally, N-PCL § 715-b [a].
28 See Labor Law § 740 [1][c]; see also CGSA § 31-51m; CGSA § 19a-498; 31 USC § 3730 (h); N-PCL § 715-b [a]; Office of the New York State Attorney General Charities Bureau, Whistleblower Policies Under the Nonprofit Revitalization Act of 2013, Guidance Document 2015-5, V. 1.0, p.5 (hereinafter “NYSAG-CB Whistleblower Protection Policy Guidance.”)
29 See Labor Law § 741 [1][f].
30 See id.
31 See 18 NYCRR § 521.3 [c][8]; Labor Law § 740 [2][a].
32 See Labor Law § 741 [2][a].
33 See N-PCL § 715-b [a].
34 CGSA § 4-37j.
35 See 18 NYCRR § 521.3 [c][8].
• Objecting to participate in a policy, activity or practice that violates applicable law or constitutes improper quality of patient care; 36

• Performing self-evaluations, audits, and remedial actions; 37

• Exercise of rights afforded under the U.S. and State constitutions; 38

• Reporting to appropriate officials as set forth in Labor Law §§ 740 and 741 or CGSA § 31-51m; 39 and

• Carrying out the responsibilities under this Charter provided in § XII above.

51) This Charter and all associated Nuvance Health whistleblower-related policies shall be posted on the Nuvance Health website. 40

52) The subject of any whistleblower complaint may “not be present at or participate in [Nuvance Health Board or Nuvance Health Board Committee] deliberations or vote on the matter relating to such complaint” except for the purposes of providing “information as background or answer questions at a committee or board meeting prior to the commencement of deliberations or voting relating thereto . . . .” 41

53) The CCAPPO, in consultation with the Chief Human Resources Officer, shall administer Nuvance Health’s whistleblower protection policies.

54) Nuvance Health Board Directors who are Nuvance Health employees “may not participate in any board or committee deliberations or voting relating to the administration of the whistleblower policy.” 42

55) Reports of retaliation may be made anonymously and confidentially as described in § XIV above.

56) The Audit and Compliance Committee shall oversee the implementation of Nuvance Health’s whistleblower protection policy. The CCAPPO shall report to the Audit and

36 See Labor Law § 740 [2][c]; Labor Law § 741 [2][b].
37 See 18 NYCRR § 521.3 [c][8].
38 See CGSA § 31-51q.
39 See 18 NYCRR § 521.3 [c][8]; see also Labor Law Article 20-C; CGSA § 31-51m.
40 See N-PCL § 715-b [b][4]. Note, information regarding the Charter, DRA and other compliance-related policies and guidance may be found on the Intranet at: https://dimensions.healthquest.org/sites/Auditing/SitePages/Communications20Regarding%20the%20Deficit%20Reduction%20Act%20of%202005.aspx (for legacy Health Quest) and http://thepulse.wchn.priv/Departments/compliance/Compliance%20Public%20Documents/WCHN%20DRA%20memorandum.pdf (for legacy WCHN).
41 Id. at § 715-b [b][3].
42 Id. at § 715-b [b][2].
Compliance Committee or the Nuvance Health Board on: (i) said policy and its implementation; and (ii) the general type and resolution of whistleblower complaints. The CCAPO “should have sufficient knowledge, resources, and training to carry out the whistleblower protection policy, maintain records of whistleblower interactions, and identify and address needs for improvement in the policy.”

57) Nuvance Health has promulgated a *Whistleblower Protection Policy* (Nuvance Health Policy #: COMP 1-1-19), which implements this section of the Charter and further outlines and details Nuvance Health’s anti-retaliation efforts and organizational requirements.

**XVI. DISCIPLINARY ACTION**

58) Covered Individuals who engage in prohibited activities, fail to fulfill their responsibilities under this Charter outlined in XII above, or otherwise violate the Program, shall be subject to progressive disciplinary action up to, and including, termination of employment, contract or other affiliation with Nuvance Health.

**XVII. EFFECTIVE DATE AND PERIODIC RENEWAL OF THE CHARTER**

59) The Charter shall be deemed effective once: (i) executed by the Chair of the Audit and Compliance Committee of the Nuvance Health Board of Directors, the Chief Executive Officer of Nuvance Health, and the CCAPO as provided in § XVIII below; and (ii) posted on the Nuvance Health website.

60) The Charter shall be: (i) updated as needed to comply with applicable compliance program requirements; and (ii) renewed on a periodic basis but in no event less than annually. All changes and renewals to the Charter shall be approved and adopted by the Audit and Compliance Committee of the Nuvance Health Board of Directors.

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43 See NYSAG-CB *Whistleblower Protection Policy Guidance*, p.4; see also, generally, N-PCL § 715-b [b][2].
44 NYSAG-CB *Whistleblower Protection Policy Guidance*, p.4; see also, generally, N-PCL § 715-b [b][2].
45 The Charter was approved and adopted by the Audit and Compliance Committee of the Nuvance Health Board of Directors on September 26, 2019 and shall be renewed on or before September 25, 2020.
XVIII. APPROVAL/SIGNATURES

Approval

Chief Compliance, Audit & Privacy Officer
Wayne F. McNulty

Date
10/24/19

Chief Executive Officer

Date
10/24/19

Chair, Audit & Compliance Committee of the Nuvance Health Board of Directors

Date
10/30/19
Exhibit “1”

Internal Audit Charter
NUVANCE HEALTH INTERNAL AUDIT CHARTER

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VIII. Approval/Signatures p. 12

* * *

I. Purpose and Mission

The purpose of Nuvance Health’s internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve Nuvance Health’s operations.¹

Assurance services involve the internal auditor’s objective assessment of evidence to provide opinions or conclusions regarding Nuvance Health’s operations, functions, processes, systems, or other subject matters.² Assurance services are an objective examination of evidence for the purpose of providing an independent assessment on

¹ The Nuvance Health Internal Audit Charter was developed, in pertinent part, from the Institute of Internal Auditor’s ("IIA") International Professional Practices Framework (IPPF), Supplemental Guidance - “Model Internal Audit Activity Charter” (March 2017).
² See IIA, Definition of Internal Auditing: “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process”.
³ See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Introduction to the Standards, p. 2 (January 2017)
governance, risk management, and control process for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. Consulting services are advisory and related client service activities, the nature and scope of which agreed with the client, are intended to add value and improve an organization’s governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps Nuvance Health accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

II. Standards for the Professional Practice of Internal Auditing

The internal audit activity will govern itself by adherence to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The CAE (“CAE”) will report periodically to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors regarding the internal audit activity’s conformance to the Code of Ethics and the Standards.

III. Authority

A. Reporting Relationships

The CAE (whose position is served by the Nuvance Health Chief Compliance, Audit and Privacy Officer (“CCAPO”) will report functionally to the Nuvance Health Audit and Compliance Committee of the Board of Directors and administratively (i.e., day-to-day operations) to the Chief Executive Officer.

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4 See IIA, International Professional Practices Framework (IPPF), Mission of Internal Audit
B. Responsibilities of the Audit and Compliance and Executive Compensation Committees of the Nuvance Health Board of Directors

To establish, maintain, and assure that Nuvance Health's internal audit activity has sufficient authority to fulfill its duties, the Nuvance Health Board of Directors, through its Audit and Compliance Committee and Executive Compensation Committee, will do the following, respectively:

i. The Nuvance Health Audit and Compliance Committee of the Board of Directors will:

- Approve the internal audit activity's charter;
- Approve the risk-based internal audit plan;
- Approve the internal audit activity's budget and resource plan;
- Receive communications from the CAE on the internal audit activity's performance relative to its plan and other matters;
- Approve decisions regarding the appointment and removal of the CAE; and
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

ii. The Nuvance Health Executive Compensation Committee of the Board of Directors, in consultation with the Chair of the Nuvance Health Audit and Compliance Committee of the Board of Directors, will approve the remuneration of the CAE.
C. **Access to the Nuvance Health Audit and Compliance Committee of the Board of Directors**

The CAE will have unrestricted access to, and communicate and interact directly with, the Nuvance Health Audit and Compliance Committee of the Board of Directors, including in private meetings without management present.\(^7\)

D. **Authorization Given to the Internal Audit Activity**

The Nuvance Health Audit and Compliance Committee of the Board of Directors authorizes the internal audit activity to:

i. Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information;

ii. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports; and

iii. Obtain assistance from the necessary personnel of Nuvance Health, as well as other specialized services from within or outside Nuvance Health, in order to complete the engagement.

IV. **Independence and Objectivity**

A. **Responsibilities of the CAE**

The CAE will:

i. Ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties;\(^8\)

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\(^8\) See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 1130 – Impairment of Independence or Objectivity, p. 5 (January 2017)
ii. Confirm to the Nuvance Health Audit and Compliance Committee of the Board of Directors, at least annually, the organizational independence of the internal audit activity;9 and

iii. Disclose to the Nuvance Health Audit and Compliance Committee of the Board of Directors any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.10

B. Responsibilities of Internal Auditors

Internal auditors will:11

i. Maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others;

ii. Have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year;12
- Performing any operational duties for Nuvance Health or its affiliates;
- Initiating or approving transactions external to the internal audit activity; and

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9 See, IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 1320 – Reporting on the Quality Assurance and Improvement Program, p. 9 (January 2017)
• Directing the activities of any Nuvance Health employee not employed by the internal audit activity, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

iii. Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties;

iv. Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined;

v. Make balanced assessments of all available and relevant facts and circumstances; and

vi. Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

C. CAE Roles Beyond Internal Auditing

CAE, in his/her role as CCAP, may assume responsibilities and roles outside of the internal audit department such as, for example, serving as chief compliance and privacy officer, or the performance of activities related to enterprise-wide risk management, provided that: (i) safeguards are established to limit any impairments to the organizational independence of the Nuvance Health internal audit activity or objectivity of the CAE; (ii) such duties shall not interfere with the CCAP's ability to perform the duties of the compliance officer outlined in the Health Quest CIA; and (ii) any such additional roles shall report administratively to the CEO and functionally to the Nuvance Health Audit and Compliance Committee of the Board of Directors.

Conformance with this requirement may be demonstrated through the following:

• CAE’s roles and responsibilities as agreed with the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors;

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13 As used in this Charter, the “Health Quest CIA” shall mean the Corporate Integrity Agreement (“CIA”) between the United States Department of Health and Human Services Office of Inspector General and Health Quest Systems, Inc. (“HQSI”), Health Quest Medical Practice, P.C. (“HQMP”), Health Quest Urgent Medical Care Practice, P.C. (“HQUMCP”), and Health Quest Home Health Care, Inc. (“HQHHHC”) (collectively “Health Quest”) (Health Quest CIA)

Periodic revisions of the internal audit charter, which reflect the internal audit activity’s changing roles and responsibilities;

Minutes of the Nuvance Health Audit and Compliance Committee of the Board of Directors meetings during which the CAE discloses any potential impairment to his/her independence or objectivity, and proposed safeguards to mitigate the risk of impairment to acceptable levels.

V. Scope of Internal Audit Activities

A. Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Nuvance Health Audit and Compliance Committee of the Board of Directors, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Nuvance Health. Internal audit assessments include evaluating whether:

i. Risks relating to the achievement of Nuvance Health’s strategic objectives are appropriately identified and managed;

ii. The actions of Nuvance Health’s officers, directors, employees, and contractors are in compliance with Nuvance Health’s policies, procedures, and applicable laws, regulations, and governance standards;

iii. The results of operations or programs are consistent with established goals and objectives;

iv. Operations or programs are being carried out effectively and efficiently;

v. Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Nuvance Health;

vi. Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity; and
vii. Resources and assets are acquired economically, used efficiently, and protected adequately.

B. Reporting Internal Audit Activities

The CAE will report periodically to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors regarding:15

i. The internal audit activity’s purpose, authority, and responsibility;

ii. The internal audit activity’s plan and performance relative to its plan;

iii. The internal audit activity’s conformance with the Institute of Internal Auditor’s Code of Ethics and Standards, and action plans to address any significant conformance issues;

iv. Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Nuvance Health Audit and Compliance Committee of the Board of Directors;

v. Results of audit engagements or other activities;

vi. Resource requirements16; and

vii. Any response to risk by management that may be unacceptable to Nuvance Health.

C. Coordination and Reliance Upon Work of Other Internal and External Assurance and Consulting Service Providers

The CAE also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed.17 The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

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15 See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2060 – Reporting to Chief Executive Officer and the Board, p.11 (January 2017)


17 See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2050 – Coordination and Reliance, p.11 (January 2017)
D. Opportunities for Improvement

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.\textsuperscript{18}

VI. Responsibility

A. The CAE has the responsibility to:

i. Submit, at least annually, to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors a risk-based internal audit plan for review and approval;\textsuperscript{19}

ii. Communicate to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors the impact of resource limitations on the internal audit plan;

iii. Review and adjust the internal audit plan, as necessary, in response to changes in Nuvance Health’s business, risks, operations, programs, systems, and controls;\textsuperscript{20}

iv. Communicate to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors any significant interim changes to the internal audit plan;

v. Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties;\textsuperscript{21}

vi. Follow up on engagement findings and corrective actions, and report periodically to the Chief Executive Officer and the Nuvance Health

\textsuperscript{18} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2100 – Nature of Work, p.12 (January 2017)

\textsuperscript{19} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2020 – Communication and Approval, p.10 (January 2017)

\textsuperscript{20} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2010 – Planning, p.10 (January 2017)

\textsuperscript{21} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2230– engagement Resource Allocation, p.16 (January 2017)
Audit and Compliance Committee of the Board of Directors any corrective actions not effectively implemented;\textsuperscript{22}

vii. Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld;

viii. Ensure the internal audit activity collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter;\textsuperscript{23}

ix. Ensure trends and emerging issues that could impact Nuvance Health are considered and communicated to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors as appropriate;

x. Ensure emerging trends and successful practices in internal auditing are considered;\textsuperscript{24}

xi. Establish and ensure adherence to policies and procedures designed to guide the internal audit activity;\textsuperscript{25}

xii. Ensure adherence to Nuvance Health’s relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors;

xiii. Ensure conformance of the internal audit activity with the \textit{Standards}, with the following qualifications:

- If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the \textit{Standards}, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the \textit{Standards}.

\textsuperscript{22} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2500 – Monitoring Progress, p.20 (January 2017)
\textsuperscript{23} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 1210 – Proficiency, p.6 (January 2017)
\textsuperscript{24} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2000 – Managing the Internal Audit Activity, p.10 (January 2017)
\textsuperscript{25} See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 2040 – Policies and Procedures, p.11 (January 2017)
• If the Standards are used in conjunction with requirements issued by other authoritative bodies, the CAE will ensure that the internal audit activity conforms with the Standards, even if the internal audit activity also conforms with the more restrictive requirements of other authoritative bodies.

xiv. Consider recommending an appropriate framework to guide Senior Management in their pursuit of enhancing Nuvance Health’s governance, risk management, and control processes, if an established framework has not been adopted; and  

xv. Approve and maintain oversight over the work of all other internal and external assurance and consulting service providers.

VII. Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity’s conformance with the Standards and an evaluation of whether internal auditors apply the Institute of Internal Auditor’s Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.  

The CAE will communicate to the Chief Executive Officer and the Nuvance Health Audit and Compliance Committee of the Board of Directors on the internal audit activity’s quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Nuvance Health.

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27 See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 1300 – Quality Assurance and Improvement Program, p.7 (January 2017)  
28 See IIA, International Standards for the Professional Practice of Internal Auditing (Standards), Standard 1320 – Reporting on the Quality assurance and Improvement Program, p.9 (January 2017)  
29 See IIA, International Standards for Professional Practice of Internal Auditing (Standards), Standard 1311 – Internal Assessment, p.8 (January 2017)  
VIII. Approval/Signatures

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<td>Wayne J. McNulty</td>
<td>10/24/19</td>
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<td>Chief Audit Executive</td>
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<td>John R. Murphy</td>
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<td>Chair, Audit &amp; Compliance Committee of the</td>
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Note that, the Audit and Compliance Committee of the Nuvance Health Board of Directors ("Committee") adopted, by unanimous vote, the *Nuvance Health Internal Audit Charter* at the Committee meeting held on July 25, 2019.
Exhibit “2”

Executive Compliance Committee Charter
HQ-WCHN HEALTH SYSTEM, INC.
EXECUTIVE COMPLIANCE COMMITTEE

CHARTER

Updated as of April 19, 2019
EXECUTIVE COMPLIANCE COMMITTEE

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EXECUTIVE COMPLIANCE COMMITTEE

CHARTER

I. PURPOSE AND NECESSITY

1) The purpose and role of the HQ-WCHN Health System, Inc. (“Nuvance Health”) Executive Compliance Committee (the “ECC” or the “Committee”) is to provide advice, guidance, counsel, support, and assistance to the Nuvance Health Chief Compliance Officer (“CCO”) related to the development, implementation, operation, and monitoring of the Nuvance Health Compliance and Ethics Program (the “Program”) with the end goal of:

- Promoting an organizational culture of compliance and ethics throughout the Nuvance Health enterprise;
- Ensuring that all patient care activities and business initiatives are adherent to and consistent with the highest ethical standards and all applicable legal standards; and
- Implementing, promoting, and reinforcing standards of conduct that: (i) are consistent with Nuvance Health’s mission, values, and strategic goals; and (ii) deter and prohibit incidences of fraud, waste, and abuse and other unethical, unprofessional or illegal conduct.

2) The formation of the ECC is necessary for Nuvance Health to establish and maintain an effective Program and satisfy compliance obligations stemming from:

- Applicable Federal and State law governing compliance programs;
- Compliance program principles adopted by Nuvance Health; and
- The Corporate Integrity Agreement between the U.S. Department of Health and Human Services Office of Inspector General (“OIG”) and Health Quest Systems, Inc., Health Quest Medical Practice, P.C., Health Quest Urgent Medical Care Practice, P.C., and Health Quest Home Health Care, Inc. (“Health Quest”) (collectively “Health Quest CIA”).

II. DUTIES, FUNCTIONS, AND RESPONSIBILITIES

3) In carrying out the purposes of the Program, the ECC shall be responsible for, among other important compliance endeavors, assisting and supporting the CCO with the following:

- The development of training and education initiatives;
Reviewing, discussing, advising, assisting, and affirmatively participating in the implementing of the Program, which includes, for example, the adoption of methods, practices, policies, and procedures to carryout compliance initiatives to facilitate the satisfaction of Program elements conducted by Nuvance Health and its affiliated entities;

Engaging in activities that promote institutional compliance with applicable Federal and State law and Federal healthcare program and private payor requirements;

Determining the appropriate strategies and approaches to promote compliance with program requirements and detection of any potential violations, such as through hotlines and other fraud reporting mechanisms;

Overseeing the CCO’s monitoring of internal and external audits and investigations for the purposes of identifying trends/deficiencies and implementing corrective action;

As set forth in ¶ 12 of section V, infra, oversee the development of internal controls, in conjunction with the relevant departments, to reduce the likelihood of occurrence of compliance-related risks;

Assessing existing policies and procedures that address compliance risk areas;

Developing or ensuring the development of new standards of conduct and policies and procedures, as needed, working in conjunction with appropriate departments, to promote compliance with legal and ethical requirements;

Receiving reports and supporting the CCO related to Health Quest CIA compliance and Program self-assessments;

The implementation or ensuring the implementation of corrective measures, mitigation efforts, and sanctions in response to the commission of prohibited activities by Nuvance Health workforce members, business affiliates, and agents (collectively “Covered Individuals”); and

Ensure the establishment, promotion, and enforcement of anti-retaliation and whistleblower protection policies.
III. SCOPE

4) The compliance oversight functions of the Program and the purposes, functions, and responsibilities of the ECC shall extend to all Nuvance Health facilities, units, and affiliate entities including, without limitation, the following:

- HQ-WCHN Health System, Inc.;
- Health Quest Systems, Inc.;
- Western Connecticut Health Network, Inc.;
- Danbury Hospital and its New Milford campus;
- Eastern New York Medical Services, P.C.;
- Health Quest Home Care, Inc.;
- Health Quest Medical Practice, P.C. (“HQMP”);
- Hudson Valley Cardiovascular Practice, P.C. (“the Heart Center”);
- Vassar Health Quest Medical Practice of Connecticut, Inc.;
- Northern Dutchess Hospital;
- Northern Dutchess Residential Health Care Facility, Inc.;
- The Norwalk Hospital Association;
- Putnam Hospital Center;
- Sharon Hospital;
- Vassar Brothers Medical Center;
- Western Connecticut Home Care Inc.;
- Western Connecticut Health Network Physician Hospital Organization ACO, Inc.; and
- Western Connecticut Medical Group, Inc. (“WCMG”).
IV. COMPOSITION OF COMMITTEE

Composition of the Committee and Selection of Members

5) The ECC benefits from being composed of members having different perspectives based on the individual’s varying responsibilities in the organization, such as operations, finance, audit, human resources, and clinical management, as well as employees and managers of key operating units. All ECC members will have the requisite seniority and comprehensive experience within their respective departments to implement any necessary changes to policies and procedures as recommended by the ECC.¹

6) To that end, the ECC shall initially consist of the following members by title:

- Chief Compliance Officer (Chair);
- Chief Executive Officer;
- President;
- Chief Operating Officer;
- Chief Administrative and Legal Officer;
- Chief Medical Officer;
- General Counsel;
- The President of each Nuvance Health Hospital;
- Chief Financial Officer;
- Chief Human Resources Officer;
- Chief Information Officer;
- Chief Information Security Officer; and
- Deputy Chief Compliance Officer.

7) The ECC shall, by official Committee action, appoint additional members to serve on the Committee as necessary to carry out the functions, duties, and purposes of the Committee.

Changes in the composition of the Committee

8) Pursuant to the Health Quest CIA, Nuvance Health on behalf of Health Quest will provide the OIG written notice of any changes in the composition of the ECC or any actions or changes that would affect the ECC’s ability to perform the duties necessary to meet the obligations of the Health Quest CIA.

V. COMPLIANCE PROGRAM REQUIREMENTS

Key Components

9) Generally, in order for Nuvance Health to establish and maintain an effective Program, said Program will be reasonably designed to:

- Promote the highest level of corporate responsibility;

- Demonstrate Nuvance Health’s commitment to ethical conduct and compliance with all: (i) applicable Federal and State laws (collectively “Applicable Law”); Federal health program and private payor requirements; and (ii) requirements and obligations set forth under the Health Quest CIA;

- Encourage the good faith participation in the Program through the mandatory reporting of known or suspected compliance violations;

- Protect whistleblowers from retaliation; and

- Facilitate the imposition of sanctions and/or other disciplinary measures against Covered Individuals that engage in prohibited activities or otherwise fail to affirmatively participate in the Program.

Understanding the Eight Key Elements of an Effective Compliance and Ethics Program

10) Nuvance Health is committed to compliance with applicable legal requirements and sound ethical standards, and refers to Federal and State advisory materials for guidance, including but not limited to: (i) 1998 and 2005 OIG Compliance Program Guidance for Hospitals and Supplemental Compliance Program Guidance for Hospitals, respectively; (ii) 2000 OIG Compliance Program for Small and Individual Group Practices; (iii) 2000 and 2008 OIG Compliance Program Guidance for Nursing Facilities and Supplemental Compliance

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2 For purposes of the Charter, the term “law” shall mean all criminal, civil, and administrative laws, rules, codes, and regulations and corresponding applicable case law. For purposes of this Charter, the term “State”, which includes any local government within said State, shall mean: (i) the State of New York and the State of Connecticut; (ii) any State in which Nuvance Health is an enrolled provider in said State’s Medicaid program; and (iii) consistent with the U.S. Constitution, any State that has promulgated laws that apply to Nuvance Health.


11) Nuvance Health consists of numerous entities that are enrolled providers in the New York State Medical Assistance Program (“NYS Medicaid”), and it complies with the requirements for provider compliance programs set forth under Social Services Law § 363-d and its implementing regulations found at 18 NYCRR Part 521 (collectively hereinafter referred to as “Part 521”).

12) To meet the requirements for an effective compliance program as described in the guidance documents listed in ¶ 10 of this section, supra, and Part 521, Nuvance Health’s Program must, at the minimum, be comprised of the following eight (8) key elements:¹⁰

- **ELEMENT # 1** – The development and dissemination of written policies and procedures including, without limitation, standards of conduct (e.g., code of ethics, code of conduct), that promote Nuvance Health’s commitment to carrying out its operations in a legally compliant and ethical manner.

- **ELEMENT # 2** - The designation of a Chief Compliance Officer (“CCO”) to operate and monitor the Program. Additionally, the establishment of a compliance committee for the purpose of, among other things, to provide advice and counsel to the CCO and to assist in the implementation of the Program.

- **ELEMENT # 3** – The development of training and education for all affected Covered Individuals.

- **ELEMENT # 4** – The establishment of open lines of communication between the CCO and all Nuvance Health Covered Individuals. Additionally, the maintenance of a process, such as a confidential

⁹ Additionally, Nuvance Health acknowledges and, where appropriate considers the key principles found in: (i) the U.S. Department of Justice, Criminal Division Fraud Section, Evaluation of Corporate Compliance Programs (available at: https://www.justice.gov/criminal-fraud/page/file/937501/download); and (ii) when contracting with third-party billing companies, OIG’s Compliance Program Guidance for Third-Party Medical Billing Companies, 63 Fed. Reg. 70138 (1998).
compliance helpline, to receive compliance complaints in an anonymous and confidential manner.

- **ELEMENT # 5** – The enforcement of disciplinary standards for Covered Individuals who have failed to comply with Applicable Law and Nuvance Health’s internal standards of conduct.

- **ELEMENT # 6** - The performance of auditing and monitoring to facilitate the ongoing monitoring of the Program.

- **ELEMENT # 7** – The investigation of potential offenses, the development of corrective action plans in response to confirmed violations of the Program and/or Applicable Law, as well as the mandatory reporting and refunding of any overpayments.

- **ELEMENT # 8** – The establishment of anti-retaliation policies.

How does the ECC assist in addressing the (8) Elements of an Effective Program?

13) The ECC assists in the implementation of the Program as follows:

- Guides and assists the CCO on the development and dissemination of written standards of conduct to be adhered to by all Nuvance Covered Individuals, which partly addresses **Element # 1**;

- Serves as the compliance committee for the purposes of, among other things, providing advice and counsel to the CCO, which partially addresses **Element # 2**;

- Provides counsel and advice to the CCO regarding the development of compliance-related training and education programs, which partly addresses **Element # 3**;

- Serves as an avenue of communication between the CCO and Nuvance Health Executive Leadership, which partly addresses **Element # 4**;

- Works with the CCO to ensure that disciplinary standards comply with compliance program regulatory requirements and guidance, which partly addresses **Element # 5**;

- Oversees the monitoring of internal and external audits and investigations for the purpose of identifying trends/deficiencies and implementing corrective action, which partly addresses **Element # 6**;
• Provides advice and counsel to the CCO on the conduct of internal investigations, which partly addresses Element # 7; and

• Guides and assists the CCO in the development of whistleblower protection/anti-retaliation policies and procedures, which partly addresses Element # 8.

Additional Requirements Related to Nursing Home Facilities and Accountable Care Organizations

14) In addition to the principles and legal requirements described above, with respect to nursing home facilities, Nuvance Health meets the requirements set forth in 42 CFR § 483.85. Further, with regard to Nuvance Health’s activity through its Accountable Care Organization, Nuvance Health meets the compliance program obligations set forth in 42 CFR §§ 425.300 et seq.

VI. APPLICABLE COMPLIANCE RISK AREAS

15) With regard to the following compliance risk areas, recommending and monitoring, in conjunction with the relevant departments, the development of internal systems and directive, preventative, detective, and corrective controls and assessing existing policies and procedures:

• Medical Documentation;
• Billings and coding;
• Payments;
• Medical necessity and quality of care;
• Governance;
• Mandatory reporting;
• Credentialing;
• Risks related to human resources and labor employment;
• Risks related to home care services and activity;
• Risks related to nursing homes;
• Risks related to medical practice groups;
• Activities prohibited under the Stark Law and Anti-kickback statute as well as other improper inducements (e.g., financial arrangements -- including administrative and strategic arrangements -- between hospitals and physicians in group practice and hospital-based physicians; medical directorships; hospital incentives to physicians; physician compensation; professional services arrangements; gain and profit sharing arrangements; space rentals; equipment rentals; personal services and management contracts; sale or purchase of physician practices; ambulatory surgical center arrangements; managed care and risk sharing arrangements; and other financial arrangements with outside entities to whom HQMP or WCMG may refer Federal health care program business);¹¹

• Medical education accreditation, quality, billing, and cost reports;

• Human subject research protection requirements (e.g., requirements under the Food Drug Administration, Office of Human Research Protection, National Institute of Health or other applicable human subject research protection regulations, policies and procedures);

• Antitrust (e.g., Joint ventures, affiliations, clinical integration, financial integration, market share analysis);

• Anti-markup (i.e. payment limitations to technical components of diagnostic tests purchased from outside suppliers);

• Emergency Medical Treatment and Labor Act (EMTALA);

• Reporting and Refunding Overpayments;

• Information Governance and Record management;

• Privacy and security of patient, employee or other confidential information (e.g. HIPAA and relevant state privacy laws); and

• Other risk areas that are or should with due diligence be identified by the COO or the Compliance Committee.

VII. REPORTING TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS

16) The Audit and Compliance Committee of the Nuvance Health Board of Directors (“Audit and Compliance Committee”) shall be responsible for the oversight of the ECC.

¹¹ According to the OIG, “[i]n particular, arrangements with hospitals, hospices, nursing facilities, home health agencies, durable medical equipment suppliers, pharmaceutical manufacturers and vendors are areas of potential concern.” 65 Fed. Reg. at 59440.
17) The CCO shall report on a quarterly basis the activities and actions taken by the ECC and any Subcommittees thereto to the Audit and Compliance Committee.

18) The Committee Charter shall be approved by the Audit and Compliance Committee.

VIII. CONFIDENTIALITY/PRIVILEGE¹²

19) Unless otherwise directed by the ECC, CCO, General Counsel or required by Applicable Law, all Committee members shall maintain the confidentiality of all agendas, minutes, meeting materials, and oral discussions at such meetings. All Committee agenda, minutes, and reports shall be marked as “Confidential,” as they may contain confidential proprietary, investigatory, self-critical analysis or attorney-client privileged information, and have been prepared with the expectation that they would be kept confidential and be consistently maintained as confidential.

20) The discussions held at ECC meetings may involve confidential investigatory information and other confidential information subject to the confidentiality protections set forth in N.Y. Not-For-Profit Corp. Law § 715-b[b][1] and 10 NYCRR § 521.3[c][4].

21) Any information permitted to be disclosed outside of the Committee under this subdivision shall be limited to the minimum necessary

IX. CONDUCT OF MEETINGS

Meeting Schedule

22) The ECC will meet as needed but in no event less than on a quarterly basis, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this Charter. All Committee members are expected to attend each meeting in person or via telephone or video conference, with the expectation that every effort be made to attend in person.

Preparation of Meeting Agendas and Supporting Documents

23) Meeting agendas and supporting documents will be prepared for every meeting by the Chair of the ECC or his/her designee.

Official ECC Actions

24) All official actions taken by the Committee must be approved by a majority of a quorum of the ECC members present at an ECC meeting. For purposes of this Charter, a

¹² Nothing contained in this Charter shall be in any way construed to suggest that Committee members are prohibited from reporting unresolved compliance issues to Government officials as authorized under Applicable Law or Nuvance Health’s internal policies.
quorum is a majority of the voting members of the ECC and does not include any vacant Committee seats.

25) Any action which may be taken at a meeting of the ECC may be taken without a meeting if a consent in writing, setting forth the action so taken, or to be taken, shall be signed by all members of the ECC entitled to vote with respect to the subject matter of such meeting. Such consent shall be filed with the minutes of the next convening meeting of the ECC.

26) Any official action taken by the ECC that may materially affect the Program on a whole must also be approved by the Audit and Compliance Committee of the Nuvance Health Board of Directors.

27) Notwithstanding anything stated hereunder to the contrary, nothing contained herein shall be in any way construed to alter, limit, abridge, restrict or otherwise affect the CCO’s day-to-day Program, reporting, and ethical responsibilities as outlined and required under Applicable Law, Nuvance Health internal policies and procedures, and the Code of Ethics applicable to compliance, audit, privacy, and anti-fraud professionals.

Minutes/Recording Secretary

28) Minutes will be recorded to document all formal actions taken by the ECC. Unless otherwise designated by the CCO, the Deputy Chief Compliance Officer or the Administrative Coordinator of the Corporate Compliance Office shall serve as recording secretary of ECC.

29) Pursuant to the Health Quest CIA, the minutes of the ECC meetings shall be made available to the OIG upon request.

X. ESTABLISHMENT OF ECC SUBCOMMITTEES, AD HOC COMMITTEES, AND TASK FORCES

Establishment of Subcommittees of the ECC

30) The ECC, by official action, may establish Subcommittees, ad hoc committees, and taskforces as it deems necessary to carry out the purposes of the Committee. Examples of Subcommittees that the EEC may wish to consider establishing are as follows:

- Compliance and Quality;
- Labor and Employment/Human Resources;
- Human Subject Research;
- Privacy, Security and Record Management;
- Compliance, Billing and Finance;
- Physician Transactions;
- Home Care Specific Compliance Committee;
- Medical Group Specific Compliance Committee(s); and
- Hospital/Nursing Home Specific Compliance Committees.

Special Committees and Task Forces

31) The ECC may establish ad hoc committees as necessary to carry out its responsibilities under this Charter.

32) The CCO may establish taskforces of the ECC or other Nuvance Health leadership to investigate matters or to further develop compliance initiatives. Such task forces can also be established to address potential problems identified by the CCO or ECC. The members of an established taskforce may vary depending upon the issue and matter being reviewed, assessed or otherwise addressed.13

Report to the ECC

33) All activities carried out by the Subcommittees, ad hoc special committees or taskforces described above shall be reported back to the ECC.

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