

Missouri

Compliance Program: Code of Conduct

This is a supplement to Kindred's Employee Handbook for employees who work in Missouri. As stated in our Employee Handbook, the federal False Claims Act and similar state laws assist the federal and state governments in combating fraud and recovering losses resulting from fraud in government programs, purchases and/or contracts. These laws are some of the most important laws that govern our business. Like the federal False Claims Act, the Missouri Medicaid fraud laws impose liability on persons or companies that make or cause to be made false or fraudulent claims to the government for payment or who knowingly make, use or cause to be made or used, a false record or statement to get a false or fraudulent claim paid by the government. These Missouri laws apply to Medicaid reimbursement and prohibit, among other things:

- Billing Missouri's Medicaid program for services or goods not provided;
- Billing Missouri's Medicaid program for undocumented services;
- Making inaccurate, false or improper entries in medical records, cost reports and any other records used to support reimbursement;
- Billing Missouri's Medicaid program for medically unnecessary services;
- Characterizing non-covered services or costs in a way that secures reimbursement from Missouri's Medicaid program;
- Assigning an incorrect code to a service in order to obtain a higher reimbursement;
- Failing to seek payment from beneficiaries who may have other primary payment sources;
- Participating in kickbacks and rebates;
- Altering, falsifying, destroying, or concealing medical records, income and expenditure reports or any other records that support Medicaid reimbursement.

Civil and Criminal Penalties for False Claims or Statements

A violation of these Missouri laws may result in restitution of any improper payment and a civil penalty of \$5,000 to \$10,000 for each false statement, plus three times the amount of damages, and potential suspension or termination from the Medicaid program. In addition, any person who violates these laws may be guilty of crimes punishable by imprisonment for up to seven years and a fine not to exceed \$10,000 for corporations or \$5,000 for individuals or double the corporation's or individual's gain from the crime.

Civil Lawsuits

Currently, unlike the Federal False Claims Act, Missouri law allows civil lawsuits to recover monetary damages to be filed only by the state government and not by private citizens or employees. There is no provision for a private citizen to share a percentage of any monetary recoveries.

No Retaliation

Like federal law and Kindred policy, various Missouri anti-retaliation laws prohibit public and private employers from harassing, dismissing or retaliating against an employee because of his/her lawful participation in a disclosure of a suspected violation of laws, ordinances or regulations or due to his/her testimony in any administrative or judicial proceeding arising from such disclosure. Missouri's public employee protection laws provide for both administrative and civil remedies for public employees including monetary awards for actual damages and reasonable attorney fees.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of Kindred's Code of Conduct or regulatory violation, or (2) refused to violate Kindred's Code of Conduct or a government law or regulation, will be subject to disciplinary action up to and including separation of employment. See Kindred's Concern Resolution Procedure in the Employee Handbook for information on reporting concerns.

Copies of Missouri Laws

The Missouri laws summarized above include: (1) Medicaid fraud laws, Mo. Rev. Stat. §§ 191.900 to 191.910; and (2) Whistleblower laws, Mo. Rev. Stat. § 105.055 (public employees) and §§ 198.070.11, 198.090.14, and 660.300.11 (private employees in certain health care facilities). If you have questions about any of these requirements, you may contact Kindred's Compliance Hotline at 1-800-359-7412. This summary and others are also posted on Kindred's external web site, www.kindredhealthcare.com, and Kindred's intranet site (KNECT) under the Compliance home page.