



Compliance Program Description

Compliance and Ethics at Leon Health, Inc.

Compliance Every Day

Dear Associate,

Leon Health, Inc. ("LH") is committed to maintaining the highest ethical standards in the conduct of our day-to-day business. The key to achieving those standards is in the daily decisions and actions of all LH associates. All associates, in every phase of their career with LH should embrace compliance every day by doing the right thing, in the right way, at every turn for the right reasons. Your commitment to that philosophy makes you the key to the integrity of LH.

The Board of Directors and the executive team of LH is committed to promoting a culture of compliance in an environment where all associates, via a written Compliance Plan and a Code of Conduct, can understand their individual role in promoting compliance and workplace ethics.

The goal of the LH Compliance Plan includes the overall individual and enterprise accountability of associates, to effectively identify and address risks to the business by understanding compliance with the contractual and regulatory requirements in all phases of LH business and operational practices.

To achieve this goal, the scope of LH Compliance Plan will focus on the compliance priorities and critical elements contained in the United States Office of the Inspector General (OIG) Seven Fundamental Elements of an Effective Compliance Program.

We provide several ways for LH associates to report potential violations of law, regulations, or company policy. An important part of our Compliance Plan is providing our associates with an Ethics and Compliance Help Line. The Help Line can help you get answers to questions and situations that you may encounter as well as reporting potential violations. The Help Line assures that an associate may remain anonymous if he or she wants to do so. No associate can be retaliated against for making a good faith report.

With your help by incorporating Compliance Every Day; by doing the right thing, in the right way, at every turn, LH will set the industry standard by demonstrating that achieving and maintaining high ethical standards is not only the right thing to do but that it's also a good business practice.

Sincerely,

Leon Health, Inc.

Doing the right thing for the right reasons

Goal of the Compliance Plan

Just like coming to a complete stop at a STOP sign, doing the right thing for the right reason means being ethical even when no one is watching. Leon Health, Inc. ("LH") is committed to creating a workplace environment in which acting ethical becomes the guiding principle modeled by each associate, every day.

Embracing this principle will enable LH associates in the proactive identification of and reaction to risks that can have an adverse impact on the business objectives of the plan. The LH Compliance Plan reinforces the Organizations compliance culture where integrity and professionalism are not only encouraged but expected in all business functions. Associates, through the use of the Help Line or through communication with their upstream leaders and/or the Health Plan Compliance Officer are expected, without fear of retaliation, to participate in providing remedies to instances of misconduct or non-compliance that are inconsistent with Leon policies.

This responsibility does not end only with LH. The expectation that associates are engaged with the same level of integrity and professionalism is applicable to all LH downstream and related entities, ex:the community, government agencies and contractual and regulatory requirements.

The scope of the Compliance Plan includes both internal and external requirements. LH is committed to comply with all federal and state standards. As the LH Compliance Officer and with the support of the Board of Directors, it is my responsibility to oversee the effectiveness of the LH Compliance Plan.

LH supports an effective Compliance Plan and believes that the support required maintaining the effectiveness of the Plan resides in the collective effort of the board members, senior leaders, and all associates in recognition of their individual responsibility to implement the Seven Fundamental Elements of an Effective Compliance Program.

Thank you,

Compliance Officer
Leon Health, Inc.

Medicare Compliance Program

As stated in 42 CFR 422.503(b)(4)(vi) and 42 CFR 423.504(b)(4)(vi), Leon Health, Inc. ("LH") has adopted and implemented a compliance program for its Medicare Advantage business. The program provides a proactive and comprehensive approach to ensure full compliance with all applicable federal and state requirements.

LH's Medicare compliance program incorporates the seven core elements of an effective compliance program. It includes measures to prevent, detect and correct noncompliance with Centers for Medicare and Medicaid Services (CMS) program requirements, and measures to prevent, detect and correct fraud, waste and abuse (FWA). This program defines expectations for ethical and proper behaviors for employees and others conducting the Medicare line of business for Leon.

A critical factor in the success of this program is an environment committed to a culture of compliance throughout the organization that requires engagement, support and communication among Leon's employees, senior executives, and Board of Directors. This fundamental aspect, along with the other key elements and core functions of the Medicare compliance program, are described in this compliance plan.

Definitions

Abuse – occurs when an individual unintentionally takes an action that may, directly or indirectly, result in unnecessary costs to the Medicare program by causing the individual or entity to receive a higher payment than he, she, or it is entitled to receive.

Board Committee – means the Corporate Compliance Committee comprised of LH’s CEO, Senior Vice President of Operations, President, Board members, Compliance Officer, and other members of management selected by the Board which meets quarterly to discuss corporate compliance initiatives, reports of noncompliance, compliance actions, auditing and monitoring reports, and any other compliance topics applicable to Medicare Advantage (Part C), Medicare Prescription Drug (Part D), and Medicaid lines of business.

Claim – Includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the United States Government provides any portion of the money or property which is requested or demanded, or if the Government will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

Contractor – means any entity that provides services to LH pursuant to the terms of a written agreement. Additionally, for the purposes of this plan, the term contractor includes subcontractors with whom the contractor subcontract work relating to the Medicare Advantage (Part C) and/or Prescription Drug (Part D) plans. This term shall expressly include, but not be limited to first-tier, downstream, and related entities.

Delegated Entity – means any entity that LH determines meets the definition of a first-tier, downstream or related entity. See First-Tier Entity, Downstream Entity, and Related Entity definition for additional detail.

Downstream Entity – as defined by 42 C.F.R. Section 423.501, means any party that enters into an acceptable written arrangement below the level of the arrangement between LH and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of health and/or administrative services.

Employee – means any full time, part time, or temporary employee of LH who works directly or indirectly on the Medicare Advantage and/or Prescription Drug (Part D) plans. Additionally, for the purposes of this plan, the term employee includes volunteers who work directly or indirectly on the Medicare Advantage and/or Prescription Drug plans.

Federal Health Care Offense – means a violation of, or a criminal conspiracy to violate any of the provisions set forth under Section II.A. if the violation or conspiracy relates to a health care benefit program.

Federal Health Care Program – as defined at 18 U.S.C. Section 241320a-7b(f), includes any plan or program that provides health benefits to any individual, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government or state health care program, including but not limited to, Medicare, Medicaid, Veterans Administration, Federal Bureau of Prisons, and Indian Health Service, but not excluding the Federal Employees Health Benefit Program.

First-Tier Entity – as defined by 42 C.F.C. Section 423.501, means any party that enters into a written arrangement with LH to provide administrative services or health care services for a Medicare eligible individual.

Fraud – means an intentional deception or misrepresentation that the person knows to be false or does not believe to be true, and that the individual makes knowing that the deception could result in some unauthorized benefit to herself, himself, or some other person.

Health Care Benefit Program – as defined at 18 U.S.C. Section 24(a), includes any public or private plan or contract for the provision of any medical benefit, item, or service to any individual.

Knowingly – as defined in 31 U.S.C Section 3729(b), means that a person, with respect to information (1) has actual knowledge of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

Operational Committee – means the Corporate Compliance Committee comprised of operational business area management which meets monthly to discuss corporate compliance initiatives, reports of noncompliance, compliance actions, auditing and monitoring report, and any other compliance topics applicable to Medicare Advantage (Part C), Medicare Prescription Drug (Part D), and Medicaid lines of business.

Related Entity – as defined by 42 C.F.R. Section 423.501, means any entity that is related to LH by common ownership or control and;

1. Performs some of LH's management functions under contract or delegation;
2. Furnishes services to Medicare enrollees under an oral or written agreement; or
3. Leases real property or sells materials to LH at a cost of more than \$2,500 during a contract period.

Waste – means the inappropriate or inefficient utilization of services or resources.

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Key Compliance Requirements

The LH Compliance Program includes the seven compliance elements that are:

1. LH maintains written compliance policies and procedures and a Code of Conduct that articulate
2. LHs' commitment to ethics and to comply with all applicable Federal and State standards.
3. LH designates the oversight of compliance to a member of Sr. Leadership who is accountable to the CEO and the Board of Directors. This Sr. Leader will act as the Compliance Officer for LH. This function may not be delegated or subcontracted.
4. LH provides effective training and education on compliance for all associates.
5. LH maintains effective lines of communication between the Compliance Officer and associates including the Executive Team and our First-Tier, Downstream and Related Entities (FDRs).
6. LH enforces standards through well-publicized disciplinary guidelines that are approved by the Executive Team.
7. LH effectively monitors and audits its internal and any delegated operations in accordance with all Federal and State standards.
8. LH maintains a comprehensive system to ensure prompt response to detected offenses and development of corrective action plans to detect, correct and prevent fraud, waste, and abuse. This includes procedures for ensuring a prompt response to detected offenses relating to its contracts, and a timely, reasonable inquiry upon discovery of evidence of misconduct related to services under the contract. LH also develops and conducts appropriate corrective actions in response to identified violations.

These seven elements are the foundation of this effective Compliance Program. The senior management, all associates, and FDRs are required to complete training within 90-days of hire and annually thereafter and are committed to the requirements and processes of this Compliance Plan.

Written Policies, Procedures and Standards of Conduct

LH has developed clearly written policies & procedures that support the Organization's commitment to comply with all state and federal standards. These policies include operational guidance, including "real life" examples of frontline teams that describe "how" the requirement or standard is operationalized to perform a required task. Because regulatory and other requirements can change, policy review is conducted when new regulatory guidance is released, and at least annually. Policy reviews are conducted by the Compliance Committee with oversight from the Compliance Officer and Department Key Subject Matter Experts.

LH maintains a Code of Business Conduct and Ethics ("The Code"). The Code provides a guide that explains roles within the Organization and how the individual roles interact both internally and externally.

The Code provides a resource for an associate that communicates the expectation associates are responsible for in fostering a culture of ethical behavior. To support the expectations outlined in the Code and to assist associates in evaluating situations to make the right decisions the following topics are included:

- Respect for the Individual
- Adherence to Confidentiality
- Conflict of Interest
- Records Information Management
- Fraud Waste & Abuse
- Private Practice
- Solicitation
- Use of Organization Name

Copies of the policies and procedures that support the Medicare Compliance Plan are made available to all newly hired associates within 30 days of hire or contracting and to all associates within 30 days after a material change.

Fraud Waste & Abuse

LH maintains a Fraud, Waste, and Abuse Prevention and Detection Plan (“FWA Plan”) that demonstrates the Company’s commitment to prevent, detect, and correct incidents that could lead to fraud, waste, and abuse (“FWA”).

Fraud refers to any “intentional” act committed to secure an unfair or unlawful gain. Abuse is a broad concept that refers to an activity that is not consistent with accepted business, medical or fiscal standard practices. Waste involves the overutilization of services, or other practices that create unnecessary costs.

Identification of Fraud, Waste and Abuse

Listed below are examples of fraud, waste, or abuse, which are included in the annual FWA training:

Marketing Schemes: Violation of the Medicare Advantage marketing guidelines, or other federal or state laws, rules, and regulations to improperly enroll beneficiaries. Examples of such violations include, but are not limited to:

- Offering Medicare beneficiaries, a cash payment as an inducement to enroll.
- Unsolicited door-to-door marketing.
- Use of unlicensed agents.
- Enrollment of beneficiary without their knowledge or consent.
- Stating that a marketing agent/broker works for or is contracted with the Social Security Administration or CMS.

- Misrepresenting the product being marketed as an approved Part D Plan when it is a Medigap policy or non-Medicare drug plan.
- Misrepresenting the Medicare Advantage or Prescription Drug Plan being marketed (e.g., enrolling Medicare beneficiaries in a MA-PD when they wanted a PDP).
- Requesting financial beneficiary information or check numbers (i.e., potential identity theft by a Part D Plan's marketing agents).
- Requiring beneficiaries to pay up front premiums.
- Inappropriate Enrollment/Disenrollment
- Adverse selection: Selecting or denying beneficiaries based on their illness profile or other discriminating factors.
- False information: Misrepresentation or falsification of information it furnishes to Medicare beneficiaries or to an individual under the Part D drug benefit program.
- Bait and switch pricing: When a beneficiary are led to believe that a drug will cost one price, but at the point of sale the beneficiary is charged a higher amount.

Upon hire, individuals must agree to comply with and complete all mandatory FWA training courses. Actual or suspected fraud or other misconduct is a violation of the LH Code of Conduct. It is the duty of all associate or affiliates acting on behalf of LH to report actual or suspected misconduct. If an associate or an affiliate is contacted by law enforcement or other government agencies, such contact should immediately be reported to the Legal Department and to the LH Compliance Officer.

All employees must receive FWA training within 30 days of initial hiring (or contracting date in the case of FDRs), and annually thereafter. Additional, specialized or refresher training may be provided on issues posing FWA risks based on the individual's job function (e.g., pharmacist, statistician, customer service, etc.).

Training may also be provided:

- upon appointment to a new job function
- when requirements change
- when employees are found to be noncompliant
- as a corrective action to address a noncompliance issue
- when an employee works in an area implicated in past FWA.

Privacy Practices (HIPAA/HITECH)

LH is committed to complying with federal, state and any rule or regulation associated with the privacy of protection of health and financial information. The HIPAA Privacy Rule provides federal protections for individually identifiable health information by covered entities and their business associates and gives LH members an array of rights with respect to that information.

The LH's Compliance Officer manages the Organization's Privacy Policies. The role of the Compliance Officer in this capacity is to provide updates applicable to federal and state laws and regulations and to provide an initial New Hire and thereafter an annual Privacy Training. Additionally, the Compliance Officer's role as a Privacy Officer is responsible for ongoing education to LH associates on the importance of physical safeguards and reporting processes for potential privacy incidents. Policies that support the Leon Privacy Program include (ex.):

- Accounting for Disclosure,
- Additional Privacy Protections,
- Amending a Record,
- Authorizations,
- Breach Notification,
- Business Associate Agreements,
- Complaint Procedures,
- Individual Access to Personal Health Information,
- Individual Consent,
- Marketing,
- Minimum Necessary,
- Quality Assurance Records and HIPAA,
- Staff Confidentiality,
- Protected Health Information

Designating a Compliance Officer and a Compliance Committee

The Compliance Officer (CO) reports directly to the Chief Executive Officer (CEO) and has unfiltered, direct access to the Board of Directors. The CO is a full-time associate employed by LH, Inc. and is responsible for the day-to-day operation and oversight of the Compliance Plan/Program; and on behalf of the Compliance Committee will provide periodic reports to the Board of Directors on the activities and status of the compliance program. The activities reported will include but not be limited to compliance metrics, audit status, issues reported via the Corporate Compliance Hotline as well as all other reported issues that were investigated and resolved by the compliance program. Unresolved issues will also be reported with a description of the identified risk and risk status to LH.

The Compliance Officer will have adequate authority and resources to run the Compliance Program. The LH Compliance Committee is comprised of various members from the Board of Directors, Chief Legal Officer and the Compliance Officer. This Committee has full decision-making authority for the Organization as it relates to compliance. The Compliance Committee is responsible to ensure sufficient funding and support for LH's Compliance Program. Additionally, this group is responsible for monitoring significant issues and risks as identified by the Compliance Officer and the Compliance Committee. The Compliance Committee is accountable to LH's Board of Directors. The Compliance Officer meets quarterly with the Board of Directors in which discussions pertain to the outcomes of the Compliance Committee.

The CO will establish and act as the facilitator for a Compliance Committee (CC); the CC will be chaired by the CO. The CC will be comprised of LH front-line leaders that include Executive Operations Team and the Operation Team. The purpose of the CC is to ensure that the Compliance Officer has a detailed involvement with the operational activities of LH. Together and with the support of the Board of Directors, CEO and CO the individual members of the Compliance Committee will be responsible for the implementation and oversight of the Corporate Compliance Plan. The Compliance Committee will meet on a quarterly basis.

Conducting Effective Training and Education

LH's New Hire and Annual Compliance Training is the cornerstone of the Organization's Compliance Plan. This training is required by all LH associates including the CEO and Board of Directors. This training is also required for temporary workers, volunteers and those entities contracted via a Business Associates Agreement and/or other related groups or individuals identified as first tier, downstream and related entities.

The successful completion of LH Compliance Training is required as an ongoing condition of employment. New Hire Compliance Training must be completed within the first 30 days of the associates, temporary worker or volunteers effective start date of employment, or appointment to the Board. Associates completing the Annual Compliance Training requirement will have 60 days from the initial training notification to complete training; this includes non-deemed LH FDR's. The CO will ensure that general Compliance and FWA Training is completed by LH's FDR's. Exceptions to the Compliance Training requirement can be submitted for review to the Compliance Officer. Associate's that are not working due to family medical leave (FMLA), disability, and/or worker's compensation during the annual training period will have 30 days upon return to complete the required Annual Compliance Training. Regular paid time off is not considered as an exception to the training requirement.

Compliance Training is an ongoing activity. Remember, all associates are responsible for the effectiveness of LH Compliance Program. As primary concerns of the OIG, ongoing training will focus on Fraud Waste & Abuse (FWA) and HIPAA. The CO will be responsible for developing an ongoing training series to provide education to all associates. Additionally, specific Compliance Training will be available to associates with regard to FWA risks based on job function. The CO will utilize surveys and/or other tools to solicit feedback on training and on the Compliance Program.

As with the New Hire and Annual Compliance Training, the training content will be reviewed and updated to reflect changes in law and regulatory policy. Examples of the subject matter that will be the focus of ongoing training will include but not be limited to:

- Anti-Kickback Statute (AKS)
- False Claims Act
- Corporate Compliance Hotline and how to report suspected or detected non-compliance.
- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Protecting PHI in the field

The CO will be responsible for the ongoing training of themselves and their staff(s) by attending conferences and webinars, subscribing to publications and OIG's email list, monitor OIG's website, and network with peers to stay up-to-date and get ideas. Training related documents will be maintained by LH for a period of ten (10) years. It will be the responsibility of the CO to ensure that LH's FDR's maintain records of their Compliance and FWA training activities for their associates for ten (10) years. Examples of training material include but is not limited to:

- Training Agendas
- Attendance
- Assessments including individual Assessment Scores.

The annual general compliance training program includes information regarding the following:

- A description of the compliance program, including a review of compliance policies and procedures, the code of conduct, and the organization's commitment to business ethics and compliance with all statutory, regulatory, and Medicare program requirements.
- Pertinent laws related to fraud and abuse (e.g., Anti-Kickback statute, False Claims Act, etc.), including a discussion of Part D vulnerabilities as identified by LH, CMS, the OIG, the Department of Justice, and other organizations.
- Identification of FWA, and the processes for detection, correction, and prevention of FWA.
- Overview of system or process to ask compliance questions, request compliance clarification or report potential non-compliance. Training emphasizes confidentiality, anonymity, and non-retaliation for compliance related questions or reports of potential non-compliance.
- Review of the disciplinary guidelines for non-compliant or fraudulent behavior which results in mandatory retraining and may result in disciplinary action, including possible termination when such behavior is serious or repeated or when knowledge of a possible violation is not reported.

- Attendance and participation in formal training programs as a condition of continued employment, and a criterion to be included in associate evaluations.
- Review of policies related to federal regulations, such as the laws addressing fraud and abuse or gifts and gratuities for government associates.
- Review of potential conflicts of interest and LH's disclosure/attestation system.
- Overview of HIPAA and the importance of maintaining the confidentiality of Personal Health Information (PHI).
- Overview of the monitoring and auditing work plan of the organization.

Compliance as an Element of Performance

The promotion of, and adherence to, the elements of this Compliance Program is a factor in evaluating the performance of all LH associates. Associates will be periodically trained regarding the Compliance Program, and new compliance policies and procedures that may, from time to time, be adopted. All LH associates must:

- Comply with this Compliance Program, which is a condition of continued employment/contracting.
- Disclose to all supervised personnel and contractors that disciplinary action will be taken, up to and including termination of employment or contractor status, for violation of this Compliance Program.

Attendance and participation in the general and specific compliance training programs is a condition of continued employment. Failure to comply with training requirements will result in disciplinary action, including possible termination.

The Compliance Officer will ensure that records of compliance training, including attendance logs and copies of materials distributed at training sessions, are maintained for ten (10) years.

Developing Effective Lines of Communication

A primary role of the CO is to ensure a culture of compliance and compliance awareness within LH. Compliance every day is accomplished through the messaging delivered by the CO and by the visible presence of CO in the operational areas of the organization. LH has established effective lines of communication between the Compliance Officer and the management team that at a minimum include a mechanism to ask questions, seek clarification, and report potential or actual non-compliance without fear of retaliation, while ensuring confidentiality. LH has a system to receive, record and respond to instances of potential compliance and FWA issues that are identified by beneficiaries, associates, subcontractors. Confidentiality is maintained, allowing anonymity if desired and without retaliation.

Additionally, LH provides resources that enable associates to have open lines of communication between the CO and the associates to ensure easy access to ask questions and/or report compliance concerns. Examples of how to communicate are:

LH Compliance Hotline posters, LH website, the Compliance Plan, LH Compliance Training, emailTIP's, confidential contact to the CO.

Utilizing the resources listed above is confidential and allow anonymous reporting. Reporting via the dedicated Compliance Hotline and to the Compliance Officer is available 24 hours a day.

All associates have the responsibility to comply with applicable laws and regulations and report any real or perceived acts of non-compliance.

LH understands that the willingness to report potential compliance violations is reduced if there is a belief that the individual will be subject to retaliation or retribution. Anyone who reports, in good faith, an alleged act of misconduct will not be subject to retaliation or retribution. Anyone engaging in retaliatory activity is subject to discipline, up to and including termination.

The Compliance Officer will thoroughly review, evaluate, and respond to allegations of misconduct, concerns and/or inquiries made. All allegations will be investigated and verified before any action is taken.

Disciplinary action may be taken for, but not limited to, any of the following circumstances:

- Authorizing or participating in actions that violate the Code of Conduct or company's policies and procedures.
- Failing to report a possible violation of the Code of Conduct.
- Refusing to cooperate in the investigation of a potential violation.
- Disclosing confidential information about an investigation.
- Retaliating against an individual for reporting a potential violation.
- Making intentional false reports of misconduct or violation of the Code of Conduct.

The nature of any disciplinary action will depend on the nature of the violation and the circumstances involved.

Conducting Internal Monitoring and Auditing

The CO is responsible for the implementation of a comprehensive and effective process for the internal and external monitoring and identification of compliance risks. This process is inclusive of risk-based assessments provided by applying specialized targeted techniques or stratified sampling methods driven by data mining, complaint monitoring and aberrant behavior. These assessments include specific regulations and requirements for which LH is held accountable by both state and federal regulators; compliance will be assessed with internal processes and procedures. The CC members have the subject matter experts to assess the regulations and requirements specific to the identified department; this assessment will include first tier entities for audits. It is the responsibility of LH to determine and notify delegated entities (and their associates) who have been properly identified as FDR's that they are subject to Medicare compliance requirements. An audit schedule will be established within the Annual Compliance Work Plan; the audit schedule will be regularly re-evaluated. Additionally, the Annual Compliance Work Plan will incorporate those items identified by the OIG in their published annual work

plans that are specific to LH operations. Audits will be based on “at risk” areas identified via assessments provided by the CC as well as risk identification identified by the CO’s networking and other compliance resources to get ideas by seeing what others are doing. Sample size for conducting audits will be determined by the CO. It will be the responsibility of the lead auditor to extrapolate audit findings to the full universe. This will be accomplished by using statistically valid methods that comply with generally accepted auditing standards.

Additionally, the CO is responsible for OIG/GSA Exclusion Screening. The OIG’s List of Excluded Individuals/Entities (LEIE) provides information to the health care industry, patients and the public regarding individuals and entities currently excluded from participation in Medicare, Medicaid and all other Federal health care programs. Individuals and entities who have been reinstated are removed from the LEIE. Exclusion Screening is required before hiring any new associate, temporary worker, volunteer, contractor, supplier, or any entity or individual that would be collecting/receiving payment from Leon. Exclusion screening must be conducted prior to hiring and monthly thereafter.

The CO will also utilize the sampling techniques referenced in the “OIG’s Provider Self-Disclosure Protocol” (SDP) as a resource for internal monitoring.

Enforcing Standards through Well Publicized Disciplinary Guidelines-Prompt Response to Detected Offenses

LH supports a compliant culture by maintaining well publicized disciplinary guidelines and has established procedures for promptly responding to compliance issues as they are raised. Issues identified are promptly and thoroughly addressed to reduce the potential for recurrence and ensure ongoing compliance with CMS requirements. These policies are clearly written and easily accessible and available in ex; the Employee Handbook, Organizations Website/SharePoint site. LH disciplinary policies are clear and apply to all associates.

Human Resources together with the CO maintain and communicate disciplinary policies. As with other important documents, policies can change with revisions to law or governing regulations. Disciplinary policies undergo annual reviews; changes necessary to these policies outside of a scheduled review will be disseminated to all associates accordingly.

Business partners and first tier, downstream and related entities are responsible for complying with LH’s Policies and Procedures. Potential disciplinary action for violations could include Corrective Action Plans (CAP), retraining related to the identified violation or termination of the contract with the individual/entity. External individuals/entity will have access to disciplinary policies upon execution of the individual business agreement or contract.

It is LH policy to render appropriate discipline for failure of any Company personnel to comply with the Code of Conduct, policies, and procedures set forth in, or adopted pursuant to this Compliance Program or any Federal or State laws or regulations.

The guiding principles of this disciplinary policy include the following:

- Intentional or reckless noncompliance should subject personnel to significant sanctions, which may include verbal warnings, suspension, or termination of employment, depending upon the nature and extent of the non-compliance.

- Failure to comply with the policies and procedures set forth in this Compliance Program, or with other applicable laws, which could also result in sanctions for the company.
- Disciplinary action should be taken where a responsible associate fails to detect a violation, where such failure can be attributed to their negligence or reckless conduct.
- Internal audit or review may lead to discovering violations and could lead to disciplinary action.
- All levels of associates are subject to the same disciplinary action for the commission of similar offenses. Because LH takes compliance seriously, we must respond to personnel misconduct.

Responding Promptly to Detected Offenses and Undertaking Corrective Actions

LH has developed policies and procedures, processes, and systems for the identification of and response to compliance issues. Utilizing the tools in place to conduct timely investigations of identified issues, to proactively conduct self-assessments of business practices (self-reporting) and adherence to regulations and law is the most effective method to demonstrate to our regulators our commitment to compliance.

LH commitment to investigate allegations of noncompliance including allegations of fraud and misconduct is to initiate an investigation within 1-2 business days for when Leon becomes aware of the alleged misconduct. Investigations of FWA are concluded within a reasonable amount of time. LH also can self-report identified instances of misconduct (see SDP). LH expects all associates to ensure policies are adhered to and to raise concerns via the Compliance Hotline and/or the other communication resources referenced in the Code available when a compliance issue is suspected. Serious issues of noncompliance and potential FWA will be referred to the NBI MEDIC and or CMS.

The CO is committed to the enforcement of Policies & Procedures and the prompt response to Compliance issues. The CO will act promptly and take appropriate corrective action. The CO will ensure that noncompliance or FWA committed by LH associates is documented and includes ramifications should the associate fail to satisfactorily implement the corrective action; this requirement is also applicable to noncompliance of FWA committed by FDR's. The CO will develop and be responsible for creating a system or process to track the resolution of complaints; additionally, the CO will maintain documentation of all compliance deficiencies identified and the corrective actions taken. The CO will conduct ongoing monitoring of corrective action plan (CAP) post implementation to ensure the effectiveness of the CAP. The CO is responsible to ensure that corrective actions are taken by LH first tier entities; additionally, the LH CO is responsible to monitor the FDR post implementation of a CAP to ensure that the CAP is effective.

Policies will be enforced consistently through appropriate disciplinary actions.

Discipline Procedures

Any associate found to have violated any provision of this Compliance Program shall be subject to discipline in a manner consistent with the policies set forth herein, including verbal or written warnings or reprimands, suspensions, terminations, or financial if deemed appropriate by the company and the Human Resources Department. Any disciplinary action taken will be timely, consistent, and effective enforcement of standards when non-compliance or unethical behavior is detected.

In severe and or repeated cases, coordination with the responsible Department Director and Director of Human Resources and Compliance Officer shall take place to discuss progressive discipline including the possibility of immediate termination. The Human Resources Department is a key element in this process. Human Resources policies establish the degrees of disciplinary actions that may be imposed upon associates for failing to comply with the organization's policies and applicable statutes and regulations.

Upon determining that an associate has committed a violation of this Compliance Program, said associate shall meet with their supervisor to review the conduct that resulted in violation of the Compliance Program.

The associate and supervisor will contact the Compliance Officer to discuss any actions that may be taken to remedy such violation. All associates are expected to cooperate fully with the Compliance Officer during the investigation and in the resolution of the violation. Legal counsel should be consulted prior to final actions or punitive measures.

Disciplinary action may be taken for, but not limited to, any of the following circumstances:

- Authorizing or participating in actions that violate the Code of Conduct or any of LH's policies and procedures.
- Failing to report a possible violation of the Code of Conduct.
- Refusing to cooperate in the investigation of a potential violation.
- Disclosing confidential information about an investigation.
- Retaliating against an individual for reporting a potential violation.
- Making intentionally false reports of misconduct or violation of the Code of Conduct. The nature of any disciplinary action will depend on the nature of the violation and the circumstances involved.

To encourage the reporting of incidents of potential or actual violation of compliance or FWA, LH will:

- Include compliance guidelines as a regular topic at department staff meetings.
- Post information about FWA and reporting methods on the organization's intranet site. This information is provided to leadership, associates, and any subcontractors.
- Disseminate, among its associates, the procedures to ask compliance questions, or make reports of potential or actual noncompliance to the Compliance Officer.

The Compliance Officer, the Compliance Committee and the Board of Directors are responsible for fostering a culture of compliance supported by the effective implementation of the LH's Compliance Plan. This Compliance Plan is reviewed and approved by the plan's legal and compliance team annually. Any significant changes will be reported to the compliance committee and board.

REVISION HISTORY

Date	Revision #	Description of Change
09.09.19	1.0	Board Approval
02.12.21	2.0	Annual Review
06.10.22	3.0	Annual Review
10.04.23	4.0	Annual Review