

Connecticut

Compliance Program: Code of Conduct

This is a supplement to Kindred's Employee Handbook for employees who work in Connecticut. 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, Connecticut laws, specifically the Vendor and General Assistance Program fraud laws, imposes 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 Connecticut laws apply to Medicaid reimbursement and prohibit, among other things:

- Billing Connecticut's Medicaid program for services or goods not provided;
- Billing Connecticut'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 Connecticut's Medicaid program for medically unnecessary services;
- Characterizing non-covered services or costs in a way that secures reimbursement from Connecticut'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 Connecticut laws will result in repayment of the fraudulent amounts and, upon conviction, permanent exclusion from the Medicaid program. In addition, any person who violates these laws may be guilty of crimes punishable by imprisonment for up to 20 years and a fine up to \$15,000.

Civil Lawsuits

Currently, unlike the Federal False Claims Act, Connecticut law allows civil lawsuits to recover monetary damages to be filed only by the state government and not by private citizens or employees. A private citizen may, however, share up to 15% percent of any amounts recovered by the state as a result of such person's report of vendor fraud.

No Retaliation

Like federal law and Kindred policy, various Connecticut laws, including Connecticut's public and private sector whistleblower laws, prohibit employers from retaliating, discriminating or harassing employees because of their lawful participation in a false claims disclosure or their refusal to assist employers in violating laws such as the Connecticut Vendor Fraud laws. These laws also provide for certain monetary awards and equitable relief to the prevailing plaintiff including compensation for lost wages and reinstatement to a former position.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of 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 Connecticut Laws

The Connecticut laws summarized above include: (1) Vendor fraud laws and penalties, Conn. Gen. Stat. §§ 53a-290 to 296 and § 17b-99; (2) General assistance program fraud and penalties, Conn. Gen. Stat. § 17b-127 and § 17b-238; (3) Reporting fraud incentives, Conn. Gen. Stat. § 17b-102; and (4) Whistleblowing laws, Conn. Gen. Stat. § 4-61dd and § 31-51m. 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.