Better Health for Northeast New York, Inc.

Corporate Compliance Program

Adopted by the Board of Directors February 2, 2017

I. Purpose and Scope of the Compliance Program

Better Health for Northeast New York, Inc. ("BHNNY") is committed to complying with the requirements of the Delivery System Reform Incentive Payment Program (DSRIP) and applicable federal, state, and local laws and regulations in all its activities. BHNNY has adopted a corporate compliance program (Compliance Program) to reflect its commitment to high ethical standards, to compliance with applicable legal requirements, and to a culture that supports prevention, detection and remediation of compliance concerns. The Compliance Program and this Compliance Plan have been designed to meet the requirements for compliance programs set forth in New York State Social Services Law § 363-d and applicable regulations.

This Compliance Plan provides an overview of BHNNY compliance procedures to structure, administer, enforce, and otherwise effectively implement the Compliance Program. This Plan lays out procedures to implement each element of the Compliance Program. The BHNNY Compliance Program will also be carried out in accordance with more detailed policies and procedures, as identified in Compliance Program documents.

The Board of Directors of BHNNY as the Lead Entity for the PPS, BHNNY staff and contractors (Staff) and Partner Organizations in the BHNNY network (Network) are required to comply with the Compliance Program. As used throughout this Plan, reference to "Partner Organization" includes the governing body members, staff and contractors of each organization that delivers health care services and will participate in the BHNNY DSRIP projects, or has signed a Partner Organization Agreement that covers participation in the BHNNY Network and projects.[1]

The BHNNY Compliance Program does not replace the compliance programs of the health care and social service providers who are our Partner Organizations. Instead, the BHNNY Compliance Program supplements the compliance programs and activities of our Partner Organizations, providing a Code of Conduct and compliance procedures that apply to the operations, activities, and projects of BHNNY as a Performing Provider System (PPS). Partner Organizations should continue to rely upon their own codes of conduct and compliance programs to set and implement high standards for ethical conduct and legal compliance within their own organizations and activities.

[1] "Partner Organization" as used throughout this Plan does not include community-based organizations that do not or will not receive DSRIP funds, provide services, or participate in a PPS project pursuant to a written agreement with Better Health for Northeast New York.

In addition to this Compliance Program, the BHNNY Board of Directors will adopt a Code of Conduct for BHNNY and its Partner Organizations. The Code of Conduct identifies principles and standards to guide implementation of the BHNNY Compliance Program and the conduct of BHNNY and our Partner Organizations.

II. Oversight and Implementation of the Compliance Program

A. Chief Compliance Officer

The BHNNY Chief Compliance Officer (CCO) is responsible for the day-to-day operation of the Compliance Program. The CCO reports directly to the BHNNY Chief Executive Officer and to the BHNNY Board, and will report about activities and findings of the Compliance Program to the BHNNY Audit and Compliance Committee. The CCO will report any significant compliance violations or concerns that arise to the BHNNY Board. The CCO will have direct access to BHNNY senior management and legal counsel and will have sufficient education, training, resources and authority to develop and manage an effective compliance program.

The Chief Compliance Officer will be responsible for implementing and managing the Compliance Program within BHNNY and across the Network of its Partner Organizations. These responsibilities will include: developing a program for compliance training related to the BHNNY Compliance Program for all Affected Persons and Partner Organizations; managing the Compliance Hotline and following up on complaints and compliance risks; managing or conducting audits, monitoring and investigations to identify and resolve compliance violations; developing corrective action plans in consultation with the BHNNY senior staff, Partner Organizations, and the Audit and Compliance Committee, as appropriate; proposing and managing sanctions for compliance violations, and such other responsibilities as are identified in Compliance Program documents or assigned from time to time by the Chief Executive Officer or the BHNNY Board. The identity of the CCO will be disseminated periodically to the BHNNY Staff and Partner Organizations.

B. Compliance Committee

The BHNNY Board appoints the members of the Audit and Compliance Committee. The Audit and Compliance Committee will be advisory to the BHNNY Board. It will oversee implementation and operation of the Compliance Program, review the annual compliance plan and budget and make a recommendation about adoption to the BHNNY Board, review the findings of compliance audits, reports, investigations and government enforcement actions, oversee the response to significant identified compliance concerns and violations, and carry out such other duties as specified in Compliance Program documents, or as identified from time to time by the BHNNY Board.

The Audit and Compliance Committee will meet as often as necessary, but in no event less than four times annually. Special, unscheduled meetings of the Audit and Compliance Committee may be held at the request of the BHNNY Board, Committee

Chairperson, the Chief Executive Officer, the Chief Compliance Officer, or three (3) members of the Audit and Compliance Committee. The Audit and Compliance Committee will report its findings to the BHNNY Board and will make recommendations for action by the BHNNY Board.

C. BHNNY Officers and Supervisors

The BHNNY officers and supervisors will assist the Compliance Officer in implementing the Compliance Program. In particular, management personnel will share responsibility in the following areas:

- Incorporating compliance as part of the employee and contractor evaluation process;
- Evaluating, developing, and maintaining compliance policies and procedures for the areas within the officer's or supervisor's responsibility; and
- Cooperating fully in any compliance investigation and remedial action.

D. Partner Organizations

Partner Organizations are responsible for implementing the Code of Conduct and Compliance Program, as applicable to the participation of their organizations, staff and contractors (Staff) in the BHNNY DSRIP projects and activities. In particular, Partner Organizations will:

- Comply with the BHNNY Compliance Program;
- Provide information and training to governing body members about the Code of Conduct and Compliance Program, and to all Affected Persons consistent with their involvement in the BHNNY projects and activities;
- Inform governing body members, Staff and patients about how they can report compliance violations and complaints, as appropriate, related to BHNNY operations, performance, and projects to BHNNY;
- Report violations of the Code of Conduct and compliance concerns related to BHNNY projects or activities;
- Cooperate fully with any investigation of compliance concerns by BHNNY and development of corrective action plans that apply to their conduct in participating in BHNNY PPS projects or activities; and
- Enforce compliance with the Compliance Program with appropriate discipline when violations occur.

III. Training and Education

BHNNY will provide compliance training to the BHNNY staff and governing body members and will provide training or training materials in written, video or digital format for Partner Organizations and their governing body members and staff, consistent with the need for training arising from their participation in BHNNY activities and projects. The BHNNY staff with compliance-related responsibilities will receive compliance training as part of their employee orientation and thereafter on an annual basis.

In consultation with the Audit and Compliance Committee, the CCO will develop recommendations for identifying employees and contractors at BHNNY and at Partner Organizations who will receive training in the BHNNY Compliance Program. Consistent with guidance from BHNNY, Partner Organizations will identify their staff members who require and will receive training.

The CCO, in consultation with the Audit and Compliance Committee, will develop a compliance training and education program for Partner Organizations and the BHNNY governing body members and Staff. Training will cover the Code of Conduct, the Compliance Program, DSRIP requirements and other laws and regulations applicable to BHNNY activities and projects.

In addition to routine annual compliance training, additional training may be provided or required for certain BHNNY staff or other Affected Persons based on their compliance-related responsibilities. The CCO or his designee will be available on a continuing basis to answer questions from the BHNNY Board and Staff and Partner Organizations who seek clarification regarding compliance issues.

IV. Reporting and Open Communication

A. Reporting Suspected Problems

BHNNY and Partner Organization governing body members, staff, and contracted agents must report compliance issues, concerns, or violations related to BHNNY projects, activities or performance of which they become aware to the BHNNY CCO or designee, to the Compliance Hotline, or through other lines of communication to BHNNY. The failure to report a compliance violation or concern may itself violate the Compliance Program.

Reports of suspected or actual violations can be made to the CCO in person, by any written communication, including email at dsrip@mail.amc.edu, or via BHNNY Compliance Hotline, 518-262-4369. Reports by Staff at Partner Organizations should first be made, if possible, to the Staff member's supervisor or department manager or the organization's compliance officer. If this avenue for reporting would not be effective or is not feasible for any reason, reports may also be made directly to the BHNNY CCO.

If a potential violation relates to the code of conduct or compliance policies of a Partner Organization, or a risk of patient safety as a result of conduct by staff at a Partner Organization outside the context of a BHNNY project or activity, staff at the Partner Organization should report the concern to their supervisor or otherwise in accordance with the procedures at their organization.

Retaliation against a Partner Organization, their staff or the BHNNY Board or staff members for reporting a compliance issue or potential violation is prohibited. Anyone who deliberately makes a false report to retaliate against, intimidate, or harm an individual or organization will be subject to sanction.

B. Compliance Program Hotline

The Compliance Officer will operate and implement a plan to publicize a Compliance Hotline that enables the BHNNY Staff, Partner Organizations, Medicaid beneficiaries and uninsured individuals cared for in the BHNNY Network to report problems and concerns or obtain clarification about compliance issues confidentially on an anonymous or non-anonymous basis. The Compliance Officer will maintain a record of Hotline calls, including the nature of any subsequent follow up or investigation, the result of any investigation, and the resolution of any identified issues.

C. Routine Monitoring and Audits

The CCO will identify priorities for audits and monitoring to detect compliance concerns or violations and will develop a process for such monitoring and audits. The Audit and Compliance Committee will review the annual plan and audits of risk to compliance by BHNNY and its partners in performing the requirements of the NYS DSRIP Grant. The findings of the audits will be presented to the Audit and Compliance Committee for review and analysis. The Compliance Officer will recommend action to address any significant identified concerns or violations to the Audit and Compliance Committee.

V. Responding to Suspected Compliance Problems

In the event a compliance issue or violation of policy, law or regulation, monitoring is identified, the CCO will respond promptly by initiating a process to conduct an investigation, and as needed, pursue corrective action. The Audit and Compliance Committee will report any findings of significant compliance violations to the BHNNY Board.

A. Corrective Action and External Reporting

Upon verifying the factual basis of a compliance problem or suspected violation, the CCO, after consultation as needed, with the Audit and Compliance Committee and legal counsel, will recommend an appropriate response as soon as practicable to the Chief Executive Officer. Corrective action may include: conducting further investigation of the alleged problem; preparing recommendations for corrective action in the form of a corrective action plan; disciplinary action, or initiating a sanction process against a Partner Organization or BHNNY individuals involved in the problem.

Instances in which the CCO discovers credible evidence of a potential violation of any law, whether criminal or civil, will be promptly referred to legal counsel to evaluate the seriousness of the allegations and the necessity and timing of any disclosure to DOH, OMIG, and any other appropriate government authorities.

VI. Enforcing the Compliance Program

It is the BHNNY policy to implement appropriate corrective action and discipline in response to identified compliance problems on a fair and equitable basis.

A. Discipline for BHNNY Directors and Staff

Violations of the BHNNY Compliance Program by BHNNY governing body members or Staff will be subject to appropriate discipline, including the failure to report a compliance problem or violation of which the individual is aware or the failure to participate in remediating compliance problems.

The final decision regarding appropriate sanctions for the BHNNY Staff under the Compliance Program rests with the Chief Executive Officer in consultation with the CCO and, as appropriate or necessary, the Audit and Compliance Committee. Any such sanction will be imposed in accordance with the applicable policy of the BHNNY. Annual performance reviews for each BHNNY Staff member will include an assessment of adherence to the Compliance Program. A record of any sanction imposed under the Compliance Program will be maintained, both in the Compliance file and in the individual's HR record.

B. Sanctions for Partner Organizations

An appropriate sanction for compliance violations by Partner Organizations will be determined in accordance with the BHNNY sanctions policy. If a Partner Organization fails to cooperate with a BHNNY investigation of a compliance matter or comply with a corrective action plan to address an identified compliance risk or violation, such conduct may be subject to sanction in accordance with the BHNNY Policies and Procedures.

VII. Policy of Non-Intimidation and Non-Retaliation

Retaliation and/or intimidation against any BHNNY Board or Staff member or Partner Organization or other Affected Persons for participating in good faith in the Compliance Program, including seeking advice, raising a concern, reporting an ethical or compliance issue, or participating in an investigation, self-evaluation, audit or corrective action, will not be tolerated. The CCO will promptly investigate any report of intimidation or retaliation, report the findings of such investigation to the Audit and Compliance Committee, and take appropriate disciplinary action.

VIII. Maintaining and Amending Compliance Program Documents

A. Compliance Program Records

The CCO will be responsible for retaining and filing information related to the Compliance Program, including documentation of governing body and Staff training, Hotline calls, investigations, corrective actions, and other matters. Partner

Organizations are responsible for keeping records of participation in the BHNNY Compliance Program.

B. Amendment of Compliance Program Documents

The CCO will perform an annual review of the Compliance Program documents to determine that they provide an effective Compliance Program to promote legal and ethical conduct in all activities of BHNNY. Changes to the Code of Conduct or the Compliance Plan require approval by the BHNNY Board.

Better Health for Northeast New York, Inc.

Code of Conduct

Adopted by the Board of Directors February 2, 2017

Our Leadership, Mission, Goals and Values

Our mission is to build a high-performing integrated delivery system and transform health care delivery in the region to achieve Delivery System Reform Incentive Payment (DSRIP) Program goals. More specifically, Better Health for Northeast New York, Inc. ("BHNNY") seeks to enhance the capacity of our Partner Organizations and the region to prevent acute illnesses, reduce the morbidity associated with chronic illness, coordinate care, and improve the effective use of health care resources.

We value:

- Excellence and Innovation: we are committed to promoting the delivery of high quality patient care in accordance with evidence-based standards and facilitating innovation in care coordination and system transformation;

- Patient-Centered Care: we aim to enhance the capacity of our Partner Organizations and the health care delivery system in our region to provide care that is delivered at the right time and the right setting to best meet patients' needs and to improve the patient's experience of care;

- Patient Engagement and Activation: we are committed to educating and counseling Medicaid beneficiaries and uninsured individuals to enhance their ability to access the health care services they need effectively and efficiently;

- Collaboration: we are committed to collaboration among our Partner Organizations to overcome fragmentation in the health care delivery system and share solutions and ideas;

- Workforce Engagement: we are committed to training and development to prepare the workforce for anticipated changes in services, skill requirements, and opportunities; and

- Respect and Diversity: we value and respect the differences among the patients and families cared for by our Partner Organizations, the communities we serve, and our workforce members.

- Fiscal Responsibility: we are committed to managing all resources in a fiscally responsible manner in accordance with the terms of our Project Plan and Award Letter by the NYS DOH.

Purpose and Scope of Code of Conduct

BHNNY PPS is comprised of health care, social service providers, and community-based organizations across the continuum of care committed to working together to implement DSRIP and the BHNNY Project Plan submitted to the New York State Department of Health (DOH). Among other major goals, we seek to build an effective integrated delivery system by educating and aligning providers and community-based organizations to provide a new model of coordinated, evidence-based care.[2]

This Code of Conduct sets a high standard of integrity in all activities relating to PPS operations, projects, and performance throughout the BHNNY network. This Code of Conduct will be carried out in accordance with the BHNNY Compliance Plan. The BHNNY Code of Conduct and Compliance Program do not replace or diminish the obligation of each organization within BHNNY to maintain and enforce a code of conduct and compliance program in relation to its governing body, staff and operations, consistent with the requirements of federal and state law and regulation and BHNNY Compliance Policies and Procedures.

BHNNY and Partner Organizations are responsible for adhering to the BHNNY Code of Conduct which is designed to guide BHNNY and its Partner Organizations on a day-to-day basis as they carry out PPS projects and operations in a manner consistent with strong ethical standards and prevailing legal and regulatory obligations. The principles outlined in this Code of Conduct govern the conduct of the BHNNY Board of Directors and the BHNNY Staff and Partner Organizations in relation to PPS operations, projects, and performance. As used throughout this Code, “Partner Organization” includes the governing bodies, staff, and contractors of Partner Organizations.

Responsibilities of BHNNY and Partner Organizations

We at BHNNY (including the BHNNY Board, Officers, and Senior Management) are responsible for:

- Leading by example by complying with the Code of Conduct at all times;

- Overseeing compliance with the Code of Conduct and implementation of BHNNY Corporate Compliance Program;

[2] As used throughout the Code, “Partner Organization” does not include community-based organizations that do not or will not receive DSRIP funds, or provide services or participate in a PPS project pursuant to a written agreement with Better Health for Northeast New York.

- Creating and maintaining an environment in our Network that encourages collaboration, cooperation, and professionalism;

- Promptly reporting compliance concerns and violations to the BHNNY Chief Compliance Officer or other appropriate individual;

- Promoting open communication and compliance reporting without fear of retaliation or intimidation;

Partner Organizations (including Governing Body Members, Officers, Senior Management, Department/Program Heads) are Responsible For:

- Understanding and adhering to the principles and terms of the Code of Conduct in relation to your organization's participation in PPS activities and projects;

- Behaving in a way that is consistent with the Code of Conduct and participating in good faith in the BHNNY Compliance Program;

- Informing governing body members, staff and the patients you serve about how they can report compliance violations and complaints about PPS operations, performance and projects to the BHNNY;

- Reporting violations of this Code of Conduct and compliance concerns to BHNNY;

- Promoting open communication and reporting about compliance concerns and complaints without fear of retaliation or intimidation;

- Maintaining and enforcing your own code of conduct and compliance program to promote compliance with applicable laws and regulations in the operation of your programs and facilities; and

- Enforcing compliance with this Code of Conduct and BHNNY Compliance Program with appropriate discipline of your staff when violations occur.

Commitment to Patient Centered Care

We seek to improve the delivery of health care services in the BHNNY five county region by increasing the capacity to coordinate care, reduce inefficiencies, and enhance population health management. We embrace the value of treating every patient with dignity and respect through the delivery of health and social services by our Partner Organizations. We are committed to working with Partner Organizations and assisting patients to access health care that is appropriate for their medical needs and patient-centered. We provide education, activation counseling, and illness prevention programs

to Medicaid beneficiaries and the uninsured to improve access to care and the health of our communities.

Commitment to Collaboration

We realize that the continued contribution, engagement, and expertise of our Partner Organizations are integral to the BHNNY's success. We are committed to supporting a high level of participation by Partner Organizations in our activities and decision-making through transparency in our governance, and representation in the governance structure and the Project Advisory Committee. The BHNNY Board, staff and contractors (Staff) will treat Partner Organizations and their staff and representatives in a professional and collegial manner.

Obligation to Report

All Partner Organizations, including governing body members, officers, staff, and contractors, are required to promptly report activity by any staff member, contractor, or any participant in PPS projects or operations that appears to violate applicable laws, rules, regulations, or this Code of Conduct. Reporting enables BHNNY to investigate and address the potential problem in a timely, appropriate manner. Failure to make an appropriate report may result in disciplinary action.

What to Report

Partner Organizations, their governing body members, officers, staff, and contractors should report to BHNNY concerns about any legal or ethical conduct by their staff, contractors or participants in PPS projects or activities that violate this Code of Conduct, applicable law or regulations, or that pose a risk to the safety of Medicaid beneficiaries or uninsured individuals cared for in the BHNNY Network. Reasonable belief that a violation is possible is sufficient to file a report. To help you determine whether an issue should be reported to the BHNNY, consider the following questions:

- Does the concern relate to or arise in a BHNNY project, protocol, or activity? Is BHNNY responsible for overseeing the activity giving rise to a concern?

- Does the matter raise a concern about compliance with this Code of Conduct or BHNNY policies and procedures?

- Is the action legal? Is it ethical?

- Could the activity/behavior result in harm or risk to the safety of a Medicaid beneficiary or uninsured individual as a result of a PPS project or activity that BHNNY is responsible for overseeing?

- Could the activity/behavior result in financial impropriety or inaccurate reporting about BHNNY projects or activities to DOH or other government agency?

How to Report

Reports of suspected or actual violations can be made to the BHNNY Chief Compliance Officer in person, by any written communication, including email at dsrip@mail.amc.edu, or via BHNNY Compliance Hotline, 518-262-4369. Reports by staff at Partner Organizations should first be made in accordance with the Partner Organization procedure for reporting. If this avenue for reporting would not be effective or is not feasible for any reason, reports may also be made directly to the BHNNY Chief Compliance Officer by written communication, by a direct phone line, or through BHNNY Compliance Hotline.

The BHNNY Compliance Hotline enables individuals and organizations to report problems and concerns or obtain clarification about compliance issues confidentially, on an anonymous or non-anonymous basis. Hotline conversations are not recorded or traced. The Hotline is not a substitute for established grievance policies or chain of command communications. BHNNY Compliance Officer will investigate all Hotline calls.

BHNNY has adopted a Grievance Policy that recognizes the right of Medicaid beneficiaries to file a written grievance with BHNNY regarding patient care or other matters that occur in or as a result of PPS Projects. If a potential violation relates to the code of conduct or compliance policies of a Partner Organization, or a risk of patient safety as a result of conduct by staff or contractors at a Partner Organization, staff at the Partner Organization should report the concern in accordance with the procedures at their organization. If BHNNY receives such reports, it shall promptly report the information to the Partner Organization Compliance Officer or other appropriate individual.

Reporting Concerns – Non-Retaliation/Non-Intimidation

Retaliation and/or intimidation against any Partner Organization, their governing body members, officers, staff, or contractors or BHNNY Staff who seek advice, raise a concern or report an ethical or compliance issue in good faith, will not be tolerated. Good faith reporting of compliance concerns and violations is protected by this Code of Conduct. Partner Organizations or individuals who deliberately make a false accusation with the purpose of harming or retaliating against another person or Partner Organization will be subject to disciplinary action.

Corrective Action

Where an internal investigation substantiates a reported violation, appropriate corrective measures will be taken, including, but not limited to, notifying the appropriate governmental agency, instituting appropriate disciplinary action and implementing systemic changes to prevent a similar violation from recurring in the future. Corrective action plans will be shared with all appropriate Partner Organizations and BHNNY Staff. Partner Organizations shall cooperate fully in remediating any compliance problem that arises in the context of a PPS project or activity.

Reporting By the Population Served by BHNNY

We encourage compliance reporting by the population of Medicaid beneficiaries and uninsured individuals served by Partner Organizations and BHNNY Network. All Partner Organizations are required to provide information about the BHNNY Compliance Hotline in their offices or facilities and to assist patients who seek to report: (i) a compliance violation related to BHNNY projects or activities; (ii) a concern about the quality of care provided arising from a BHNNY PPS protocol, project or activity; or (iii) a concern about BHNNY counseling and other direct services provided by BHNNY.

Medicaid beneficiaries and uninsured individuals can report compliance or quality concerns to BHNNY by written communication, including email and the link on our website, directly to the Chief Compliance Officer, or to the Compliance Hotline. BHNNY will report promptly to Partner Organizations regarding compliance or quality concerns reported by their patients.

Better Health for Northeast New York, Inc.

Fraud Waste and Abuse Policy

Adopted by the Board of Directors on February 24, 2017

PURPOSE

Section 6032 of the Deficit Reduction Act of 2005, effective January 1, 2007, requires entities such as Better Health for Northeast New York ("BHNNY") that receive Medicaid funds in excess of $5 million annually to establish written policies providing detailed information about fraud, waste and abuse in Federal health care programs. These policies must be disseminated to employees, agents and contractors. Additionally, the employees, agents and contractors must, in performing work for BHNNY, adopt and abide by the policies. BHNNY's policy on this topic is provided below. The policy, as well as updates and changes to the policy, may also be accessed at www.albanymedpps.org

If after you review this policy you have questions, contact the BHNNY Compliance & Audit Department at 518-264-3460. Concerns potentially implicating the laws cited in the policy may be reported anonymously to BHNNY by calling 518-262-4369.

POLICY STATEMENT

It is the policy of BHNNY to comply with all applicable Federal and State laws pertaining to fraud, waste and abuse in Federal health care programs including Section 6032 of the Deficit Reduction Act of 2005. Various laws define these terms differently; however fraud, waste and abuse have been generally described as:

- ***Fraud*** – an intentional deception or misrepresentation by a person with the knowledge that the deception could result in some unauthorized benefit to himself, herself or to some other person.
- ***Waste*** – means an over-utilization of services or misuse of resources not caused by criminally negligent actions, yet result in the expenditure of resources in excess of

program needs and unnecessary costs.

- ***Abuse*** – practices inconsistent with sound fiscal, business or medical practices that result in unnecessary cost, the reimbursement for services medically unnecessary or that fail to meet professionally recognized standards for health care.

Fraud, waste and abuse also includes any act defined as constituting fraud, waste or abuse under applicable Federal or State law.

It is the policy of BHNNY to disseminate information to its employees, management, contractors and agents regarding:

- BHNNY's policies and procedures for detecting and preventing fraud, waste and abuse, and related whistleblower protections pertaining to the laws discussed in this policy.

- Federal laws and administrative remedies, and State laws, including those related to false claims and statements, and whistleblower protections under such laws, and the role of such laws in preventing and detecting fraud, waste and abuse in Federal health care programs.

BHNNY'S FRAUD, WASTE AND ABUSE PREVENTION AND DETECTION MEASURES

Unless otherwise stated, the information below is applicable to BHNNY and its DSRIP PPS Partner organizations; and to members of their Board(s) of Directors, non-Board members of Board Committees, employees, volunteers, non-employed practitioners who have assigned their billing rights to any of the above entities and individuals who through a contractual arrangement hold positions of responsibility within any of the above entities.

1. Prevention Measures

   Compliance Program - BHNNY has a compliance program, the following aspects of which pertain to the prevention and detection of false claims and statements and impermissible financial transactions which result in health care fraud and abuse: the Code of Conduct, the Conflict of Interest Policy and the Compliance Plan.

   Education – BHNNY provides compliance education materials to all PPS partner organizations and requires contracted partners to train all staff affected by the DSRIP initiative annually and all new staff hires that are affected by a DSRIP initiative quarterly.

   Reporting Mechanisms - Anyone may report concerns through the BHNNY DSRIP Compliance Hotline: 518-262-4369 on an anonymous basis. In addition, reporting can be made directly to the Corporate Compliance & Audit Department staff.

   Legal Review of Contracts – Contractual business transactions with external parties are reviewed by the BHNNY Legal Department. This review includes attention to compliance with fraud and abuse laws.

2. Detection Measures

   Internal Reviews - Corporate Compliance & Audit performs periodic internal audits designed to detect fraud, waste and abuse. Many of these audits focus on high-risk areas such as those identified in the U.S. Office of Inspector General's Annual Work Plan, in the NYS Office of the Medicaid Inspector General's Medicaid Work Plan, and other areas of special concern identified through applicable regulatory investigative and audit functions.

   Investigations - The Corporate Compliance & Audit Department performs investigations based upon reports of possible fraud, waste or abuse associated with Federal health care programs. When appropriate, the department involves outside agencies. When there is an external investigation, BHNNY immediately informs

all affected employees not to destroy any pertinent documents and to assist BHNNY in responding appropriately.

SUMMARY DESCRIPTION OF FEDERAL AND STATE LAWS RELATED TO FRAUD, WASTE AND ABUSE IN FEDERAL HEALTH CARE PROGRAMS

(I) Federal Laws

A. Civil and Administrative Laws

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

The False Claims Act ("FCA") provides, in pertinent part, that:

(a) Any person who knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval; knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim; knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government, or conspires to commit such acts, is liable to the United States Government for a civil penalty of not less than $5,000, and not more than $10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990, plus 3 times the amount of damages which the Government sustains because of the act of that person. The Patient Affordability and Accountability Care Act, which is the health care reform act signed into law in March 2010, makes it mandatory that any funds a person receives or retains under the Medicare or Medicaid program, which the person after applicable reconciliation is not entitled to, must be reported and returned by the later of sixty days after the date the overpayment was identified or the date any corresponding cost report is due, if applicable. This means that a False Claims Act violation can be found if an overpayment is not timely reported and returned. The health care reform act also made a claim for items or services resulting from a violation of the federal Anti-Kickback law described below a violation of the False Claims Act.

(b) For purposes of the False Claims Act, the terms "knowing" and "knowingly" mean that a person, with respect to information: has actual knowledge of the information; acts in deliberate ignorance of the truth or falsity of the information; or acts in reckless disregard of the truth or falsity of the information. No proof of specific intent to defraud is required. The term "claim" means any request or demand for money or property that is presented to an officer, employee or agent of the United States or that is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the Government's behalf or to advance a Government program or interest, and if the United States Government provides or has provided any portion of the money or property requested or demanded, or will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

While the False Claims Act imposes liability only when the claimant acts "knowingly," it does not require that the person submitting the claim have actual knowledge that the claim is false. A person who acts in reckless disregard or in deliberate ignorance of the truth or falsity of the information, also can be found liable under the Act. 31 U.S.C. § 3729(b).

In sum, the False Claims Act imposes liability on any person who presents a claim to the federal government or to a contractor, grantee or other recipient to advance a government program or interest, where the federal

government has provided any portion of the money or property requested or received, that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicare for medical services she knows she has not provided. The False Claims Act also imposes liability on an individual who may knowingly submit a false record in order to obtain payment from the government. An example of this may include a government contractor who submits records that he knows (or should know) are false and that indicate compliance with certain contractual or regulatory requirements. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and then uses false statements or records in order to retain the money. An example of this so-called "reverse false claim" may include a hospital which obtains interim payments from Medicare or Medicaid throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicare or Medicaid program.

In addition to its substantive provisions, the FCA provides that private parties may bring an action on behalf of the United States. 31 U.S.C. § 3730(b). These private parties, known as "*qui tam* relators," may share in a percentage of the proceeds from a FCA action or settlement.

Section 3730(d)(1) of the FCA provides, with some exceptions, that a *qui tam* relator, when the Government has intervened in the lawsuit, shall receive at least fifteen percent but not more than twenty-five percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the Government does not intervene, section 3730(d)(2) provides that the relator shall receive an amount that the court decides is reasonable and shall be not less than twenty-five percent and not more than thirty percent.

Administrative Remedies for False Claims (31 U.S.C. §§ 3801–3812)

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false or contains false information, or omits material information, the agency receiving the claim may impose a penalty of up to $5,000 for each claim. The agency may also recover twice the amount of the claim.

Unlike the False Claims Act, a violation of this law occurs when a false claim is submitted rather than when it is paid. Also unlike the False Claims Act, the determination of whether a claim is false, and the imposition of fines and penalties is made by the administrative agency, not by prosecution in the federal court system.

Prohibition of Certain Physician Referrals (42 U.S.C. § 1395nn commonly known as the Stark Law)

This statute, with certain limited exceptions, prohibits a physician from making a referral to an entity with which the physician, or an immediate family member of such physician, has a financial relationship, if the referral is for certain designated health services for which payment would otherwise be made by Medicare or Medicaid. The Stark Law is a strict liability statute which means that intent is not relevant to the determination that the statute has been violated; prohibited conduct absent intent is sufficient to violate this law.

B. Criminal Laws

Criminal Penalties for Acts Involving Federal Health Care Programs; Illegal Remuneration (42 U.S.C. § 1320a-7b(b) commonly known as the Anti-Kickback Law)

This statute, except for certain limited safe harbors, makes it a crime to knowingly and willfully solicit or receive any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for making a referral for, arranging for, purchasing, leasing, ordering or recommending any item or service for which payment may be made by a Federal health care program. Violation of this law is a felony and carries a fine of not more than $25,000 or a possible prison term of not more than five years, or both. The health care reform law enacted in 2010 states that a person need not have actual knowledge of the Anti-Kickback law or specific intent not to comply in order to be guilty of a violation.

(II) NY State Laws

New York State False Claims laws fall under the jurisdiction of both New York's civil and administrative laws as well as its criminal laws. Some apply to recipient false claims and some apply to provider false claims. The majority of these statutes are specific to health care or Medicaid, however some "common law" crimes apply to other interactions with the government.

A. Civil and Administrative Laws

NY False Claims Act (State Finance Law, §§ 187-194)

The New York False Claims Act is similar to the federal False Claims Act. It imposes penalties and fines upon individuals and entities who knowingly file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. It also has a provision regarding reverse false claims similar to the federal FCA such that a person or entity will be liable in those instances in which the person obtains money from a state or local government to which he may not be entitled, and then uses false statements or records in order to retain the money. The penalty for filing a false claim is six to twelve thousand dollars per claim plus three times the amount of the damages which the state or local government sustains because of the act of that person. In addition, a person who violates this act may be liable for costs, including attorneys' fees, of a civil action brought to recover any such penalty.

The Act allows private individuals to file lawsuits in state court, just as if they were state or local government parties, subject to various possible limitations imposed by the NYS Attorney General or a local government. If the suit eventually concludes with payments back to the government, the person who started the case can recover twenty-five to thirty percent of the proceeds if the government did not participate in the suit, or fifteen to twenty-five percent if the government did participate in the suit.

Social Services Law § 145-b False Statements

It is a violation to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment or other fraudulent scheme or device. The State or the local Social Services district may recover three times the amount incorrectly paid. In addition, the Department of Health may impose a civil penalty of up to ten thousand dollars per violation. If repeat violations occur within five years, a penalty of up to thirty thousand dollars per violation may be imposed if the repeat violations involve more serious violations of Medicaid rules, billing for services not rendered, or providing excessive services.

Social Services Law § 145-c Sanctions

If any person applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement, or intending to do so, the needs of the individual or that of his family shall not be taken into account for the purpose of determining his or her needs, or that of his or her family for six months if a first offense, for twelve months if a second offense (or if benefits wrongfully received are at least one thousand dollars but not more than three thousand nine hundred dollars), for eighteen months if a third offense (or if benefits wrongfully received are in excess of three thousand nine hundred dollars), and five years for any subsequent occasion of any such offense.

Public Health Law § 587 Prohibited Practices (State Anti-Kickback Law)

Subject to limited exceptions, no provider shall solicit, receive, accept or agree to receive or accept any payment or other consideration in any form to the extent such payment or other consideration is given for the referral of services to a clinical laboratory; nor shall the provider participate in the division, transference, assignment, rebate,

or splitting of fees with any clinical laboratory or any other provider in relation to clinical laboratory services.

Public Health Law Section § 238-a Prohibition of Financial Arrangements and Referrals (State Stark Law)

Subject to limited exceptions, a practitioner authorized to order certain designated health services may not make a referral for such services to a provider authorized to provide such services where the practitioner or immediate family member of such practitioner has a financial relationship with such health care provider.

B. Criminal Laws

Social Services Law § 145 Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

Social Services Law § 366-b Penalties for Fraudulent Practices

1. Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation or other fraudulent means is guilty of a Class A misdemeanor.

2. Any person who, with intent to defraud, presents for payment a false or fraudulent claim for furnishing services, knowingly submits false information to obtain greater Medicaid compensation, or knowingly submits false information in order to obtain authorization to provide items or services is guilty of a Class A misdemeanor.

Penal Law Article 155 Larceny

The crime of larceny applies to a person who, with intent to deprive another of his property, obtains, takes or withholds the property by means of trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. This statute has been applied to Medicaid fraud cases.

a. § 155.30, Fourth degree grand larceny involves theft of property valued over $1,000. It is a Class E felony.

b. § 155.35, Third degree grand larceny involves theft of property valued over $3,000. It is a Class D felony.

c. § 155.40, Second degree grand larceny involves theft of property valued over $50,000. It is a Class C felony.

d. § 155.42, First degree grand larceny involves theft of property valued over $1 million. It is a Class B felony.

Penal Law Article 175 False Written Statements

Four crimes in this Article relate to filing false information or claims and have been applied in Medicaid fraud prosecutions:

a. § 175.05, Falsifying business records in the second degree involves entering false information, omitting material information or altering an enterprise's business records with the intent to defraud. It is a Class A misdemeanor.

b. § 175.10, Falsifying business records in the first degree includes the elements of the § 175.05 offense and includes the intent to commit another crime or conceal its commission. It is a Class E felony.

c. § 175.30, Offering a false instrument for filing in the second degree involves presenting a written instrument (including a claim for payment) to a public office knowing that it contains false information. It is a Class A misdemeanor.

d. § 175.35, Offering a false instrument for filing in the first degree includes the elements of the second degree offense and must include an intent to defraud the state or a political subdivision. It is a Class E felony.

Penal Law Article 176 Insurance Fraud

This law applies to claims for insurance payments, including Medicaid or other health insurance, and contains six crimes.

a. § 176.10, Insurance fraud in the 5th degree involves intentionally filing a health insurance claim knowing that it is false. It is a Class A misdemeanor.

b. § 176.15, Insurance fraud in the 4th degree is filing a false insurance claim for over $1,000. It is a Class E felony.

c. § 176.20, Insurance fraud in the 3rd degree is filing a false insurance claim for over $3,000. It is a Class D felony.

d. § 176.25, Insurance fraud in the 2nd degree is filing a false insurance claim for over $50,000. It is a Class C felony.

e. § 176.30, Insurance fraud in the 1st degree is filing a false insurance claim for over $1 million. It is a Class B felony.

f. § 176.35, Aggravated insurance fraud is committing insurance fraud more than once. It is a Class D felony.

Penal Law Article 177 Health Care Fraud

This statute, enacted in 2006, applies to health care fraud crimes. It was designed to address the specific conduct by health care providers who defraud the system including any publicly or privately funded health insurance or managed care plan or contract, under which any health care item or service is provided. Medicaid is considered to be a single health plan under this statute.

This law primarily applies to claims by providers for insurance payment, including Medicaid payment and it includes six crimes.

a. § 177.05, Health care fraud in the 5th degree – a person is guilty of this crime when, with intent

to defraud a health plan, he or she knowingly and willfully provides materially false information or omits material information for the purpose of requesting payment from a health plan. This is a Class A misdemeanor.

b. § 177.10, Health care fraud in the 4th degree – a person is guilty of this crime upon filing such false claims on more than one occasion and annually receives more than three thousand dollars. This is a Class E felony.

c. § 177.15, Health care fraud in the 3rd degree – a person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over ten thousand dollars. This is a Class D felony.

d. § 177.20, Health care fraud in the 2nd degree – a person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over fifty thousand dollars. This is a Class C felony.

e. § 177.25, Health care fraud in the 1st degree – a person is guilty of this crime upon filing such false claims on more than one occasion and annually receiving over one million dollars. This is a Class B felony.

BETTER HEALTH FOR NORTHEAST NEW YORK, INC.

DSRIP ANTITRUST COMPLIANCE POLICY

Adopted by the Board of Directors on February 24, 2017

PURPOSE

Better Health for Northeast Health, Inc. ("BHNNY") requires compliance with all applicable federal and New York State antitrust laws, rules and regulations (collectively, the "Antitrust Law"), by its officers, directors, employees, and its Partner Organizations and other entities participating with BHNNY to implement the Delivery System Reform Incentive Payment (DSRIP) program. All BHNNY operations and DSRIP-related activities in the Performing Provider System ("PPS") will be conducted in accordance with Antitrust Law and this policy including, but not limited to, Antitrust Law applicable to Medicaid, Medicare and commercial insurance health care markets. A summary of the legal background of the major Antitrust Law principles is attached as Appendix A.

POLICY STATEMENT

Antitrust Law is designed to preserve and promote fair and honest competition within the free enterprise system. We are committed to complying with Antitrust Law. BHNNY prohibits anti-competitive conduct in violation of Antitrust Law, including the improper exchange of competitively sensitive information, collusion to limit competition, and actions to discourage the PPS' Partner Organizations from contracting with any payers outside the context of any particular provider's arrangements with such payers. The PPS network operates as a non-exclusive, voluntary network. BHNNY and organizations participating in the PPS ("Participating Organizations") will not engage in anti-competitive behavior in violation of the Antitrust Law in activities, operations and relationships with other organizations in the PPS network.

BHNNY and Participating Organizations are engaged in transformative care delivery system restructuring activities as part of DSRIP, funded by Medicaid. As required by DSRIP and the New York State Department of Health ("NYSDOH") guidance, we are undertaking clinical integration, care coordination, delivery system transformation and planning and preparation to enter into Medicaid managed care contracts based on value-based purchasing ("VBP"). BHNNY and its Participating Organizations will not engage in PPS planning and implementation activities for VBP contracting as required by DSRIP that spillover to any Medicare or commercial contracting activities by BHNNY.

DSRIP Program	Competitive Markets
• Medicaid patients	• Medicare patients

• Uninsured patients	• Insured patients

As a general rule, BHNNY and Participating Organizations shall not exchange (nor provide to or obtain from a competitor) competitively sensitive information. Examples of what would be considered competitively sensitive information include, but are not limited to:

- Current or future prices[3] (caution should be taken in discussing past[4] prices)
- Methods of calculating price
- Discounts, credit terms or other terms and conditions of sale
- Possible increases or decreases in price
- Stabilization of prices
- Timing or announcement of price changes
- Costs (such as salaries, wages and employee benefits)
- Reimbursement rates
- Division or allocation of markets (by geography, customer, distribution level, types of services or other factors)
- Bidding plans, strategies or tactics
- What constitutes a fair profit level
- Capacity, except publicly available information
- Revenues, except publicly available information
- Refusing to deal with a patient or group of patients, particular providers, suppliers or payers (boycotting)
- Other competitors.

If it becomes necessary to exchange such competitively sensitive information to further the goals of DSRIP, it may be permissible if done with the assistance of legal counsel and in a manner that does not violate applicable Antitrust Law.

Moreover, we will not use bargaining power we may have in the Medicaid market arising from building an integrated delivery system and integrating clinical care as required by DSRIP in connection with the Medicare or commercial markets. For example, neither BHNNY nor any Participating Organization will jointly negotiate on behalf of participants in the PPS network in the Medicare or commercial markets.

BHNNY and Participating Organizations will continue to compete in the Medicaid market, consistent with DSRIP requirements and NYSDOH guidance regarding DSRIP implementation.

The BHNNY PPS is a voluntary, non-exclusive network. All health care providers participating in the BHNNY PPS may enter into arrangements with Medicaid, Medicare and commercial managed care plans without the participation of BHNNY and with providers outside the PPS. All providers in our PPS network may provide health care services to Medicaid beneficiaries and other patients outside of the PPS network.

[3] The word “price” includes actual charges and negotiated rates.
[4] The term “past prices” means prices which are at least three months old.

BHNNY shall provide antitrust compliance training to its officers, directors, employees, other Participating Organizations and individuals involved in DSRIP-related activities, as necessary and appropriate, and shall actively monitor compliance with Antitrust Law through its compliance program.

KEY ANTITRUST COMPLIANCE GUIDANCE

We will undertake clinical integration and care coordination activities required by BHNNY's DSRIP implementation plan submitted to and approved and supervised by NYSDOH. We will not enter into agreements or understandings between or among competitors to limit competition.

We will not enter into agreements to divide or allocate markets in relation to managed care contracts or other joint negotiations. We understand that competitors are strictly prohibited from agreeing to stay out of each other's markets. Markets are broadly defined to include geographical territories, customer types, distribution levels and types of services.

In connection with our Medicare business and our commercial business:

- We will not discuss prices (actual charges or negotiated rates) with a competitor. It is strictly prohibited to reach any agreement or understanding with a competitor about prices, whether to raise, lower or stabilize prices. BHNNY and Partner Organizations will not exchange or discuss prices, elements of prices (as examples, costs, discounts or credit) or any price information with any competitor. Partner Organizations should not exchange price lists with a competitor.

- We will not coordinate or discuss bids or quotes with a competitor. Bid rigging is strictly prohibited.

- We will not agree with a competitor to or refuse to deal with (or to boycott) a supplier, a customer or another competitor.

- We will not tie or force the sale of one service or product to another service or product.

- We will vigorously compete. The Antitrust Law promotes and protects competition.

- We operate as a voluntary, non-exclusive network of health care providers in all markets.

If you have any concerns or questions about antitrust compliance or the application of this Policy to your conduct, please call the BHNNY Compliance Officer at (518) 262-4692.

Appendix A

Legal Background

The antitrust law promotes and protects competition.

There are three primary federal antitrust statutes:

- The Sherman Act which prohibits unreasonable agreements to limit competition, monopolization and attempts to monopolize.

- The Clayton Act which prohibits unreasonable tying arrangements.

- The Federal Trade Commission Act which prohibits unfair methods of competition.

New York antitrust law generally follows federal law.

The courts have ruled that some types of agreements by competitors are per se (by itself) unreasonable or illegal which prevents offering any defense or justification for the agreement. The per se illegal agreements are:

(1) Price fixing,

(2) Market division, and

(3) Bid rigging

Also, some agreements by competitors to refuse to deal with a supplier, a competitor or a customer (group boycotts) can be per se illegal.

An antitrust lawsuit may be brought by the U.S. Department of Justice, the Federal Trade Commission, State Attorneys General or private parties (including customers and suppliers). A violation of federal antitrust law carries serious consequences for companies and individuals. For each criminal violation, a company can be punished by a fine of up to $100 million, and an individual can be fined up to $1 million and

sentenced to federal prison for up to 10 years. In the alternative, maximum fines can be increased to twice the gain (or twice the loss) resulting from the antitrust violation. In addition to criminal penalties, companies face potential civil liability from class actions seeking treble money damages (three times the actual money damages incurred), plus attorneys' fees, for an antitrust violation.

BETTER HEALTH FOR NORTHEAST NEW YORK, INC.
CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY
Adopted by the Board of Directors on February 2nd, 2017

A. Purpose

All directors, officers, committee members and staff of Better Health for Northeast New York, Inc. (the "Corporation") owe a duty of loyalty to the Corporation. All persons serving in those roles must act in the best interests of the Corporation, rather than in their own interests or the interests of another organization, and in compliance with applicable federal and state laws. The purpose of this Conflict of Interest and Related Party Transaction Policy is to set forth a procedure for monitoring, reporting, reviewing, approving and overseeing conflicts of interest and related party transactions. It is intended to supplement, but not replace, state and federal laws governing conflicts of interest applicable to not-for-profit organizations in New York State and sets forth a minimum standard to require that the best interests of the Corporation are served and to prevent improper personal gain by individuals holding a position of influence or improper gain by another organization. All terms not defined herein shall have the meanings ascribed to them in the By-Laws of the Corporation ("By-Laws").

B. Definitions

1. **Affiliate.** An Affiliate shall be a person or entity that is directly or indirectly, through one or more intermediaries, controlled by or in control of the Corporation. For purposes of this definition, the term control means the possession of the power to direct or cause the direction of the management and policies of the Corporation. For purposes of this Policy, Partner Organizations are not Affiliates of the Corporation, with the exception of Albany Medical Center Hospital which is a member of the Corporation.

2. **Board.** The Corporation's Board of Directors shall be the "Board" under this policy.

3. **Compliance Officer.** Compliance Officer means the BHNNY Compliance Officer.

4. **Conflict of Interest.** A Conflict of Interest may exist whenever an Interested Person owes a fiduciary or contractual duty to more than one person or organization that is inconsistent with the interests of the Corporation, or when the personal or Financial Interests or concerns of an Interested Person or a Relative of an Interested Person are potentially inconsistent with, or divergent from, the interests of the Corporation, or if not inconsistent, could impact such personal or Financial Interests or concerns, except that it shall not be a Conflict of Interest if the arrangement or transaction: (i) is between the Corporation and all Partner Organizations, or a group of Partner Organizations, for purposes of carrying out a DSRIP Project and the transaction or arrangement is available to all Partner Organizations performing the same Project

role on the same terms; or (ii) is an arrangement or agreement for services and such services will be provided to the Corporation at the cost to the entity providing the services; or (iii) is for the benefit of the Corporation and does not provide a financial gain or incentive to the other party entering into the transaction; or (iv) is a type that the Board would not review in the ordinary course of business and is available to other persons or organizations on the same or similar terms.

5. **DSRIP Project.** DSRIP Project means a project carried out by the Corporation to transform the delivery of care in connection with the Corporation's Delivery System Reform Incentive Payment Program ("DSRIP") project plan.

6. **Financial Interest.** An Interested Person or Relative of an Interested Person has a Financial Interest if the person, directly or indirectly, has:

a. An ownership or beneficial interest in any corporation or entity with which the Corporation has a transaction or arrangement or with which the Corporation is negotiating a transaction or arrangement; or

b. An employment or contractual relationship or a position on the governing body of an entity with which the Corporation is negotiating or engaging in a transaction or arrangement; or

c. Any compensation arrangement from which such person receives a financial benefit or other form of remuneration or incentive based upon a transaction or arrangement involving the Corporation or an Affiliate of the Corporation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Any financial interest in an arrangement or transaction held by an Interested Person or Relative of an Interested Person that is *de minimis* shall not be deemed a Financial Interest for purposes of this Policy.

7. **Interested Person**. Interested Person means the directors, officers, committee members and Key Persons of the Corporation or an Affiliate of the Corporation.

8. **Key Person.** Key Person means any person other than a director or officer, whether or not an employee of the Corporation, who: (i) has responsibilities, or exercise powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (iii) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

9. **Partner Organization**. Partner Organization means an organization that has signed a Partner Organization Agreement with the Corporation to participate in the BHNNY Performing Provider System.

10. **Related Party.** A Related Party is: (i) any Interested Person or person who exercises the power of an Interested Person over the affairs of the Corporation or an Affiliate; (ii) any Relative of an Interested Person; or (iii) any entity in which any individual described in the foregoing clauses has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

11. **Related Party Transaction.** A Related Party Transaction is any transaction, agreement or other arrangement in which a Related Party has a Financial Interest and in which the Corporation or any Affiliate of the Corporation is a participant, except that transactions and arrangements that are not deemed a Conflict of Interest under the definition of Conflict of Interest in Section B(5) above shall also not be a Related Party Transaction and shall not require review as such.

12. **Relative.** A Relative is any individual who has one of the following relationships with an Interested Person: spouse or domestic partner, ancestor, child (whether natural or adopted), grandchild, or great-grandchild, sibling (whether whole or half-blood), spouse of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole or half-blood).

C. Conflicts of Interest

Generally speaking, a Conflict of Interest may exist whenever an Interested Person or the Relative of an Interested Person: (i) owes a fiduciary or contractual duty to more than one person or organization that is inconsistent with the interests of the Corporation; or (ii) when the personal or Financial Interests or concerns of an Interested Person or the Relative of an Interested Person are potentially inconsistent with, or divergent from, the interests of the Corporation, or if not inconsistent, could impact such personal or Financial Interests or concerns. A transaction or arrangement shall not be deemed to be a Conflict of Interest if it meets any of the exceptions stated in the definition of Conflict of Interest set forth in Section B(5) above.

Specific Examples

The following is a list of examples of situations that would be deemed to present a Conflict of Interest for an Interested Person. The list is not meant to be exhaustive.

1. A direct or indirect interest in a transaction, agreement or any other arrangement in which the Corporation or any Affiliate has an interest. As discussed above, this will include consideration and corporate action regarding specific payment(s) or specific amount(s) to Partner Organization(s) for any Related Party with a Financial Interest in such Partner Organization;

2. Situations in which the Interested Person has the ability to use his or her position in the Corporation, or information or asset of the Corporation, to his or her advantage or for an improper purpose;

3. Situations in which the Interested Person acquires property or other rights in which the Corporation has, or is likely to have, an interest;

4. Situations in which an opportunity is available to both the Corporation and to the Interested Person, unless the Board makes an informed decision that the Corporation will not pursue the opportunity; and

5. Any other act or instance that may in fact or in appearance, make it difficult for the Interested Person to act objectively.

D. Conflict of Interest and Related Party Transaction Questionnaire

Each Interested Person shall complete the attached Conflict of Interest Questionnaire ("Questionnaire") and submit it to the Compliance Officer. The Questionnaire shall be completed upon an individual's appointment or election as a member of the Board, and by all Interested Persons at least annually. The Compliance Officer shall furnish copies of all completed questionnaires to the Finance Committee and to the Chairperson of the Board.

E. Procedures for Addressing Conflicts of Interest

1. An Interested Person must notify the Compliance Officer or Board of any Conflict of Interest that exists with respect to such person and shall recuse himself or herself from all participation in deliberation and voting regarding any transaction or arrangement which poses a Conflict of Interest for that Interested Person. All such Conflicts of Interest shall be reported to the Audit and Compliance Committee and to the Board. If authorized by the Board, the Audit and Compliance Committee may determine whether to approve an arrangement or transaction which poses a Conflict of Interest, or the Committee may make a recommendation to the Board.

At the invitation or request of the Audit and Compliance Committee or the Board, an Interested Person may discuss and present further information about the arrangement or transaction involving a possible Conflict of Interest at any meeting prior to deliberations and a vote about the transaction or arrangement. The Interested Person shall leave the meeting during the deliberation and the vote on any such transaction or arrangement. The Interested Person may count towards a quorum for the Committee or the Board meeting at which the arrangement or transaction is considered.

2. An Interested Person is prohibited from attempting to improperly influence any Board or Audit and Compliance Committee deliberation or voting related to the transaction or arrangement involving the possible Conflict of Interest.

3. The existence and resolution of a Conflict of Interest shall be documented in the minutes of all meetings at which the conflict is discussed or voted upon. If the transaction or arrangement involving a possible Conflict of Interest constitutes a Related Party Transaction, then it must be approved in accordance with the procedures set forth in a Section F of this Policy entitled "Related Party Transactions."

F. Related Party Transactions

1. Any Interested Person with any Financial Interest in a Related Party Transaction shall make a good faith disclosure of all material facts related to such personal or Financial Interest to the Compliance Officer who shall disclose all such information to the Board. The Board shall review all the material facts related to the

proposed Related Party Transaction and request any additional information that it deems necessary to complete such review.

2. The Board shall first review the proposed Related Party Transaction to determine whether the Related Party's personal or Financial Interest in the transaction or arrangement is substantial. If the Board determines that the Related Party's personal or Financial Interest in the proposed Related Party Transaction is not substantial, then the Board may approve the proposed Related Party Transaction, if it determines that the transaction is fair, reasonable and in the best interests of the Corporation. If the Board determines that the Related Party's personal or Financial Interest in the proposed Related Party Transaction is substantial, then the Board shall undertake the review set forth in Section F(3) of this Policy.

3. For any proposed Related Party Transaction in which a Related Party's personal or Financial Interest is substantial, the Board shall consider alternative transactions to the proposed Related Party Transaction to the extent any alternative transactions are available. The Board may rely on other committees, individuals or third parties in conducting its analysis regarding potential alternatives. Following its review of the proposed Related Party Transaction and any available alternative transactions, if a majority of disinterested members of the Board determines that the proposed Related Party Transaction is fair, reasonable and in the best interests of the Corporation, then it may authorize the proposed Related Party Transaction.

4. The Board shall document in the minutes of the meeting at which such determination is made: (i) the basis for its determination that the proposed Related Party Transaction is fair, reasonable and in the best interests of the Corporation; (ii) any information relied upon in making this determination, including for example market value information and alternative bids; and (iii) any alternative transactions that were considered when making this determination.

5. The Corporation shall not enter into a Related Party Transaction unless it is approved in accordance with this Policy.

G. Violations of the Conflict of Interest and Related Party Transaction Policy

1. If the Board or the Finance Committee has reasonable cause to believe that an Interested Person has failed to disclose actual or possible Conflicts of Interest, it shall inform the Interested Person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

2. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines that the Interested Person has intentionally failed to disclose an actual or possible Conflict of Interest, the Board shall take appropriate disciplinary and corrective action.

H. Records of Proceedings

The minutes of any Board meeting at which a Related Party transaction is discussed shall be based on contemporaneous notes of the meeting and shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the personal or Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether a Conflict of Interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

I. Compensation

With respect to any member of the Board or any committee who receives compensation, directly or indirectly, from the Corporation or an Affiliate for services: (i) such person shall not participate in any deliberations or voting related to such person's compensation; and (ii) notwithstanding the same, such person shall not be prohibited from participating in any Board or committee activities regarding the compensation of other individuals.

BETTER HEALTH FOR NORTHEAST NEW YORK, INC.

Director's Initial/Annual Conflict of Interest Statement

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In accordance with the Conflict of Interest and Related Transactions Policy (the "Policy') of Better Health Care for Northeast New York, Inc. (the "Corporation"), the undersigned Director of the Corporation hereby:

(1) Identifies that I am an officer, director, member, owner, or employee of the following entities with which the Corporation has a financial relationship:

(2) Identifies that I may have a Conflict of Interest with and/or a Financial Interest in the following transactions or arrangements in which the Corporation is a participant:

(3) Affirms:

a. I have received a copy of the Policy;

b. I have read and understand the Policy;

c. I agree to comply with the Policy; and

d. I understand the Corporation is a tax-exempt entity, and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

_____

Name (print)

_____

Signature

Date:_____