

**THE LAWS, REGULATIONS AND POLICIES WE MUST LIVE BY:  
MEDICARE, MEDICAID AND THE STATE DEPARTMENT OF HEALTH**

Greater South Bay Home Health, Inc. nursing and designated management staff members assess every Medicare and Medicaid patient to ensure that the criteria for these public programs are met.

Greater South Bay Home Health, Inc. Quality Assurance process to monitor compliance with Medicare and Medicaid guidelines/criteria, Conditions of Participation, Agency policies and procedures, and other laws/regulations to protect the interests of the patient, physician, staff and company. The Quality Assurance process ensures that all services are ordered, documented in the chart, medically necessary, and timely and appropriately provided.

A large portion of the Agency's patients is Medicare or Medicaid beneficiaries, and services to these patients are paid from federal funds. To ensure that these funds are properly spent, the government requires that a physician who prescribes a plan of care and certifies the medical necessity of the services he/she orders order all services. Caregivers must accurately document the services they provide in accordance with the care plan. Only services that are ordered by a physician, provided in accordance with the doctor's orders under the plan of care, and documented in the patient's chart will be billed to the Medicare or Medicaid Program.

The Agency is committed to educating the physicians who recommend Medicare and Medicaid patients for our services about the Medicare and Medicaid home health benefits and to assisting physicians in identifying appropriate patients eligible for our services under the Medicare/Medicaid benefits.

Medicare limits the physicians who may certify a patient's need for home health services or prepare the plan of care. No physician who has a direct or indirect ownership or compensation relationship with the Agency that exceeds the lesser of \$25,000 per year of the agency's assets or ownership calculation) or expenses (for compensation calculation) may certify a patient's need for home health services or prepare a plan of care for a patient. The Stark Law also extends that limitation to immediate family members of physicians who may have a financial relationship with the Agency unless the financial relationship meets exceptions contained in the statute. The Agency carefully monitors its financial relationships with physicians who may refer their patients to us for services to ensure that the Agency complies with these provisions.

It is a crime for anyone to offer, pay, solicit or receive anything of value to induce another person to refer a Medicare or Medicaid patient for services or to get another person to buy or lease any kind of item, goods or services for which Medicare or federally-funded health care programs may pay. Physicians and other health care providers refer patients to the Agency for services, and the Agency must be scrupulous to avoid any appearance that it is offering or providing anything of value in order to receive referrals. Also, because the Agency is reimbursed on the basis of a cost report, most items and services that the Agency buys are reimbursed at least in part by Medicare or Medicaid. Therefore, employees must be careful not to offer or provide anything of value to those who may refer patients to the Agency, and they must not accept anything of value from vendors to avoid any appearance that the Agency is soliciting or receiving anything of value in exchange for doing business with particular vendors.

A statute also prohibits the Agency or its employees from providing anything of more than nominal value to Medicare or Medicaid patients or prospective patients in order to encourage them to receive or continue to receive services from the Agency. Any violation could subject the Agency or the employee to heavy civil fines. Although Congress gave some indication that it did not intend to prohibit the provision of items of nominal value or preventive services (such as health fairs), Medicare has not issued any regulations concerning this provision. The Agency provides services of superior quality. Consistent with the Agency's policy on gifts to and from patients, neither the Agency nor any employee of the Agency may offer or give any items of value to a prospective or current patient.