



POLICY: Sun Health Senior Living (SHSL) Corporate Compliance

<i>Original Implementation Date:</i>	3/21/13	<i>Date Reviewed/ Revised:</i>	11/17/16	<i>Area of Responsibility:</i>	Compliance	<i>Version:</i>	2
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PURPOSE:

The primary purpose of the Corporate Compliance Plan (the “Compliance Plan”), is to provide guidance and resources to all employees, independent contractors and vendors who work for or provide services on behalf of SHSL to enable them to support SHSL's commitment to compliance.

POLICY:

It is the policy of Sun Health Senior Living (SHSL) to require that all activities undertaken by or on behalf of our residential and nursing facilities be performed in compliance with applicable state and federal laws and regulations.

The goals and benefits of having and using a Compliance Plan include:

- Implementing effective internal controls to ensure compliance with statutes, regulations and rules;
- Demonstrating concretely to our employees and our communities SHSL's commitment to responsible corporate conduct;
- Obtaining an accurate assessment of the conduct of our employees, affiliates, contractors and vendors;
- Increasing the likelihood of identifying and preventing unlawful and unethical behavior;
- Having the ability to quickly react to address employees' operational concerns about compliance concerns and effectively targeting our resources to address those concerns;
- Improving the quality, efficiency and consistency of our services to our residents;
- Having a mechanism to encourage employees to report potential problems and allow for appropriate and thorough internal investigations and timely corrective action; and
- Having a centralized source for distributing information and educating employees on health care standards, laws and regulations, as well as a Compliance Sub Committee Chairman at each of the communities; and
- Protecting our Company and our employees from exposure to penalties, damages and sanctions for violating fraud and abuse laws, including the anti-kickback statute, the Stark law, and the False Claims Act.

The Compliance Plan is the basic guide to compliance with the legal standards applicable to the clinical and business operations of SHSL. The elements of the Compliance Plan will be further expanded upon in supplemental policies and procedures which will be distributed, from time to time, to all SHSL Employees, Contractors, Affiliates, and Vendors. All SHSL Employees, Affiliates, Contractors and Vendors have an obligation to read and understand the Compliance Plan and all supporting materials, to appropriately use all compliance resources, and to follow the basic procedures outlined below.

SHSL Employees will also receive periodic training and support materials, and there will always be a variety of people available to answer questions.

Regardless of the nature of the issue, if any SHSL Employee, Contractor, Affiliate or Vendor ever has doubts or questions about compliance with clinical, legal, ethical, or professional standards, it is the duty of that Employee to seek guidance by contacting the Compliance Officer, a member of the Community Compliance Sub-Committees or any member of the Management Team. These individuals will ensure that a SHSL Employee is referred to the appropriate person based on the general nature of the inquiry. In the event the employee wished to remain anonymous, concerned employees are able to report their concerns via the Corporate Ethics Hotline.

Employees should always remember that failure to observe the provisions of the Compliance Plan can result in serious consequences for SHSL Employees, including termination of employment and criminal charges, and for SHSL, including criminal prosecution, substantial criminal and civil monetary fines, perhaps even exclusion from Medicare and/or Medicaid and damage to SHSL's professional reputation.

RELATED POLICIES AND REFERENCES: Code of Conduct; Standards of Conduct