

|   |  |              |
|---|--|--------------|
| NHC Advantage Compliance and Ethics Policy and Procedure Manual |  | Page 1 of 9  |
| Section: NHC Advantage Compliance Program Documents             | Review/Revision Date(s):<br>March 2025 | Sec. No. 1   |
| NHC Advantage Standards of Conduct                              |  | Sub. No. 3.0 |

# NHC Advantage Standards of Conduct



NHC Advantage and FDR Employees,

NHC is one of the leading senior care companies in the United States. We believe that patient care must be based on devotion to excellence and customer satisfaction. NHC's vision, "Caring in a Better Way Day By Day", says that we want to always strive to reach a higher level of quality patient care and improve on the services provided each day.

Our vision of excellence led us to expand our services by entering the Medicare Managed Care market through the launch of NHC Advantage. Since 2017, NHC Advantage has been operating as an Institutional Special Needs Plan (I-SNP), offering Medicare managed care services to patients in select NHC centers. Who better to manage the care of the patients than those who care for them every day?

Through NHC Advantage, we are able to offer comprehensive care coordination by working with providers to monitor the health of each Plan beneficiary. We offer preventive care visits, diagnostic testing and treatment, and medication review and monitoring that is individualized to the needs of those Medicare beneficiaries living in our care centers.

NHC Advantage takes the responsibility of caring for our beneficiaries very seriously. In addition to excellence in quality of care, we are also committed to adhering to all applicable laws and regulations and conducting our business in an ethical manner. We have developed the Compliance Program to provide guidance and ensure adherence to those regulatory requirements.

The Compliance Program has the full endorsement of NHC Advantage's Senior Leaders and the Board of Directors. We ask that you carefully read this *Standards of Conduct* handbook, which describes the overarching principles and values of the Plan, and that you put those principles into practice.

Thank you.

A handwritten signature in black ink, appearing to read "Mike Ussery", with a long, sweeping flourish extending from the end of the name.

Mike Ussery, CEO  
NHC Advantage

## Standards of Conduct Overview

The NHC Advantage Compliance Program is specifically tailored to unique operations and circumstances. NHC Advantage ensures enterprise-wide oversight through the following:

- The NHC Advantage Compliance Officer reports directly to the Plan Chief Executive Officer and the Board of Directors.
- The NHC Advantage Compliance Officer works with the First-Tier Entity (FTE) AllyAlign Healthcare (AAH) Compliance to administer and oversee NHC Advantage's Compliance Program activities and operational requirements. AAH Compliance supports the NHC Advantage Compliance Officer and is responsible for establishing formal and informal reporting processes to monitor the level of compliance with the CMS' required contractual performance standards.

NHC Advantage maintains certain policy and reference documents to guide its employees with respect to their day-to-day conduct and performance. For purposes of these Standards, "employees" include all permanent, temporary, full-time, part-time, or volunteer workers who: 1) have primary job duties related to NHC Advantage's Part C and Part D operations and/or sales and/or 2) are members of the NHC Advantage Board of Directors; and/or 3) are members of the NHC Advantage Compliance Committee. The information addresses expectations of conduct in areas where improper activities could harm our members, damage NHC Advantage's reputation, and otherwise result in serious adverse consequences to NHC Advantage and the involved employees. This document represents NHC Advantage's Standards of Conduct (hereafter referred to as "Standards"). These Standards describe the overarching principles and values of the organization. Compliance with these Standards is the responsibility of all NHC Advantage employees, as well as first-tier and downstream entities performing services on behalf of NHC Advantage.

NHC Advantage expects all employees to conduct themselves ethically and report all instances of noncompliance and potential fraud, waste, and abuse (FWA) through appropriate mechanisms. These Standards identify how issues can be reported and that such reporting can be done anonymously, confidentially, and without fear of retaliation. Reported issues will be addressed and corrected in a timely manner. In addition, compliance and ethics are valued at the highest levels of authority within the organization.

As NHC Advantage continues to grow, and as federal and state laws change, the need may arise, and NHC Advantage reserves the right to revise, supplement, or rescind any policies or portion of these Standards as it deems appropriate, in its sole and absolute discretion.

Employees will be notified of changes to these Standards as they occur.

*As a condition of employment, all new employees will receive these Standards along with the required training within the first 90 days of hire. All employees shall attest that they have received and read all elements of these Standards within the first 90 days of hire and that they will comply with all of the elements in their day-to-day activities. Existing NHC Advantage employees will receive and attest to these Standards at least annually or upon revisions. Attestations will be retained for ten years.*

An employee's actions under these Standards are significant indications of the individual's judgment and competence. Accordingly, those actions constitute an important element in the evaluation of the employee for position assignments and promotion. Correspondingly, insensitivity to or disregard of these Standards' principles will be grounds for appropriate management disciplinary action.

## **Business Ethics and Conduct**

The successful business operation and reputation of NHC Advantage are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. NHC Advantage's success is dependent upon our customers' trust, and we are dedicated to preserving that trust. Employees are expected to conduct themselves in a way that will merit the continued trust and confidence of our customers. NHC Advantage will comply with all applicable laws and regulations. As such, employees are expected to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide each employee with respect to lines of acceptable conduct. If a situation arises in which it is difficult to determine the proper course of action, the matter should be discussed openly with the employee's immediate supervisor and, if necessary, with the NHC Advantage Compliance Officer. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

## **Conflict of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. These Standards establish the framework and general direction within which NHC Advantage wishes the business to operate. Where necessary, employees should seek further clarification on issues related to the subject of acceptable standards of operation. Contact the NHC Advantage Compliance Officer for more information or for any questions concerning conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of NHC Advantage. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of NHC Advantage's business dealings. For the purposes of these Standards, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No “presumption of guilt” is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative they disclose any such relationships to NHC Advantage management as soon as possible so that safeguards can be established to protect all parties. Personal gain may result not only in cases where an employee or relative has significant ownership in a firm with which NHC Advantage does business but also when an employee or relative receives any reward, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving NHC Advantage.

### **Prohibition of Improper Payments**

NHC Advantage expects all employees to use only legitimate practices in commercial operations and in promoting NHC Advantage’s position on issues before governmental authorities. As stated below, “kickbacks” or “bribes” intended to induce or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

No employee of NHC Advantage or any Network or Representative acting on NHC Advantage’s behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, contribution, or otherwise) to:

- Any person or firm employed by or acting for or on behalf of any customer, whether private or governmental, for the purpose of inducing or rewarding any favorable action by the customer in any commercial transaction or any governmental entity, for the purpose of inducing or rewarding action (or withholding of action) by a governmental entity in any governmental matter.
- Any governmental official, political party or official of such party, or any candidate for political office, for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, party, or candidate in any commercial transaction or in any governmental matter.
- In utilizing consultants, agents, sales representatives, or others, NHC Advantage will employ only reputable, qualified individuals or firms under compensation arrangements which are reasonable in relation to the services performed. Consultants, agents, or representatives retained in relation to the provision of goods or services to the federal government must agree to comply with all laws, regulations, and NHC Advantage policies governing employee conduct.
- The provisions of this section are not intended to apply to ordinary and reasonable business entertainment or gifts not of substantial value, customary in local business relationships and not contrary to the law as applied in that environment. Managers are expected to exercise sound discretion and control in authorizing such business entertainment and gifts.
- When customer organizations, governmental agencies, or others have published policies intended to provide guidance with respect to acceptance of entertainment, gifts, or other business courtesies by their employees, such policies shall be respected.

## **Political Contributions**

NHC Advantage will not make any contribution to any political party or to any candidate for political office in support of such candidacy except as provided in these Standards and as permitted by law.

In the United States, federal law strictly controls corporate involvement in the federal political process. Generally, federal law provides that no corporation may contribute anything of value to any political party or candidate in connection with any federal election.

While similar laws apply in some states and their political subdivisions, in many jurisdictions in the United States, corporate contributions to candidates and political parties in connection with state and local election campaigns are lawful.

This policy is not intended to prevent NHC Advantage from communicating its views to legislators, governmental agencies, or the general public regarding existing or proposed legislation or governmental policies or practices affecting business operations. Moreover, under these Standards, reasonable costs incurred by NHC Advantage to establish or administer political action committees or activities organized to solicit voluntary political contributions from individual employees are not regarded as contributions to political parties or candidates, where NHC Advantage may lawfully incur such costs.

## **Reporting Potential or Detected Noncompliance or Fraud, Waste, and Abuse**

NHC Advantage is committed to complying with all applicable laws, including but not limited to those addressing noncompliance and FWA. Employees are expected to immediately report any potential false, inaccurate, or questionable issues to their supervisors or the NHC Advantage Compliance Officer in accordance with NHC Advantage's policies. Any employee who is requested to engage in any activity that is or may be contrary to the intent and spirit of these Standards must promptly report such information to his or her manager or, if the employee was so directed by the manager, then to the NHC Advantage Compliance Officer. Likewise, any employee who acquires information that gives the employee reason to believe that any other employee is engaged in conduct forbidden by these Standards must promptly report such information to his or her manager or, if the manager is engaged in such conduct, then to the NHC Advantage Compliance Officer.

NHC Advantage employees can use the following information to submit questions or reports of suspected or detected noncompliance or potential FWA.

| Methods for Reporting Potential and Detected Noncompliance and Fraud, Waste, and Abuse (FWA) |  |
|--|--|
| Anonymous Hotline  | 1-844-317-9059   |
| Confidential E-mail  | <a href="mailto:compliance@nhcadvantageplan.com">compliance@nhcadvantageplan.com</a> |
| Mailing Address  | Compliance Officer NHC Advantage<br>P.O. Box 5849<br>Glen Allen, VA 23058-5849       |

NHC Advantage does not tolerate fraudulent or other dishonest behavior and will take appropriate investigative and corrective action upon receiving such reports. NHC Advantage is prohibited by law from retaliating in any way against any employee or contractor who, in good faith, reports a perceived problem, concern, or issue involving noncompliance or FWA and will not take punitive action against an employee who reports such information.

### **Required Training and Education Activities**

These Standards describe NHC Advantage's expectation that all employees conduct themselves in an ethical manner. To assist employees with understanding potential issues and to comply with CMS requirements, certain training and education activities are required. The rest of this section discusses those activities.

### **Fraud, Waste, and Abuse (FWA)**

NHC Advantage is committed to the responsible stewardship of our resources and maintaining a comprehensive plan for detecting, preventing, and correcting FWA. To that end, NHC Advantage requires any individual who is aware of or suspects acts of FWA of NHC Advantage resources in any departmental area, by any provider, member, or individual, or with any entity that NHC Advantage contracts with, such as in the Medicare program, to report such acts to the NHC Advantage Compliance Officer.

*In compliance with CMS requirements, all employees and governing body members must complete FWA training within 90 days of initial hiring or appointment and annually thereafter.*

## **General Compliance**

General compliance training will address preventing, detecting, and correcting noncompliance issues, as well as a description of the compliance program and methods for reporting potential issues of noncompliance that ensure confidentiality and anonymity. Moreover, such training efforts will highlight that NHC Advantage adheres to a standard of non-retaliation and non-intimidation for compliance-related questions or reports of potential noncompliance or FWA.

*In compliance with CMS requirements, all employees and governing body members must complete general compliance training within 90 days of initial hiring or appointment and annually thereafter.*

## **Violations of the Standards of Conduct**

Violations of these Standards are grounds for discharge or other disciplinary action adapted to the circumstances of the particular violation. The primary objective is to further NHC Advantage's interest in preventing violations and make clear that violations are neither tolerated nor condoned.

Disciplinary action will be taken, not only against individuals who authorize or participate directly in a violation of these Standards, but also against:

- Any employee who may have deliberately failed to report a violation of these standards
- Any employee who may have deliberately withheld relevant and material information concerning a violation of these Standards; and
- The violator's managerial superiors, to the extent that the circumstances of the violation reflect inadequate leadership and lack of diligence.

## **NHC Advantage Compliance Officer Contact Information**

|                    |  |
|--------------------|--|
| Compliance Officer | Kitty Locke  |
| Phone              | 1-615-890-2020 Ext 1664  |
| E-mail             | klocke@nhccare.com   |
| Mailing Address    | Compliance Officer NHC Advantage<br>P.O. Box 5849<br>Glen Allen, VA 23058-5849 |

## **Compliance Hotline and Compliance Contact Information**

|        |  |
|--------|--|
| Phone  | 1-844-317-9059   |
| Fax    | 1-833-572-2367   |
| E-mail | <a href="mailto:compliance@nhcadvantageplan.com">compliance@nhcadvantageplan.com</a> |



**Attestation to Comply with Standards of Conduct and Compliance Policies and Procedures**

I have received and read the NHC Advantage Plan Standards of Conduct, Compliance Program Description, and Compliance Policies and Procedures. These Standards, Compliance Program

Description and compliance policies and procedures are available on NHC Advantage’s Intranet under the Downloads section, NHC Advantage folder. I understand that it is my responsibility to comply with the Standards of Conduct and ALL NHC Advantage policies and procedures. I understand that I should consult with the NHC Advantage Medicare Compliance Officer or the Compliance team regarding questions I have about the NHC Advantage Standards of Conduct, policies, and procedures.

I understand that there are additional NHC Advantage policies, procedures, and rules, and it is my responsibility to read and comply with ALL policies and revisions made to them.

Because the information within these policies may change, I acknowledge that revisions to policies may occur at any time, with or without prior notice, and in the sole discretion of NHC Advantage management. I understand that revised information may supersede, modify, or eliminate existing policies.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
SignatureDate

Please provide a signed copy of this attestation to [Compliance@nhcadvantageplan.com](mailto:Compliance@nhcadvantageplan.com).