

Louisiana

Compliance Program: Code of Conduct

This is a supplement to Kindred's Employee Handbook for employees who work in Louisiana. As stated in our Employee Handbook, the federal False Claims Act and similar state laws assist the federal and state governments in combating fraud and recovering losses resulting from fraud in government programs, purchases and/or contracts. These laws are some of the most important laws that govern our business. Like the federal False Claims Act, the Louisiana Medical Assistance Programs Integrity Law ("MAPIL") and other Louisiana laws impose liability on persons or companies that make or cause to be made false or fraudulent claims to the government for payment or who knowingly make, use or cause to be made or used, a false record or statement to get a false or fraudulent claim paid by the government. These Louisiana laws apply to Medicaid reimbursement and prohibit, among other things:

- Billing Louisiana's Medicaid program for services not rendered
- Submitting or causing to be submitted a false claim
- Misrepresenting any information in order to obtain payment from medical assistance program funds
- Conspiring to defraud the medical assistance program by misrepresentation or by attempting to obtain payment for a false claim
- Submitting a claim for goods, services or supplies which were medically unnecessary or of substandard quality or quantity
- Participating in kickbacks

Civil and Criminal Penalties for False Claims or Statements

A violation of these Louisiana laws may result in civil penalties of up to \$10,000 per claim, plus three times the amount of damages sustained by the state government. In addition, a person who violates LA Rev. Stat. Ann. § 14:133 prohibiting the filing of a false public record, commits a crime punishable by imprisonment for up to five years and a fine of not more than five thousand dollars.

Civil Lawsuits

Like the federal False Claims Act, Louisiana law also allows civil lawsuits to be filed by the state government or by private citizens, including employees. If the private citizen (also called a *qui tam* plaintiff) is successful in the lawsuit, he/she may share a percentage of any monetary recovery and receive an award for reasonable attorney's fees and costs. However, if the state chooses not to litigate a case, and the private citizen litigates and loses, then the court will award the defendant its reasonable attorney fees and costs against the private citizen if the court finds the allegations were meritless or brought primarily for purposes of harassment.

No Retaliation

Like federal law and Kindred policy, various Louisiana laws, including the MAPIL and LA Rev. Stat. Ann. § 23:967 prohibit employers from retaliating, discriminating or harassing employees because of their lawful participation in a false claims disclosure or their refusal to assist employers in violating laws such as the MAPIL. LA Rev. Stat. Ann. § 23:967 requires an employee to notify his/her employer of any suspected violation of law before disclosing it to the appropriate government agency. These laws also provide for certain monetary awards and equitable relief to the prevailing plaintiff including compensation for lost wages and reinstatement to a former position.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of Kindred's Code of Conduct or regulatory violation, or (2) refused to violate Kindred's Code of Conduct or a government law or regulation, will be subject to disciplinary action up to and including separation of employment. See Kindred's Concern Resolution Procedure in the Employee Handbook for information on reporting concerns.

Copies of Louisiana Laws

The Louisiana laws summarized above include: (1) The Louisiana Medical Assistance Programs Integrity Law, LA Rev. Stat. Ann. §§ 46:437.1-440.3; (2) The Louisiana Whistleblower Law, LA Rev. Stat. Ann. §§ 46:439.1-4; (3) LA Rev. Stat. Ann. § 14:133; and LA Rev. Stat. Ann. § 23:967. If you have questions about any of these requirements, you may contact Kindred's Compliance Hotline at 1-800-359-7412. This summary and others are also posted on Kindred's external web site, www.kindredhealthcare.com, and Kindred's intranet site (KNECT) under the Compliance home page.