

Montana

Compliance Program: Code of Conduct

This is a supplement to Kindred's Employee Handbook for employees who work in Montana. 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 Montana False Claims Act ("MFCA"), and other Montana 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 Montana laws apply to Medicaid reimbursement and prohibit, among other things:

- Billing Montana's Medicaid program for services not rendered
- Submitting a false claim for payment
- Conspiring to make a false claim or get one paid
- Making or using a false record or statement to conceal, avoid or decrease an obligation to pay the state
- Failure to disclose that a benefit was obtained as a result of a false claim within a reasonable time after discovery of the false claim

Civil Penalties for False Claims or Statements

A violation of these Montana laws may result in civil penalties of not less than two times and not more than three times the amount of damages sustained by the state government, plus a fine of up to \$10,000 for each act.

Civil Lawsuits

Like the federal False Claims Act, Montana law also allows civil lawsuits to be filed by the state government or by private citizens, including employees. If the private citizen 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 a private citizen plaintiff brings a lawsuit and the court finds that the claim was frivolous or brought solely for harassment purposes, then the court may award the defendant its reasonable attorney fees and costs which will be apportioned equitably between the private citizen plaintiff and the governmental plaintiff.

No Retaliation

Federal law and Kindred policy 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 MFCA.

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 Montana Laws

The Montana laws summarized above include: (1) The Montana False Claims Act, Mont. Code Ann. §§ 17-8-401-412. 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.