

**Myrtle Hilliard Davis Comprehensive Health Centers, Inc.**  
**Board Resolution**  
**Endorsing and Authorizing the**  
**Development and Implementation of a**  
**Corporate Compliance Program**

The “Myrtle Hilliard Davis Comprehensive Health Centers, Inc: is committed to providing high quality, cost-effective health care in compliance with the law. The Health Center can meet its commitment only through the efforts of our highly skilled health care providers and dedicated support staff. Each must earn the trust and respect of our clients and of the individuals and organizations with whom and with which we do business by conducting himself or herself with honesty and integrity and by adhering to the laws that are applicable to the Health Center.

The laws applicable to the Health Center are, however, often highly technical so that common concepts of right and wrong lend little guidance to the Health Center’s employees, its health care professionals and others who provide services on the Health Center’s behalf. Thus, individuals who believe that they are conducting themselves properly may, in fact, be violating the law. These violations, even if unintentional, may have serious consequences for the responsible individual and, in addition, may subject the Health Center to sizeable penalties and cause irreparable damage to the Health Center’s good name.

To assist our employees in making the right choices when confronted with difficult situations, the Board believes that the Health Center will benefit from an effective corporate compliance program. The Board’s action directing Health Center management to proceed with the development and implementation of a formal corporate compliance program should not be interpreted as concern that present management systems are inadequate. Rather, develop and implementation of a corporate compliance program is part of the Health Center’s continuing effort to improve the quality of our services and to further our mission.

In this regard, the Board also recognizes that the Department of Health and Human Services, Office of Inspector General (“OIG”), the federal agency charged with enforcing the Medicaid and Medicare laws, has published a series of compliance program guidances for members of the health care industry and, on October 5, 2000, published a Compliance Program Guidance for Individual and Small Group Physician Practices. These guidances set forth the components of an effective compliance program and encourage health care providers, including health centers, to develop and implement these components as part of their efforts to monitor compliance with applicable statuses, regulations and program requirements.

## **WHEREFORE, THE BOARD RESOLVES THAT:**

1. The management of the Health Center will dedicate such resources as are necessary to develop and implement an effective corporate compliance program designed to promote adherence to all applicable laws, including the statutes, regulations and requirements applicable to Medicaid, Medicare and other federal and state health care programs.
2. The compliance program will meet or exceed the components of an effective compliance program as identified by the OIG in its compliance program guidances. These components include:
  - a. Conducting internal monitoring and auditing;
  - b. Implementing written standards and policies and procedures;
  - c. Designating a compliance officer and committee;
  - d. Conducting appropriate training and education;
  - e. Responding appropriately to detected offenses and developing corrective action;
  - f. Developing open lines of communication; and
  - g. Enforcing disciplinary standards through well-publicized guidelines.
3. The Board recognizes that the development and implementation of a comprehensive and effective corporate compliance program will be both time-consuming and costly. Accordingly, Health Center management is directed to proceed with the development and implementation of a program by focusing on compliance functions having priority and on practice areas identified as potential “risk areas” by the Health Center, or more generally, by the OIG and other federal or state government enforcement agencies. Consistent with the OIG’s compliance program guidances, management will proceed with the development and implementation of the corporate compliance program and shall provide periodic progress reports to the Board.
4. Based on the forgoing, the Board directs Health Center management to send a letter to all Health Center employees, consultants, vendors and volunteers advising them of the intended compliance program.