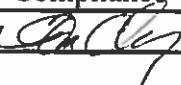


Foothills Behavioral Health Partners, LLC
Operating Policies and Procedures

Response to Corporate Compliance Program Violations	
Effective Date: July 28, 2014	Revision Date:
Subject Area: Program Integrity	
Responsible Department: Compliance	
Authorized By: Tom Clay 	Approval Date: 7/28/14

POLICY: When violations of the FBHPartners Corporate Compliance Program by employees, contractors, officers, managers, or board members are detected, prompt corrective and/or disciplinary actions are taken, as appropriate to the nature of the violation.

PURPOSE: This policy supports the FBHPartners Corporate Compliance Program through enforcement of adherence to the company's compliance policies and procedures, Code of Conduct, and Federal and State statutes and regulations. Violations of the Corporate Compliance Program may subject the company to significant legal and financial sanctions, as well as to reputational damage.

DEFINITIONS:

FBHPartners Corporate Compliance Program: The document that describes the primary elements of FBHPartners Corporate Compliance Program, as approved by the Corporate Compliance Committee and FBHPartners Board of Directors, and includes the Code of Conduct.

PROCEDURES:

1. When employee, manager, officer, contractor or board member performance problems relate to noncompliance with FBHPartners Corporate Compliance Program, the supervising staff member, or in the case of a board member the FBHPartners Chief Executive Officer (CEO), consults with the Corporate Compliance Officer (CCO) for an assessment of the level of severity of the violation, mitigation actions, and possible reporting requirements.
2. The supervising staff member (or for a board member, the CEO) and the CCO review the information related to the infraction, including CCO interview with the individual, as appropriate. The individual who is the subject of the review is given an opportunity to present information to assist with the review.
3. The level of severity of the violation is determined. Factors that are considered in the determination of level of severity include, but are not limited to: scope of impact of the violation, whether there have been repetitive acts and/or prior coaching/training, intentionality of the violation, presence of reckless disregard, whether corrective attempts have been made, and the presence of mitigating circumstances.

4. Any or combinations of the following responses are applied, commensurate with the level of severity of the violation, consistent with FBHPartners Human Resources policies and procedures:
 - a. Correction/mitigation of the violation, if feasible, and verbal counseling/training with the individual, including review of relevant FBHPartners compliance policies and procedures, and the presentation of clear statements regarding expected performance relative to adherence to them.
 - b. Formal written warning and/or corrective action/performance improvement plan, with clear steps that must be followed to avoid more serious consequences.
 - c. Immediate suspension of duties during a more formal investigation, especially when the violation occurred within the context of safety, State or Federal sanction, or significant company reputational issues.
 - d. Termination of the individual's or entity's relationship with FBHPartners.
5. Generally for unintentional, minor infractions, the individual is provided with additional training and a period of monitoring for continued compliance. For more serious infractions, written corrective actions plans may be applied. The most serious infractions can result in immediate suspension and/or termination.
6. Some types of infractions may subject the individual to Federal or State imposed fines or penalties, and/or exclusion from participation in government programs.
7. FBHPartners Legal counsel is consulted when serious violations occur for which suspension or termination is contemplated as a response. When the CEO and CCO determine that suspension or termination is appropriate for a board member, they will bring this recommendation to the Board of Directors, which makes the final determination of action.
8. The supervising staff, CEO (as applicable), and CCO assume responsibility for implementation of actions to mitigate any adverse results of the compliance violation.
9. When the results of the infraction involve violations of FBHPartners requirements under State or Federal law (for example, breaches of protected health information or fraud) the appropriate FBHPartners policy and procedure, and State and Federal requirements are followed, including reporting to law enforcement agencies, if applicable.
10. The supervising staff and CCO keep records of Corporate Compliance Program violations and their disposition.