

Business Systems Infrastructure

Compliance Controls

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Internal Audit Layer

Enterprise Risk Management Layer

Corporate

- (1) Fraud Prosecutor as CCO
- (2) Confidential Compliance Hotline
- (7) Corporate New Employee Orientation on Compliance
- (9) Compliance Presentations at all Functions
- (10) Executive Compliance Committee
- (11) Compliance Team to Investigate Allegations

Agency

- (2) Companywide Annual Compliance Testing
- (6) Sales Compliance Training
- (8) Billing Compliance Training

Clinician

- (4) New Hire Compliance Training
- (5) New Acquisition Compliance Training

External

- (12) Outside Compliance Legal Opinions

Compliance Controls (continued)

1. Department of Justice Prosecutor as Chief Compliance Officer

Jeffrey Jeter was hired in 2001 to head the company's compliance division. Jeffrey worked as an attorney with the Department of Justice prosecuting healthcare fraud. He has been instrumental in establishing a multi-layered compliance infrastructure based upon the OIG's recommendations for healthcare entities.

2. Confidential Compliance Hotline

Since 2001 a confidential hotline has been in place throughout the company to ensure employees they can anonymously report any potential wrongdoing. Jeffrey Jeter personally manages and investigates all complaints that are confidentially reported. All complaints are reported to the Board of Directors to ensure transparency and in keeping with our organizational commitment to compliance.

3. Annual Compliance Testing

All employees are required to attend annual compliance training and must successfully pass post-training testing. This requirement began in 2001 and was a key step in ingraining compliance into our culture.

Amedisys has recognized that the most effective deterrent to fraud and abuse is having a rigorous, recurrent training schedule for staff. Recurrent training ensures that all employees understand the rules, pitfalls, and the processes for compliance. Therefore, all staff, regardless of position within the company, are required to undergo a series of training dedicated solely to compliance.

4. New Hire Compliance Training

Upon hire, all staff are required to view a compliance training video and complete a post-training test demonstrating their mastery of the concepts. The video was produced in-house, and therefore, is narrowly tailored to the specific compliance risks encountered by Amedisys. This training video also details the company's Zero Tolerance Policy with respect to fraud and abuse and explains the incident reporting hotline available to all staff. Furthermore, when completing this training, **all staff are required to certify, in writing, that they have received training, understand the company's policies, and will report any known incidents of fraud.**

Compliance Controls (continued)

5. New Acquisition Compliance Training

When Amedisys acquires a new agency, all newly-acquired staff receive the same compliance training, which is conducted within the first few months of the acquisition.

6. Sales Compliance Training

All newly-hired business development employees (Account Executives, Account Managers, and Regional Directors of Business Development) as well as newly-hired agency Directors must attend a separate Business Development Orientation training, which includes several hours of compliance training conducted by the Company's Chief Compliance Officer. In these presentations, state and federal laws concerning kickbacks and illegal remuneration are discussed. In addition, the sessions focus on proper and improper marketing activities. The audience is also afforded the opportunity to ask questions and pose hypotheticals to ensure that the Company has addressed all of their unresolved issues with respect to conducting business development in a legal and ethical manner.

7. One Day Corporate Orientation - Compliance

Moreover, since the beginning of 2004, all new employees are required to attend a one-day corporate orientation, which is held six (6) times a year in regional locations. During this orientation, senior management meets with employees to discuss the company's mission and values and culture. Included in this orientation is a separate compliance presentation. This presentation explains the company's expectations with respect to compliant conduct by all staff, as well as the consequences for fraudulent conduct and the avenues available for reporting compliance concerns. Attendees must also certify their receipt of training and adherence to the Company's compliance plan.

8. Billing Compliance Training

The Company conducts separate compliance training annually for staff responsible for billing and coding. A separate Billing Compliance training manual and video has been created and disseminated to the field. This training covers the policies, processes, and procedures required for billing and explains how each ties back to key internal controls for compliance. This training, which was jointly created by Clinical Operations and the Company's Chief Compliance Officer, is mandatory for all staff involved in billing and coding.

Compliance Controls (continued)

All staff involved in billing have also been required to participate in a separate Billing Compliance training meeting tied with the Company's Sarbanes Oxley compliance. During this meeting, the Chief Compliance Officer presents a training session on Billing and Coding Compliance. Again, all attendees **must certify their attendance and adherence in writing.**

9. Compliance Presentations at all Company Functions

All formal Company meetings include a specific session on compliance presented by the Chief Compliance Officer. These annual meetings bring together the company's operational and sales leadership. The compliance presentations focus on the important role of compliance, potential fraud schemes to be avoided, and the compliance policies of the company.

A sample of recent compliance presentations includes the following:

- "Chocolate Covered Compliance"--New Employee Orientation
- "Beware of HHAs Bearing Gifts"--Business Development Training
- "King of the Compliance Mountain"--Billing compliance training
- "A Few Good Docs"--Compliance training for Amedisys' medical directors
- "Abracadabra ... Compliance"--Compliance training for Amedisys operators and sales staff
- "Mission: Compliance"--Compliance training used for both Amedisys' medical directors and company leadership
- "Swimming with the Fishes"--Compliance training for Amedisys' medical directors
- "Compliance Building Blocks for Agency Success"--Compliance training for Amedisys' operators and sales staff
- "Time=Money: Care Plan Oversight Compliance"--Business Development Training
- "Compliance Survivor: Outwit, Outplay, Outlast"--Compliance training for Amedisys' leadership
- "Confessions of a 400 Pound Gorilla"--Compliance training for Amedisys' operators and sales staff

Compliance Controls (continued)

10. Executive Compliance Committee

In the OIG's compliance guidance for home health, it was recommended that providers "designate an appropriate body, e.g. a corporate compliance committee, charged with the responsibility for operating and monitoring the compliance program." The OIG's guidance contemplated that such a committee would report directly to the CEO and governing body of the agency, and in so doing would reflect a good faith and meaningful commitment to compliance by the agency's administration as well as its governing body and CEO.

Based on this guidance, Amedisys has created a Compliance Committee comprised of the following persons: (1) the Chief Compliance Officer; (2) the Chief Executive Officer; (3) the Chief Operating Officer; (3) the Chief Financial Officer; (4) the Chief Information Officer, (5) the Senior Vice President of Clinical Operations; (6) the Senior Vice President of Human Resources; and (7) the Vice President of Compliance.

The Amedisys Corporate Compliance Committee meets at least bi-annually, and more often as circumstances warrant. It is important to note that Amedisys' Compliance Committee is comprised of all senior-level management in the company.

It is critical that compliance oversight be vested at the highest levels of an organization. In so doing, there is not a committee report to senior management, where issues could be overlooked or buried in a report; rather, senior management is an active participant in the compliance process.

The Compliance Committee is responsible for setting compliance policies, reviewing compliance problems, and ensuring the overall compliance climate of the Company.

Issues that are typically discussed in Corporate Compliance Committee meetings include: (a) compliance hotline calls; (b) review of compliance audits; (c) changes in legislation or regulations; (d) changes to company policies; and (e) current risk areas for fraud and abuse.

In addition, all compliance problems are vetted to both the Chief Executive Officer and the Chief Financial Officer each quarter in advance of the release of financial statements in accordance with the provisions of the Sarbanes Oxley legislation.