



Title: Sanctions Policy

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Policy # CC20

Purpose:

This policy establishes that disciplinary sanctions will be applied against the Care Compass Entities' Affected Individuals who fail to comply with Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct, policies and procedures regarding the privacy and security of protected health information ("PHI") and personally identifiable information ("PII"), applicable policies and procedures of the Care Compass Entities, required obligations as defined in the terms and conditions stipulated in contractual agreements with the Care Compass Entities, or who engage in behavior that may result in a compliance or privacy violation.

Definitions:

Affected Individual(s): All persons who are affected by Care Compass Entities' risk areas including Care Compass Entities' employees, officers, Directors, managers, contractors, agents, subcontractors, independent contractors, governing bodies, or third-parties, who or that, in acting on behalf of the Care Compass Entities: (i) delivers, furnishes, directs, orders, authorizes, or otherwise provides health or social care items and services under State, Federal, or Care Compass programs; and (ii) contributes to the Care Compass Entities' entitlement to payment under Federal health or social care programs, or from other payor sources.

Care Compass Entities: Organizations that are directly, or indirectly through one or more intermediaries, owned or controlled by, or are under common ownership or control of, Care Compass Network, including Care Compass Collaborative, Inc., and Care Compass Supporting IPA, LLC.

HIPAA: The Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the Health Insurance Technology for Economic Clinical Health Act ("HITECH") and any regulations, rules, and guidance issued pursuant to HIPAA and the HITECH Act (collectively "HIPAA").

Individually Identifiable Health Information: Information that is a subset of health information, including demographic information collected from an individual, and:

1. Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and
2. Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and
 - a. That identifies the individual; or

- b. With respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Network: Organizations that are contracted with the Care Compass Entities to participate in a network of organizations to provide services.

Non-Compliance/Non-Compliant: Required actions or non-actions by an Affected Individual contrary to the expectations of the Care Compass Entities, as defined in its policies and procedures, Network performance standards, agreements, or applicable laws and regulations.

Personally Identifiable Information (“PII”): Information that, when used alone or with other relevant data, can identify an individual, including, but not limited to:

1. Credit card numbers;
2. Dates of birth;
3. Driver’s license numbers;
4. Financial information;
5. Full name;
6. Gender;
7. Mailing addresses;
8. Medical records;
9. Passport information;
10. Place of birth;
11. Race;
12. Religion;
13. Social Security numbers; and
14. ZIP code.

Protected Health Information (“PHI”): Individually Identifiable Health Information, that is transmitted or maintained in electronic media, or transmitted or maintained in any other form or medium (with exceptions, as described under 45 CFR §160.103), that relates to a person’s physical or mental health, and his/her treatment or payment including, but not limited to:

1. Name;
2. All geographical subdivisions smaller than a State, including street address, city, county, precinct, zip code, and their equivalent geocodes, except for the initial three digits of a zip code;
3. All elements of dates (except year) for dates related to an individual, including birthdate, admission date, discharge date, date of death, and exact age if over 89 and all elements of dates (including year) indicative of such age, except that such ages and elements may be aggregated into a single category of age 90 or older);
4. Telephone numbers;
5. Facsimile numbers;
6. E-mail addresses;
7. Social Security numbers;
8. Medical record numbers;
9. Health plan beneficiary numbers;
10. Account numbers;
11. Certificate/license numbers;

12. Vehicle identifiers and serial numbers, including license plate numbers;
13. Device identifiers and serial numbers;
14. Web Universal Resource Locators (URLs);
15. Internet Protocol (IP) addresses;
16. Biometric identifiers, including finger and voice prints;
17. Full face photographs and any comparable images; and
18. Any other unique identifying number, characteristic or code.

Sanctions: Disciplinary action issued for determined compliance misconduct or contractual non-compliance.

Policy:

It is the policy of the Care Compass Entities to fairly and consistently apply Sanctions to Affected Individuals who fail to abide by Federal and State laws and regulations; the Code of Conduct; compliance, privacy and security policies and procedures, and other applicable policies and procedures; or who engage in behavior that may result in a compliance or privacy violation.

I. Compliance Misconduct and Sanctions.

- a. The failure to comply with Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct, policies and procedures relating to compliance, privacy or security of PHI/PII and other sensitive information, collectively, "misconduct", or behavior that may result in a compliance or privacy violation by an Affected Individual will result in Sanctions consistent with this Policy and Care Compass Entities' Codes of Conduct, Compliance, and Privacy and Security Policies, and Bylaws.
- b. Sanctions will be administered to Affected Individuals for: (1) failing to report suspected problems; (2) participating in noncompliant behavior; or (3) encouraging, directing, facilitating, or permitting noncompliant behavior. Misconduct will result in appropriate and immediate remediation and/or disciplinary action, up to and including termination of any employment or other work arrangement or business relationship with an Affected Individual. Disciplinary action will be based upon the type and severity of the misconduct, the relationship with the Affected Individual, and the disciplinary record of the individual involved.
- c. Affected Individuals are expected to identify and report misconduct or potential compliance or privacy issues and to assist in the resolution of such issues. Failure to adhere to these expectations constitutes a compliance violation. Furthermore, encouraging, directing, facilitating, or permitting either actively or passively non-compliant behavior constitutes a compliance violation.
 - i. Directors, Managers, or Supervisors who fail to detect or report misconduct on the part of an Affected Individual under their supervision shall be subject to Sanctions under this Policy and Care Compass Entities' Compliance and Privacy and Security Policies. Failure to detect misconduct means that the Director, Manager, or Supervisor knew about the misconduct but failed to identify the misconduct as potential misconduct involving Federal and State laws and regulations, or the Care Compass Entities' Codes of Conduct, or Compliance, Privacy and Security Policies and Procedures.
- d. The Care Compass Entities may terminate the employment or contractual or other relationship with an Affected Individual without first resorting to less severe forms of

- discipline for misconduct involving Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct, policies and procedures for compliance, privacy and security of PHI/PII or behavior that may result in a compliance or privacy violation.
- e. Compliance misconduct involving any Affected Individual will be referred to the Director of Compliance for investigation and execution of Sanctions consistent with this Policy.
 - f. The Director of Compliance, along with legal counsel, or their designees as appropriate, will investigate misconduct and follow up to determine that proper Sanctions and/or corrective action have been taken.
 - g. For misconduct involving Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct, policies and procedures for compliance, privacy and security of PHI/PII, or behavior that may result in a compliance or privacy violation, appropriate Sanctions will be by executed by the Director of Compliance in consultation with Care Compass Entities' Compliance Committees, Human Resources, legal counsel, and/or Management, as appropriate.
 - h. The Director of Compliance is responsible for executing the Sanctions and/or corrective measures and issuing a written report to the Care Compass Entities' Compliance Committees documenting the Sanctions and/or corrective actions.
 - i. Management and/or Human Resources, as appropriate, is responsible for applying disciplinary Sanctions in accordance with this Policy, Care Compass Entities' Compliance and Privacy Policies, and Disciplinary Action Procedures, and issuing a written report to the Director of Compliance documenting the Sanctions imposed and completion of corrective action. The Director of Compliance, or a designee, may follow up to determine that proper Sanctions and/or corrective actions have been taken.
 - i. Compliance misconduct may also result in notification by the Director of Compliance to law enforcement officials and/or regulatory, accreditation and licensure organizations

II. Categories of Compliance Misconduct and Sanctions.

- a. Categories of Compliance Misconduct. The following guidelines have been established to provide consistency when determining Sanctions for compliance misconduct. The level of Sanction will depend on the severity of the misconduct, whether there have been previous transgressions, and a review of the Affected Individual's personnel file, if applicable. The misconduct listed below, while not all inclusive, are organized according to the severity. Decisions may be made on a case-by-case basis, and any deviations from the guidelines should include consultation with the Director of Compliance.
 - i. Category 1 Compliance Misconduct: Improper and/or unintentional disclosure of confidential information. This level of misconduct occurs when PHI/PII, sensitive information, or confidential information of the Care Compass Entities is unintentionally or carelessly disclosed to others who do not have a "need to know" within the normal course of legitimate business or for health or social care activities.
 - ii. Category 2 Compliance Misconduct: Intentional acts of noncompliance. Category 2 misconduct may also include any repetition of Categories 1 or 2 misconduct. This category of compliance misconduct may include, but is not limited to a manager's receiving a report of noncompliance from Staff and failing to report such an event to the Director of Compliance; unauthorized use, misuse or access of PHI/PII or records (e.g., inappropriate access of the PHI/PII of a family member or co-worker; looking

up birth dates, addresses of friends or relatives; access of anyone's record out of curiosity or concern or without a legitimate business reason; accessing the Affected Individual's personal care record on the Care Compass Entities IT platform or systems, failing to safeguard a computing device or an application passcode that may result in another individual violating a patient's rights to privacy).

- iii. Category 3 Compliance Misconduct: This level of misconduct occurs when an Affected Individual acts in deliberate or reckless disregard of the Care Compass Entities' policies and procedures or Federal or State laws for personal gain or to expose the Care Compass Entities to fraud, waste, or abuse claims. This category of compliance misconduct may include, but is not limited to, using PHI/PII where the disclosure is intended to damage or embarrass; sale of data for personal gain; billing for a service that was not rendered to increase revenue; solicitation of gifts from vendors or clients; or paying a referral source to provide referrals.
- b. Compliance Misconduct Sanctions. The failure to comply with Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct, policies and procedures for compliance, privacy and security of PHI/PII, or behavior that may result in a compliance or privacy violation will include Sanctions up to and including termination of employment. Other Sanctions may include, but are not limited to, termination of a contract, suspension of the right to access PHI/PII and other sensitive information, removal from the Network, and termination of other privileges.
 - i. Category 1 Compliance Misconduct Sanctions: (First Offense) Sanctions will follow this Policy, the Care Compass Network Personnel Policy and Disciplinary Action Procedure, and the Care Compass Entities' Codes of Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, and Response to Non-Compliance Procedure regarding disciplinary action and will include appropriate Compliance/Privacy/Security training and may include:
 - 1. Oral or written caution, or documented counseling to Staff's personnel file.
 - 2. Oral or written warning to other Affected Individuals.
 - 3. Repeated offenses may result in progressive discipline, up to and including suspension or termination of any employment or other work arrangement or business relationship with an Affected Individual.
 - ii. Category 2 Compliance Misconduct Sanctions: (First Offense or Repeated Category 1 Offenses) Sanctions will follow this Policy, the Care Compass Network Personnel Policy and Disciplinary Action Procedures, and the Care Compass Entities' Codes of Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, and Response to Non-Compliance Procedure regarding disciplinary action and will include appropriate Compliance/Privacy/Security training and may include:
 - 1. Written warning to Staff's personnel file.
 - 2. Written warning to other Affected Individuals.
 - 3. Repeated offenses may result in progressive discipline, up to and including suspension or termination of any employment or other work arrangement or business relationship with an Affected Individual.
 - iii. Category 3 Compliance Misconduct Sanctions: (First Offense or Repeated Category 2 Offenses) Sanctions will follow this Policy, the Care Compass Network Personnel Policy and Disciplinary Action Procedures, and the Care Compass Entities' Codes of

Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, and Response to Non-Compliance Procedure regarding disciplinary action and will include suspension or termination of employment or other work arrangement or business relationship with an Affected Individual. Other penalties may include:

1. Civil penalties as provided and imposed under HIPAA or applicable Federal or State law.
2. Criminal penalties as provided and imposed under HIPAA or other applicable Federal or State law.

III. Contractual Non-Compliance and Sanctions

- a. The Care Compass Entities may terminate a contractual relationship with an Affected Individual without first resorting to less severe forms of discipline for performance or contractual Non-Compliance involving Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct and compliance, privacy, and security policies and procedures, or Non-Compliant behavior that may result in a compliance or privacy violation.
- b. Non-Compliant behavior involving any Affected Individual will be referred to the Director of Compliance for investigation and execution of Sanctions consistent with this Policy.
- c. The Director of Compliance, along with legal counsel, or their designees as appropriate, will investigate contractual Non-Compliance and follow up to determine that proper corrective action has been taken.
- d. For contractual Non-Compliance involving Federal and State laws and regulations, the Care Compass Entities' Codes of Conduct and compliance, privacy, and security policies and procedures, or behavior that may result in a compliance or privacy violation, appropriate Sanctions will be by executed by the Director of Compliance in consultation with Care Compass Entities' Compliance Committees, Human Resources, legal counsel, and/or Management, as appropriate.

IV. Categories of Contractual Non-Compliance and Sanctions

- a. Categories of Contractual Non-Compliance. The following guidelines have been established to provide consistency when determining Sanctions for contractual Non-Compliance. The level of Sanction will depend on the severity of the contractual Non-Compliance, whether there have been previous transgressions, and a review of the Affected Individual's previous compliance with performance and contractual compliance, if applicable. The contractual Non-Compliant behaviors listed below, while not all inclusive, are organized according to the severity. Decisions may be made on a case-by-case basis, and any deviations from the guidelines should include consultation with the Director of Compliance.
 - i. Category 1 Contractual Non-Compliance: This level of contractual Non-Compliance involves a failure to fulfill a portion of the contract, but the contract's core purpose and outcome can still be achieved. This level of contractual Non-Compliance may include, but is not limited to, an Affected Individual submitting contract deliverables later than the agreed-upon submission date or delivering work or providing services that fall below the standards specified in an agreement with the Care Compass Entities.
 - ii. Category 2 Contractual Non-Compliance: This level of contractual Non-Compliance involves failure by an Affected Individual to perform an obligation under a

contractual agreement that significantly impacts the contract's purpose or outcome. This level of contractual Non-Compliance may include, but is not limited to, an Affected Individual not providing goods or services as agreed upon, or not completing services according to the agreed upon contractual specifications.

- iii. **Category 3 Contractual Non-Compliance:** This level of contractual Non-Compliance involves the provision of false or fraudulent information or provision of services by an Affected Individual that violates compliance with contractual terms. This level of contractual Non-Compliance may include, but is not limited to, an Affected Individual knowingly using funding distributed by Care Compass Entities for purposes other than those stipulated and agreed upon in the contract. It may also include violations of fraud, waste, and abuse regulatory requirements, as defined in the Deficit Reduction and False Claims Prevention Policy.
- b. **Contractual Non-Compliance Sanctions.** The failure of an Affected Individual to comply with or fulfill performance or contractual obligations defined in the terms and conditions of agreements with the Care Compass Entities will include Sanctions up to and including termination of a contractual or other relationship with an Affected Individual.
 - i. **Category 1 Contractual Non-Compliance Sanctions: (First Offense)** Sanctions will follow this Policy and, as applicable, the Care Compass Entities' Codes of Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, Response to Non-Compliance Procedure, Dispute Resolution Policy, and the Deficit Reduction and False Claims Prevention Policy regarding disciplinary action and will include appropriate Compliance/Privacy/Security training and may include:
 - 1. Oral or written warning to Affected Individuals, which may include:
 - a. Attempts to seek clarification and explore potential remediations and solutions to assist the Affect Individual in delivering work, services, and standards according to contract terms within an agreed upon reasonable period of time, not to exceed thirty (30) days;
 - b. Recoupment of associated funds paid by Care Compass Entities; and/or
 - c. Termination of contracts if remediation of contractual Non-Compliance is not achieved in the agreed upon period of time.
 - 2. Repeated offenses may result in progressive discipline, up to and including suspension or termination of any employment or other work arrangement or business relationship and/or recoupment of funds with an Affected Individual.
 - ii. **Category 2 Contractual Non-Compliance Sanctions: (First Offense or Repeated Category 1 Offenses)** Sanctions will follow this Policy and, as applicable, the Care Compass Entities' Codes of Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, Response to Non-Compliance Procedure, Dispute Resolution Policy, and the Deficit Reduction and False Claims Prevention Policy regarding disciplinary action and will include appropriate Compliance/Privacy/Security training and may include:
 - 1. Written warning to Affected Individuals, which may include:
 - a. Attempts to seek clarification and explore potential remediations and solutions to assist the Affect Individual in delivering work, services,

- and standards according to contract terms within an agreed upon reasonable period of time, not to exceed thirty (30) days;
 - b. Recoupment of associated funds paid by Care Compass Entities;
 - c. Care Compass Entities seeking financial compensation for damages incurred; and/or
 - d. Termination of contracts if remediation of contractual Non-Compliance is not achieved in the agreed upon period of time.
2. Repeated offenses may result in progressive discipline, up to and including suspension or termination of any employment or other work arrangement or business relationship and/or recoupment of funds with an Affected Individual.
- iii. Category 3 Contract Non-Compliance Sanctions: (First Offense or Repeated Category 2 Offenses) Sanctions will follow this Policy and, as applicable, the Care Compass Entities' Codes of Conduct, Responding to Detected Offenses and Developing Appropriate Corrective Action Plans Policy, Response to Non-Compliance Procedure, Dispute Resolution Policy, and the Deficit Reduction and False Claims Prevention Policy regarding disciplinary action and will include suspension or termination of work arrangement or business relationship with an Affected Individual. Other Sanctions may include:
- 1. Civil and/or criminal penalties as provided and imposed under Federal and State False Claims Acts or applicable Federal or State law.
 - 2. Written warning to Affected Individuals, which may include:
 - a. Recoupment of associated funds paid by Care Compass Entities;
 - b. Care Compass Entities' application of financial compensation for damages incurred; and/or
 - c. Termination of contracts with the Care Compass Entities.

CCN Board Approval History: 6/10/2025

CCC Board Approval History: 7/22/2025, 9/23/2025

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Compliance Committee Review History: 5/22/2025, 8/21/2025

Policy Revisions:

Date	Revision Log	Updated By
3/27/2025	Original creation	C. Petrak
8/12/2025	Updated to include categories and sanctions for contractual non-compliance	C. Petrak

This Policy shall be reviewed periodically, but not less than once every 12 months, and updated consistent with the requirements established by the Board of Directors, Care Compass Network's Leadership Team, Federal and State law(s) and regulations, and applicable accrediting and review organizations.