

Compliance Due Diligence Check List

- Has the company been, or is it now, the subject of any regulatory investigation, audit or review (at the state or federal level)?
 - If so, what is the status?
 - Does the company have knowledge of any active qui tam actions?

- Does the company have a written compliance policy that addresses the detection and prevention of practices that would constitute fraud and abuse?
 - When was the policy developed?
 - Who was responsible for its development?
 - What, if any, professionals were involved in the process?
 - Was the policy formally approved by the board?
 - When was it implemented?
 - Is there a specific focus of the policy and, if so, what is it?
 - Would the company be willing to provide us with a copy of the policy?

- Does the company have written standards of conduct?
 - Are they incorporated in the compliance policy or elsewhere?

- Does the compliance policy incorporate procedures for the investigation and correction of any problems identified?

- Is there a compliance officer responsible for the compliance program?
 - To whom does the compliance officer report?
 - If there is not a compliance officer, who is in charge of the compliance program?
 - What are the specific responsibilities of the compliance officer or person in charge of the program?

- Is there an audit process to monitor adherence to the compliance program?
 - What is the frequency of the process?
 - Is there board oversight?

- Is there a formal training program that addresses compliance?
 - Are all employees required to attend?
 - Are written materials distributed?
 - Are records of attendance maintained?

- Is there a “hotline” (1-800 number) available for anonymous communication of compliance concerns by employees?
 - How many calls have been received in the past year?
- Is there pre-employment screening of job applicants to detect any prior sanctions or involvement in government investigations?
 - Is there anyone currently employed by the company meeting these criteria?
- Does the company have procedures pursuant to which contracts and arrangements with suppliers and medical care providers are reviewed for compliance with healthcare related laws and regulations?
 - Who performs this function?
 - What is their level of familiarity with healthcare related law and regulations?
- When considering an acquisition, what due diligence procedures are used by the company to assess the risk relative to fraud and abuse activities at the target company?
 - Are outside professionals (counsel, or consultants) involved in the process?