



A Trusted Name • Decades of Quality Care

DEPARTMENT: Compliance	POLICY DESCRIPTION: Annual Risk Assessment Process
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REVISION DATES:	EFFECTIVE DATE: March 13, 2020

SCOPE

This policy is applicable to all company affiliated Centers and employees.

PURPOSE

To establish a process for conducting an annual, centralized assessment to identify, prioritize and address compliance risks.

POLICY

Within 90 days of the effective date of the Corporate Integrity Agreement (“CIA”) and annually thereafter, Diversicare will develop and implement a centralized risk assessment process to identify and address risks associated with Federal health care programs.

The Corporate Compliance Committee will be responsible for implementation and oversight of the risk assessment process.

PROCEDURE

- A. The Chief Compliance Officer, or designee, will complete a risk assessment within 90 days of the Effective Date of the CIA and annually thereafter.
- B. The main goals of the risk assessment are:
 1. To identify and prioritize compliance risks facing the Company;
 2. To develop and implement a compliance work plan to address the identified risks; and,
 3. To develop corrective action plans, as needed, and track the effectiveness of the corrective action plans.
- C. The Chief Compliance Officer, or designee, will undertake the risk assessment process as follows:
 1. Begin by identifying an initial list of compliance risks to be assessed. This initial list will likely need to be amended after the remainder of the risk assessment process noted below is completed. The initial list should be developed by taking into account various factors such as the following:
 - a) The OIG workplan and other regulatory guidance
 - b) Industry guidance
 - c) Recent changes in reimbursement methodology
 - d) Recent government investigations and settlements



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- e) Results of internal and external audits
 - f) Other items as needed
2. Obtain the feedback of various department heads and company leadership regarding the perceived compliance risks the Company is facing and how those risks should be mitigated. At a minimum, feedback should be obtained from the following department heads/individuals:
 - a) Chief Executive Officer
 - b) Chief Operating Officer
 - c) Chief Financial Officer
 - d) Legal/Risk
 - e) Clinical Operations
 - f) Human Resources
 - g) Information Technology
 3. Depending on resources and time, it will not be possible to address all of the risks, so prioritization of the risks will be necessary. Assign the risks a score from 1 to 5 for both likelihood and impact. The combined score will then be used to prioritize and drive the compliance workplan.
- D. Taking into account the risk assessment, the Chief Compliance Officer will prepare a written compliance workplan annually. The workplan will be presented to senior management, the Compliance Committee, and the Audit Committee of the Board of Directors for review and approval.