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| <b>LHC GROUP, INC.</b>                      | <b>ANTI-KICKBACK</b>          |
| EFFECTIVE DATE: OCTOBER 1, 2009             | DIVISION: LHC ADMINISTRATIVE  |
| REVISED DATE:                               | CHAPTER: CORPORATE COMPLIANCE |
| APPROVED BY: CORPORATE COMPLIANCE COMMITTEE | POLICY NUMBER: 6.2.005        |
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**PURPOSE:**

To outline how LHC Group, Inc. (“LHC”) will comply with the federal Anti-Kickback statute (42 U.S.C. § 1320a–7b (b)).

**PREFACE:**

The Federal Anti-Kickback Statute prohibits offering, paying, soliciting, or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce referrals of, or recommending or arranging for the purchase of any items or services covered under a federal health care program. Violation of the Anti-Kickback Statute is a felony punishable by a fine of up to \$25,000 and imprisonment for up to five years. Civil money penalties may also be imposed.

**DEFINITIONS:**

**Remuneration** is any benefit provided to a person to induce the recipient to refer, recommend, purchase, lease, or order goods or services. Remuneration can take many forms, such as cash payments, credits, gifts, free goods or services, the forgiveness of debt, or the sale or purchase of items at a price that is not consistent with fair market value.

**Payment** means any form or type of remuneration or anything of value, which can be or is offered, paid, solicited or received directly or indirectly, overtly or covertly, in cash or in kind.

**Referral** means any referral to, recommendation of, or arrangement for the ordering, purchasing or leasing of any item or service payable in whole or in part by any federal health care program, including Medicare or Medicaid.

**Referral Source** means any physician, health care facility, contractor, vendor, or agent that is in a position to make Referrals to, or receive referrals from LHC.

**Referring Physician** means a physician who makes a referral or who directs another person or entity to make a referral or who controls referrals made by another person or entity.

**Physician** means a doctor of medicine or osteopathy; a doctor of dental surgery or dental medicine; a doctor of podiatric medicine; a doctor of optometry; or a chiropractor.

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**Immediate Family Member** means spouse; natural or adoptive parent, child or sibling; stepparent, stepchild, or stepsibling; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and the spouse of a grandparent or grandchild.

**POLICY:**

1. LHC and its employees will not offer, pay, solicit or receive payment from anyone to induce or in exchange for referrals. When LHC employees are in a position to make referrals to health professionals or other healthcare facilities, they must make such referrals solely based on the best interests of the patient, and without regard to referrals any such physician, health professional or other healthcare facility has made (or might in the future make) to LHC.
2. Payments by or to LHC, or to or from referral sources shall, not be made in exchange for referrals. Compensation may only be given or received for services rendered.
3. Receiving payments outside the normal compensation arrangement for performance of job responsibilities is improper and illegal and is strictly prohibited.

In addition to complying with the requirements set forth in this policy, any financial relationship (*i.e.*, any relationship involving any type of Payment) between LHC and any Physician (or a Physician's Immediate Family Member) must also comply with any other specific policies applicable to such relationship, including without limitation, the Stark/Physician Referral Policy

**PROCEDURE:**

1. All items and services provided by or to, and all payments to or from LHC pursuant to arrangements with referral sources must be pursuant to a written contract, signed by the parties, which has been approved through the contract approval process. Such contract must provide for payments consistent with fair market value, and must be for necessary items or services actually provided (and, in the case of contracts for physician services, properly documented). Such payments must be set in advance and must not take referrals into account, and may not be conditioned (explicitly or by implicitly) on either party making referrals to the other party.
2. Contracts with physicians (or a physician's immediate family member) must comply with any other specific policies applicable to such relationship. Contracts with non-physician referral sources must not be entered into unless LHC has (1) received a fair market value appraisal from a reputable, independent third party appraiser supporting the compensation under the arrangement, (2) obtained other reliable, independent data demonstrating that the

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compensation is consistent with fair market value, or (3) received prior approval from the General Counsel.

3. All physician contracts will be reviewed for fair market value on a periodic basis.
4. Any LHC employee or contracted healthcare professional who engages in activities that violate fraud and abuse laws, including the anti-kickback and self-referral laws will be subject to disciplinary action, up to and including termination.

**REFERENCES:**

Anti-Kickback Statute 42 U.S.C. §1320a-7b (b)  
42 CFR §1001.952  
LHC Stark/Physician Referral Policy