

TO THE VALUED MEMBERS OF OUR PIONEER TEAM

Dating back to our inception in 1976, Pioneer has remained focused on providing the highest quality of behavioral health care services. We continually demonstrate the compassion, honesty, and judgment that is expected and required of a leading health care provider.

To further our reputation as an industry leader, we must continue to hold ourselves to the highest professional and ethical standards, as we respond to the needs of our patients and their families, our Pioneer colleagues, contractors, third-party payors, and shareholders.

In order to show our commitment to ongoing quality care, we have a Corporate Compliance Plan. As it is impossible to address every circumstance that may arise, the Corporate Compliance Plan gives us a general legal and ethical framework under which to operate on a daily basis. The Corporate Compliance Plan covers a range of topics, including quality of patient care, billing and coding integrity, protection of property, and health and safety. We have attached a copy for your reference, and ask that you sign the acknowledgment form, stating that you have read and understand the Corporate Compliance Plan.

We all must strive to foster a culture of honesty and accountability. If you have any questions or would like to report concerns regarding potential or actual violations of laws, rules, regulations, policies and procedures, or this Corporate Compliance Plan, please use the reporting mechanisms that are available to you. You should promptly seek the assistance of your supervisors, managers, the Facility Compliance Liaisons, the Compliance Officer, and any of Pioneer's corporate officers. For questions regarding Pioneer's accounting and auditing practices, please contact the Chief Financial Officer directly, so that our Audit Committee may be notified.

We also have our toll-free Corporate Compliance Hotline (800-543-2447 ext. 1250), which is available 24 hours per day, 365 days per year. You may call the hotline anonymously and without fear of retaliation, to report actual or potential violations of patient rights, questions about professional standards of conduct, billing fraud and abuse, questionable accounting or auditing practices, breaches of HIPAA and patient confidentiality, conflicts of interest, concerns involving Pioneer's publicly traded stock, and other compliance and legal issues. You should provide enough information about the incident or situation to allow the Compliance Officer to conduct a thorough investigation.

We believe that our commitment to the Corporate Compliance Plan and our policies and procedures is critical in attaining our goals and achieving future success. We thank you for your continued dedication to quality care, and wish you both professional and personal success as a member of the Pioneer team.



Bruce A. Shear
Chairman and Chief Executive Officer



Andy DeMayo, Esq.
Director of Corporate Services /
Compliance Officer

MISSION AND VALUES

The Mission of Pioneer is to make a positive difference in the lives of our patients and their families by providing the highest quality health care services. To accomplish our Mission, we focus on the five Values, which emphasize our ongoing commitment to quality care, professional ethics, and industry leadership.

Quality of Patient Care – With a knowledgeable and trained professional staff, we provide the highest quality of care to our patients. We respond to our patients' clinical needs and are understanding of their individual personal concerns.

Corporate Responsibility – We conduct all aspects of our business by adhering to personal and professional ethics, with our cornerstones being honesty, integrity, and trust.

Pioneer Team Members – We recruit, train, and develop talented, motivated, and goal-oriented individuals. We communicate with one another in an open, honest, and respectful manner, welcoming the individuality of our peers and embracing our common goals.

Industry Leadership – We strive to become a leader in the behavioral health care industry through strategic expansion, superior clinical care, and recognition in the communities we serve.

Results-Oriented – We demonstrate to our shareholders and clients that we are committed to positive outcomes, by striving to excel in our financial and operational performance.

All members of the Pioneer team are committed to observing and performing the Mission and Values.

THE CORPORATE COMPLIANCE PLAN

CORPORATE COMPLIANCE PROGRAM

The Corporate Compliance Program has been developed to demonstrate our ongoing commitment to the highest standards of professional and business ethics, as well as compliance with all laws, rules, and regulations governing the health care industry. This commitment permeates all levels of our organization. The Corporate Compliance Program was established by the Compliance Oversight Committee and implemented by the Compliance Officer. Each of Pioneer's facilities has Facility Compliance Liaisons to provide the support necessary to meet our compliance goals.

The Corporate Compliance Program is continually monitored by the Compliance Officer to ensure that we remain in compliance with changing and newly enacted laws and regulations.

For employees who may be covered by a collective bargaining agreement, in the event there is any conflict between that agreement and this Corporate Compliance Plan, the agreement will govern.

THE COMPLIANCE OVERSIGHT COMMITTEE

The Compliance Oversight Committee consists of the members of Pioneer's Executive Committee and the Compliance Officer. The Compliance Officer maintains regular correspondence concerning the operational functions and compliance issues impacting our facilities via facility staff members. The Compliance Officer reports the information on a regular basis to the Compliance Oversight Committee and the Executive Committee. The Compliance Oversight Committee then works to help design and review new policies and procedures or initiate activities to remedy any reported compliance deficiencies.

THE COMPLIANCE OFFICER

The Compliance Officer is a member of the Compliance Oversight Committee, and serves in an advisory role to the Executive Committee. The Compliance Officer also acts as an intermediary between the Compliance Oversight Committee and the facilities. If the Compliance Oversight Committee recommends the implementation of a new policy or procedure, the Compliance Officer ensures its implementation by working closely with the Facility Compliance Liaisons. The Facility Compliance Liaisons immediately communicate to the Compliance Officer any issues related to the Corporate Compliance Program, including general compliance questions and potential or actual violations of laws or policies. The Compliance Officer then determines how the issues may be resolved. When necessary, the Compliance Officer works with the Compliance Oversight Committee or outside legal counsel to determine the most appropriate course of action. The result may require an amendment to a current policy, creation of a new policy, employee discipline, enhanced training at a facility, or other remediation.

FACILITY COMPLIANCE LIAISONS

One Facility Compliance Liaison is appointed by the Compliance Officer at each facility in order to identify and respond to any issues related to the Corporate Compliance Program. The Facility Compliance Liaisons focus on the day-to-day operations of the facility, and ensure that the staff members maintain compliance with the Corporate Compliance Program. The Facility Compliance Liaisons are easily accessible to all individuals who have comments, suggestions, or wish to report a potential or actual violation of laws or company policies. The Facility Compliance Liaisons speak regularly with the Compliance Officer, asking questions, making recommendations for new and existing policies, and reporting potential or actual violations of laws or company policies.

FACILITY HIPAA LIAISONS

Facility HIPAA Liaisons, both Privacy and Security, are appointed at each facility in order to oversee compliance with the privacy and security regulations of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). The Facility HIPAA Liaisons are responsible for overseeing and managing each facility's development, maintenance, and compliance with all policies and procedures related to the privacy, confidentiality, and security of patients' protected health information. The HIPAA Privacy Liaisons monitor compliance with areas, including patients' access to medical records, disclosures of protected health information, restrictions on the uses of protected health information, amendments to medical records, contractual relationships with business associates, and HIPAA training sessions. The HIPAA Security Liaisons monitor compliance with areas, including the physical security of protected health information, the usage of protected health information by external parties, investigation of security breaches, and reduction of the harm caused by disrupted access to protected health information. The Facility HIPAA Liaisons are easily accessible to all individuals who have comments, suggestions, or wish to report a potential or actual violation of confidentiality or security laws or company policies.

CLINICAL AND QUALITY ASSURANCE ANALYST

Pioneer's Clinical and Quality Assurance Analyst ensures that each facility continues to provide the highest quality of patient care by monitoring compliance with policies and procedures, laws and regulations, and accreditation standards. The Clinical and Quality Assurance Analyst is responsible for on-site monitoring of each facility's compliance and quality assurance programs, as well as accreditation activities. The Clinical and Quality Assurance Analyst conducts routine, on-site audits of medical and billing records, prepares the data and reports of such audits, and conducts follow-up training to ensure ongoing compliance. The Clinical and Quality Assurance Analyst reports directly to the Compliance Officer.

QUALITY OF PATIENT CARE

We are committed to providing high-quality patient care, by exhibiting compassion, integrity, and innovation. We will treat all of our patients and their families with the highest level of consideration and respect, while continually respecting their dignity and right to privacy.

- We will provide all of our patients with high-quality behavioral health care services.
- We will not discriminate based on race, color, religion, sex, age, marital status, national origin, veterans status, or disability.
- Our patients and their families have the right to request and receive information regarding the identity and professional qualifications of all personnel involved in the patients' care.
- We will honor the patients' right to participate in all decisions regarding their health care, including the refusal of treatment to the extent permitted by law, and we will keep the patients informed of the consequences of any action taken. We will provide patients with adequate and accurate information concerning clinical decisions and treatments, so they will be fully informed.
- Patients have the right to voice their opinions about the care and services we provide.
- We will promptly and courteously answer all questions from patients and their families, or, when necessary, refer the question to another source better suited to respond.
- We will develop and maintain complete, accurate, timely, and legible patient medical records, which shall be stored in a confidential setting.
- We will only employ those personnel with proper credentials, experience, and expertise to meet the needs of our patients.
- Only individuals with valid licenses or credentials shall perform direct clinical care.
- We will participate in continuing education programs to ensure our understanding of evolving industry standards, as well as compliance with newly enacted laws, rules, and regulations.
- We will routinely assess and evaluate our clinical protocols to ensure compliance with current standards of practice and relevant laws and regulations.
- We will provide only those health care services that are medically necessary, appropriate, safe, and in compliance with all standards of practice and relevant laws, rules, and regulations.

COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

We will act in accordance with all applicable laws, rules, and regulations in order to provide the highest quality of care and maintain the integrity of Pioneer.

- We will not pursue any business opportunity that would require us to engage in illegal or unethical behavior.
- We understand that if we violate the law or the company's policies and procedures, or knowingly fail to report such a violation, we will be subject to disciplinary action. Depending on the specific violation, Pioneer may take disciplinary action up to and including termination of employment, as well as referral to law enforcement, government agencies, or professional licensing boards, as applicable.
- We will abide by all of the legal and ethical guidelines pertaining to the confidentiality of patient medical records and other protected health information. Absent either a valid authorization signed by the patient or a court order signed by a judge or magistrate, all information about a patient's condition, care, treatment, personal affairs, or medical records will only be discussed with the patient, the patient's legal representative (when appropriate custodial paperwork is received), the clinical staff involved in the patient's direct care, or the Pioneer staff whose job responsibilities specifically require knowledge of such confidential information.
- We will not offer, pay, solicit, or receive any remuneration to or from an individual or entity, whether that remuneration is in cash or in kind, in order to induce patient referrals or arrange for the provision of other healthcare items and services. Such prohibited remuneration includes kickbacks, bribes, rebates, or other compensation, which are paid in order to obtain or provide patient referrals.
- All contractual arrangements with non-full-time clinical staff and referral sources must be reviewed and approved by the Compliance Officer, and executed by a member of the Executive Committee. Such agreements must provide fair market value rates for actual services rendered. Every payment made pursuant to the agreements must be supported by proper documentation, indicating that the contracted services were performed in an acceptable, legal manner.
- For those facilities that obtain payment from government payors or that treat patients in government-funded health plans, including Medicare and Medicaid, we will not knowingly employ or contract with any individual or entity who is listed by any state or federal agency as being sanctioned, disbarred, or otherwise ineligible to participate in state or federally funded health care programs. All employees and contractors will be informed that sanction checks will be performed at the time of engagement and, when warranted, any time thereafter. All employees and contractors also shall be informed that their employment or engagement may be suspended or terminated, pending the results of the sanction checks.

- All employees and contractors will be required to report to the facility's Human Resources Representative any felony or misdemeanor arrests, convictions, or guilty pleas during the term of their employment or contract. All employees and contractors will be informed that criminal background checks will be performed at the time of engagement and, when warranted, any time thereafter. All employees and contractors also shall be informed that their employment or engagement may be suspended or terminated, pending the results of the criminal background checks.
- As employees of an organization whose securities are traded publicly, we will not release insider, non-public information that could affect an investor's decision to buy or sell our stock. We will neither trade our stock, nor provide tips to others to trade our stock, based on non-public information we acquired during our employment. We also will not divulge any non-public information pertaining to our vendors, contractors, or other organizations with whom we deal during the course of business. All employees and contractors shall consult Pioneer's policies and procedures or contact Pioneer's Executive Committee if they have questions about these restrictions, or to report a potential or actual violation.
- We acknowledge that Pioneer has a responsibility to communicate effectively with shareholders, so that they are provided with full and accurate information, in all material respects, about the company's financial condition and results of operations. We will ensure that reports and documents filed with or submitted to the Securities and Exchange Commission and other public communications shall include full, fair, accurate, timely, and understandable disclosures.
- We will preserve Pioneer's intellectual property rights, including copyrights, trademarks, and service marks. We also will honor the intellectual property rights of others by obtaining authorization from the copyright holder prior to copying any newsletters, magazines, journals, articles, computer software, or other copyrighted materials.
- We will not make false, misleading, or inaccurate statements to government agencies or payors, nor shall we bribe or offer inducements to any governmental or political official or representative of a payor.
- We will ensure that all data, reports, and records, including financial records, accounting entries, materials submitted to payors and other documentation pertaining to our business, are complete, accurate, and truthful. If we discover an error or omission, we immediately will notify our supervisor, the Facility Compliance Liaison, the facility's Chief Executive Officer, or the Compliance Officer.
- We will retain all business-related records in accordance with applicable laws, rules, regulations, and policies.

BILLING AND CODING INTEGRITY

We will maintain honesty, accuracy, and integrity in all activities involving billing, coding, and support documentation.

- We will only submit for payment or reimbursement claims for services actually rendered and evidenced by an accurate and legible note in a patient's medical record. Under no circumstances will we submit a claim for payment or reimbursement that is false, fraudulent, incomplete, or otherwise inaccurate.
- We will only submit claims for services based on documentation that complies with the applicable community standards of practice, such as medical necessity.
- We will train and monitor all applicable staff in the proper usage of codes and appropriate rates.
- We will enter and issue claims in a timely manner, including bills issued to patients for co-payments and deductibles. In addition, we will ensure that claims are filed in accordance with all applicable laws, rules, regulations and company policies.
- We will timely review all Explanation of Benefits forms, and verify that all payments received relate to services actually rendered. All rejected invoices will be promptly investigated and reissued only after the necessary corrections are made.
- We will take immediate steps to alert the appropriate entity or individual if we discover inaccuracies in claims that have been submitted for reimbursement. If we receive any money that was not due to us, we will promptly issue a refund.

COMPLIANCE WITH FALSE CLAIMS ACTS

(*This section is applicable to Harbor Oaks Hospital and Detroit Behavioral Institute.)

Where applicable, and pursuant to federal or state contracts or programs, such as Medicare and Medicaid, we will review and comply with all of the requirements of applicable federal and state false claims acts. We will comply with all such laws in order to prevent and detect fraud and abuse against government health care programs.

- We acknowledge that the federal False Claims Act, which is codified in Title 31, Sections 3729 through 3733 of the United States Code, makes an individual or entity liable for damages and penalties if that individual or entity: (a) knowingly presents, or causes to be presented, to the U.S. government a false or fraudulent claim for payment or approval; (b) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the U.S. government; (c) conspires to defraud the U.S. government by getting a false or fraudulent claim allowed or paid; (d) has possession, custody, or control of property or money used, or to be used, by the U.S.

