

# **Madera Community Hospital**

## **Corporate-wide Compliance Program**

### **& Code of Conduct**

**Revised: April 1, 2008**

Dear Madera Community Hospital (MCH) Colleague,

The true foundation of MCH has always been its commitment to provide high quality care to our patients, provided in a cost effective manner for the residents of the Central Valley. In support of our primary mission, we strive to ensure an ethical and compassionate approach to healthcare delivery and management. We must demonstrate consistently that we act with absolute integrity in the way we do our work and the way we live our lives.

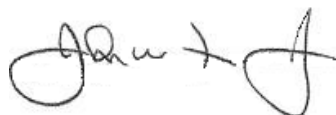
This Corporate-wide Compliance Program & Code of Conduct provides guidance to ensure that our work is done in an ethical and legal manner. It emphasizes the shared common values which guide our actions. It contains resources to help resolve any questions about appropriate conduct in the work place. Please review it thoroughly. Your adherence to its spirit, as well as its specific provisions, is absolutely critical to our future.

If you have questions regarding this Program/Code or encounter any situation which you believe violates provisions of this Program/Code, you should immediately consult your supervisor, another member of management at MCH, the Compliance Officer or the Compliance hotline, 675-5404. You have our personal assurance there will be no retribution for asking questions or raising concerns about the Program/Code or for reporting possible improper conduct.

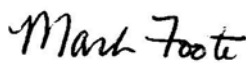
We are committed to those ideals reflected in our Mission and Values Statement and in this Corporate-wide Compliance Program & Code of Conduct. We are equally committed to assuring that our actions consistently reflect our words. In this spirit, we want everyone in this organization to share our values, and we expect all of our colleagues' actions to reflect the high standards set forth in this Corporate-wide Compliance Program & Code of Conduct. No code of conduct can substitute for our own internal sense of fairness, honesty, and integrity.

Thus, in your daily life and work, if you encounter a situation or are considering a course of action which may be technically within the guidelines of the Code of Conduct, but you are worried that the contemplated action simply "does not feel right," please discuss the situation with any of the resources listed above. In closing, we trust you as a valuable member of our healthcare team. We ask you to assist us and all of our colleagues in this organization in supporting the values and principles which are critical to achieving our mission.

Sincerely,



John W. Frye Jr.  
Chief Executive Officer



Mark J. Foote  
Vice President-Finance/Compliance Officer

## **Contents**

### **MISSION AND VALUES**

### **PURPOSE OF OUR CORPORATE-WIDE COMPLIANCE PROGRAM AND CODE OF CONDUCT**

### **LEADERSHIP RESPONSIBILITIES**

### **OUR FUNDAMENTAL COMMITMENT TO STAKEHOLDERS**

### **RELATIONSHIPS WITH OUR HEALTH CARE PARTNERS**

#### **Patients**

- Emergency Treatment
- Patient Care
- Patient Information

#### **Affiliated Physicians**

#### **Third Party Payors**

- Coding and Billing for Services
- Cost Reports

### **REGULATORY COMPLIANCE**

### **DEALING WITH ACCREDITING BODIES**

### **BUSINESS INFORMATION AND INFORMATION SYSTEMS**

- Accuracy, Retention and Disposal of Documents and Records
- Confidential Information
- Electronic Media
- Financial Reporting and Records

### **WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES**

- Conflict of Interest
- Controlled Substances
- Copyrights
- Diversity and Equal Employment Opportunity
- Harassment and Workplace Violence
- Health and Safety
- Hiring of Former or Current Government Employees
- License and Certification Renewals
- Personal Use of MCH Resources
- Relationships Among MCH Colleagues
- Relationships with Subcontractors and Suppliers
- Substance Abuse and Mental Acuity

### **MARKETING PRACTICES**

- Gathering Information About Competitors
- Marketing and Advertising

### **ENVIRONMENTAL COMPLIANCE**

### **BUSINESS COURTESIES**

### **POLITICAL ACTIVITIES AND CONTRIBUTIONS**

### **THE CORPORATE WIDE COMPLIANCE PROGRAM**

- Program Structure
- Resources for Guidance and Reporting of Violations
- Personal Obligation to Report
- Internal Investigation of Violations
- Discipline
- Acknowledgment Process

### **QUESTIONS AND ANSWERS**

(Note: All references to "MCH" or the "organization" in this document refer to Madera Community Hospital, MCH's Home Health Agency, Rural Health Clinics and/or its affiliates, as applicable.)

## **MCH Mission and Values Statement**

Madera Community Hospital is a not-for-profit community health resource, dedicated to actively promoting and maintaining the health and well-being of residents throughout the Central Valley. We are committed to identifying and serving our community's needs with compassion, concern, and care for the individual.

In support of our primary mission we will:

*Be sensitive to the diverse physical, spiritual and psycho-social needs of those we serve, including the alleviation of pain and suffering, integrally involving the family in care delivery.*

*Periodically assess the health status and needs of our community, determine which health services we can appropriately establish and maintain, and act as a catalyst to ensure that priority health needs are met.*

*Work collaboratively with physicians, other health providers, and community leaders to develop, offer, and continuously evolve a comprehensive, integrated continuum of health services.*

*Stimulate high levels of support and participation in educational and outreach initiatives offered to patients, staff, and community members in an effort to promote both high levels of individual achievement and community health well-being.*

*Prudently manage and utilize our financial resources, while ensuring the provision of high quality, effectively delivered health services.*

## **Purpose of Our Code of Conduct**

Our Code of Conduct provides guidance to all MCH colleagues and assists us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with patients, affiliated physicians, third-party payors, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Compliance Program. We have developed the Code to ensure that we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be a statement that is comprehensive and easily understood. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject discussed has so much complexity that additional guidance is necessary for those directly involved with the particular area to have sufficient direction.

## **Leadership Responsibilities**

While all MCH colleagues are obligated to follow our Code, we expect our leaders to set the example, to be in every respect a model. They must ensure that those on their team have sufficient information to comply with law, regulation, and policy; as well as the resources to resolve ethical dilemmas. They must help to create a culture within MCH which promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to raise concerns when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

## **Our Fundamental Commitment to Stakeholders**

We affirm the following commitments to MCH stakeholders:

***To our patients:*** We are committed to providing quality care that is sensitive, compassionate, promptly delivered, and cost effective.

***To our MCH colleagues:*** We are committed to a work setting which treats all colleagues with fairness, dignity, and respect, and affords them an opportunity to grow, to develop professionally, and to work in a team environment in which all ideas are considered.

***To our affiliated physicians:*** We are committed to providing a work environment which has excellent facilities, modern equipment, and outstanding professional support.

***To our third-party payors:*** We are committed to dealing with our third-party payors in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for quality healthcare and bringing efficiency and cost effectiveness to healthcare. We encourage our private third-party payors to adopt their own set of comparable ethical principles to explicitly recognize their obligations to patients as well as the need for fairness in dealing with providers.

***To our regulators:*** We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We accept the responsibility to aggressively self-govern and monitor adherence to the requirements of law and to our Code of Conduct.

***To the communities we serve:*** We are committed to understanding the particular needs of the communities we serve and providing these communities quality, cost-effective healthcare. We realize as an organization that we have a responsibility to help those in need. We proudly support charitable contributions and events in the communities we serve in an effort to promote good will and further good causes.

***To our suppliers:*** We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer.

***To our volunteers:*** The concept of voluntary assistance to the needs of patients and their families is an integral part of the fabric of healthcare. We are committed to ensuring that our volunteers feel a sense of meaningfulness from their volunteer work and receive recognition for their volunteer efforts.

## **Relationships with Our Healthcare Partners**

### ***Patients***

#### ***Patient Care and Rights***

Our mission is to provide quality healthcare to all of our patients. We treat all patients with respect and dignity and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of patients or in the care we provide based on race, color, religion, or national origin. Clinical care is based on identified patient healthcare needs, not on patient or organization economics.

Upon admission, each patient is provided with a written statement of patient rights. This statement includes the rights of the patient to make decisions regarding medical care and conforms to all applicable state and Federal laws.

We assure patients' involvement in all aspects of their care and obtain informed consent for treatment. As applicable, each patient or patient representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, estimates of treatment costs, organ donation and procurement, and an explanation of the risks and benefits associated with available treatment options. Patients have the right to request transfers to other facilities. In such cases, the patient will be given an explanation of the benefits, risks, and alternatives.

Patients are informed of their right to make advance directives. Patient advance directives will be honored within the limits of the law and the organization's mission, philosophy, and capabilities.

Patients and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral counseling. Any restrictions on a patient's visitors, mail, telephone, or other communications must be evaluated for their therapeutic effectiveness and fully explained to and agreed upon by the patient or patient representative. During prolonged stays in the facility, patients have the right to refuse to perform tasks in or for the facility.

Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. MCH colleagues will receive training about patient rights in order to clearly understand their role in supporting them.

Compassion and care are part of our commitment to the communities we serve. We strive to provide health education, health promotion, and illness-prevention programs as part of our efforts to improve the quality of life of our patients and our communities.

### ***Emergency Treatment***

We follow the Emergency Medical Treatment and Active Labor Act ("EMTALA") in providing emergency medical treatment to all patients, regardless of ability to pay. Anyone with an emergency medical condition is treated and admitted based on medical necessity. In an emergency situation, financial and demographic information will be obtained only after the immediate needs of the patient are met. We do not admit or discharge patients simply on their ability to pay.

Patients will only be transferred to another facility if the patients' medical needs cannot be met at the MCH facility and appropriate care is knowingly available at another facility. Patients may only be transferred after they have been stabilized and are formally accepted by the alternate facility.

### ***Patient Information***

We collect information about the patient's medical condition, history, medication, and family illnesses to provide the best possible care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. We do not release or discuss patient-specific information with others unless it is necessary to serve the patient or required by law.

MCH colleagues must never disclose confidential information that violates the privacy rights of our patients. No MCH colleague, affiliated physician, or other healthcare partner has a right to any patient information other than that necessary to perform his or her job.

Patients can expect that their privacy will be protected and that patient specific information will be released only to persons authorized by law or by the patient's written consent. In an emergency situation, when requested by an institution or physician then treating the patient, the patient's consent is not required, but the name of the institution and the person requesting the information must be verified. This should be done as a call back process.

### ***Affiliated Physicians***

Any business arrangement with a physician must be structured to ensure precise compliance with legal requirements. Such arrangements must be in writing and approved by Administration.

In order to ethically and legally meet all standards regarding referrals and admissions, we will adhere strictly to two primary rules:

1) We do not pay for referrals. We accept patient referrals and admissions based solely on the patient's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone -- colleagues, physicians, or other persons -- for referral of patients. Violation of this policy may have grave consequences for the organization and the individuals involved, including civil and criminal penalties, and possible exclusion from participation in federally funded healthcare programs.

2) We do not accept payments for referrals that we make. No MCH colleague or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

### ***Third-Party Payors***

#### ***Coding and Billing for Services***

We will take great care to assure that all billings to government and to private insurance payors reflect truth and accuracy and conform to all pertinent Federal and state laws and regulations. We prohibit any colleague or agent of MCH from knowingly presenting or causing to be presented claims for payment or approval which are false, fictitious, or fraudulent.

We will operate oversight systems designed to verify that claims are submitted only for services actually provided and that services are billed as provided. These systems will emphasize the critical nature of complete and accurate documentation of services provided. As part of our documentation effort, we will maintain current and accurate medical records.

Any subcontractors engaged to perform billing or coding services must have the necessary skills, quality assurance processes, systems, and appropriate procedures to ensure that all billings for government and commercial insurance programs are accurate and complete. MCH prefers to contract with such entities that have adopted their own ethics and compliance programs. Third-party billing entities, contractors, and preferred vendors that we consider should be approved consistent with the corporate policy on this subject.

#### ***Cost Reports***

Our business involves reimbursement under government programs which require the submission of certain reports of our costs of operation. We will comply with Federal and State laws relating to all cost reports. These laws and regulations define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries.

## **Regulatory Compliance**

MCH provides varied healthcare services. These services generally may be provided only pursuant to appropriate Federal, State, and local laws and regulations. Such laws and regulations may include subjects such as certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, patients' rights, terminal care decision-making, medical staff membership and clinical privileges, corporate practice of medicine restrictions, and Medicare and Medi-Cal regulations. The organization is subject to numerous other laws in addition to these healthcare regulations.

We will comply with all applicable laws and regulations. All colleagues, medical staff members, privileged practitioners, and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations; and should immediately report violations or suspected violations to a supervisor or member of management, the Compliance Officer. MCH will be forthright in dealing with any billing inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with and be courteous to all government inspectors and provide them with the information to which they are entitled during an inspection.

During a government inspection, you must never conceal, destroy, or alter any documents, lie, or make misleading statements to the government representative. You should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

In order to ensure that we fully meet all regulatory obligations, MCH colleagues must be informed about stated areas of potential compliance concern. The Department of Health and Human Services, and particularly its Inspector General, have routinely notified healthcare providers of areas in which these government representatives believe that insufficient attention is being accorded government regulations. We should be diligent in the face of such guidance about reviewing these elements of our system to ensure their correctness.

MCH will provide its colleagues with the information and education they need to comply fully with all applicable laws and regulations.

## **Dealing with Accrediting Bodies**

MCH will deal with all accrediting bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the accreditor or its survey teams, either directly or indirectly.

The scope of matters related to accreditation of various bodies is extremely significant and broader than the scope of this Corporate-wide Compliance Program & Code of Conduct. The purpose of our Program/Code is to provide general guidance on subjects of wide interest within the organization. Accrediting bodies may be focused on issues both of wide and somewhat more focused interest. In any case, where MCH determines to seek any form of accreditation, obviously all standards of the accrediting group are important and must be followed.

## **Business Information and Information Systems**

### ***Accuracy, Retention, and Disposal of Documents and Records***

Each MCH colleague is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure that records are available to defend our business practices and actions. No one may alter or falsify information on any record or document.

Medical and business documents and records are retained in accordance with the law and our record retention policy. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records appropriately according to our policy. You must not tamper with records, nor remove or destroy them prior to the specified date.

### ***Confidential Information***

Confidential information about our organization's strategies and operations is a valuable asset. Although you may use confidential information to perform your job, it must not be shared with others outside of MCH or your department unless the individuals have a legitimate need to know this information and have agreed to maintain the confidentiality of the information. Confidential information includes personnel data maintained by the organization, patient lists and clinical information, pricing and cost data, information pertaining to acquisitions, divestitures, affiliations and mergers, financial data, research data, strategic plans, marketing strategies, techniques, employee lists and data maintained by the organization, supplier and subcontractor information, and proprietary computer software.

This provision does not restrict the right of a colleague to disclose, if he or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment.

### ***Electronic Media***

All communications systems, electronic mail, Intranet, Internet access, or voice mail are the property of the organization and are to be primarily used for business purposes. Highly limited reasonable personal use of the MCH communications systems is permitted; however, you should assume that these communications are not private. Patient or confidential information should not be sent through the Internet until such time that its confidentiality can be assured and authorization has been obtained from the Compliance Committee.

MCH reserves the right to periodically access, monitor, and disclose the contents of the Intranet, e-mail, and voice mail messages. Access and disclosure of individual employee messages may only be done with the approval of Administration and Human Resources.

Colleagues may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening; knowingly, recklessly, or maliciously false; or obscene, offensive or disruptive materials including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Offensive and disruptive materials include materials which contain sexual implications, racial slurs, gender-specific comments, or any other material that offensively addresses someone's age, sex, sexual orientation, religious, or political beliefs, national origin, ancestry, or disability. Additionally, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction; nor are they to be used to conduct a job search, solicit for any organization or purpose or open misaddressed mail.

Colleagues who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

### ***Financial Reporting and Records***

We have established and maintained a high standard of accuracy and completeness in the documentation and reporting of all financial records. These records serve as a basis for managing our business and are important in meeting our obligations to patients, colleagues, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions and conform to Generally Accepted Accounting Principles. No undisclosed or unrecorded funds or assets may be established. MCH maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

## **Workplace Conduct and Employment Practices**

### ***Conflict of Interest***

A conflict of interest may occur if your outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use MCH resources for other than MCH purposes. It is your obligation to ensure that you remain free of conflicts of interest in the performance of your responsibilities at MCH. If you have any question about whether an outside activity might constitute a conflict of interest, you must obtain the approval of your supervisor before pursuing the activity. For examples of "Conflicts of Interest" see the Employee Handbook.

### ***Controlled Substances***

Some of our colleagues routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are governed and monitored by specific regulatory organizations and must be administered by physician order only. It is extremely important that these items be handled properly and only by authorized individuals to minimize risks to us and to patients. If you become aware of the diversion of drugs from the organization, you should report the incident immediately. For additional guidance, review section titled Drugs and Alcohol in the Employee Handbook.

### ***Copyrights***

MCH colleagues may only make copies of copyrighted materials pursuant to the organization's policy on such matters.

### ***Equal Employment Opportunity***

Our colleagues provide us with a wide complement of talents which contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. We will comply with all laws, regulations, and policies related to non-discrimination in all of our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, demotions, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

No one shall discriminate against any individual with a disability with respect to any offer, or term or condition, of employment. We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

### ***Harassment and Workplace Violence***

Each MCH colleague has the right to work in an environment free of harassment. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place at MCH.

Harassment also includes incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism, and hate crimes committed by current or former colleagues. As part of our commitment to a safe workplace for our colleagues, we prohibit colleagues from possessing firearms, other weapons, explosive devices, or other dangerous materials on MCH premises. Colleagues who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resources Department, a member of management, the Compliance Officer, or the Compliance Hotline.

### ***Health and Safety***

All MCH facilities and departments must comply with all government regulations and rules and with MCH policies or required facility practices that promote the protection of workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. You should become familiar with and understand how these policies apply to your specific job responsibilities and seek advice from your supervisor or the Safety Officer whenever you have a question or concern. It is important for you to advise your supervisor or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

### ***Hiring of Former and Current Government Employees***

The recruitment and employment of former or current U.S. government employees is subject to complex rules which change frequently and vary by employee. Similar rules may also apply to current or former state or local government employees or legislators and members of their immediate families.

If a former government employee or consultant wishes to become employed by or a consultant to MCH, care should be exercised to insure that the requirements of conflict of interest laws are not violated. Each situation should be considered on an individual basis and you should consult with the Human Resources Department on issues related to recruitment and hiring of former or current government employees.

### ***License and Certification Renewals***

Colleagues and individuals retained as independent contractors in positions which require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and State requirements applicable to their respective disciplines. To assure compliance, MCH may require evidence of the individual having a current license or credential status.

MCH will not allow any colleague or independent contractor to work without valid, current licenses or credentials.

### ***Personal Use of MCH Resources***

It is the responsibility of each MCH colleague to preserve our organization's assets including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business related purposes. As a general rule, the personal use of any MCH asset without the prior approval of your supervisor is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to MCH is insignificant, is permissible. Any community or charitable use of organization resources must be approved in advance by the CEO. Any use of organization resources for personal financial gain unrelated to MCH's business is prohibited.

### ***Relationships among MCH Colleagues***

In the normal day-to-day functions of an organization like MCH, there are issues that arise which relate to how people in the organization deal with one another. It is impossible to foresee all of these, and many do not require explicit treatment in a document like this. A few routinely arise, however. One involves gift giving among colleagues for certain occasions. While we wish to avoid any strict rules, no one should ever feel compelled to give a gift to anyone, and any gifts offered or received should be appropriate to the circumstances. Another situation, which routinely arises, is a fund-raising or similar effort, in which no one should ever be made to feel compelled to participate.

### ***Relationships with Subcontractors, Suppliers, and Educational Institutions***

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, and vendors will be made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs, and

not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. We will not communicate to a third-party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties. (The subject of Business Courtesies, which might be offered by subcontractors or suppliers, is discussed later on in this Code.)

All hospitals having relationships with an educational institution must have a written agreement which defines both parties' roles and the hospital's retention of the responsibility for the quality of patient care.

### ***Research***

We follow high ethical standards in any research conducted by our physicians and professional staff. We do not tolerate intentional research misconduct. Research misconduct includes making up or changing results or copying results from other studies without performing the research.

All patients asked to participate in a research project are given a full explanation of alternative services that might prove beneficial to them. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits, and alternatives. The patients are fully informed of the procedures to be followed, especially those that are experimental in nature. Refusal of a patient to participate in a research study will not compromise their access to services.

All personnel applying for or performing research of any type are responsible for maintaining the highest ethical standards in any written or oral communications regarding their research projects as well as following appropriate research guidelines.

### ***Substance Abuse and Mental Acuity***

To protect the interests of our colleagues and patients, we are committed to an alcohol and drug-free work environment. All colleagues must report for work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in your system, or using, possessing, or selling illegal drugs while on MCH work time or property may result in immediate termination. We may use drug testing as a means of enforcing this policy.

It is also recognized that individuals may be taking prescription drugs, which could impair judgment or other skills required in job performance. If you have questions about the effect of such medication on your performance, consult with your supervisor.

## **Marketing Practices**

### ***Antitrust***

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing MCH business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier. Our competitors are other health systems and facilities in markets where we operate.

At trade association meetings, be alert to potential situations where it may not be appropriate for you to participate in discussions regarding prohibited subjects with our competitors. Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. In general, avoid discussing sensitive topics with competitors or suppliers. You must also not provide any information in response to oral or written inquiry concerning an antitrust matter without first consulting Administration.

### ***Gathering Information about Competitors***

It is not unusual to obtain information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, it is not acceptable for you to obtain proprietary or confidential information about a competitor through illegal means. It is also not acceptable to seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

### ***Marketing and Advertising***

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative, and non-deceptive information in these materials and announcements. All marketing materials will reflect services available and the level of licensure and certification.

## **Environmental Compliance**

It is our policy to comply with all environmental laws and regulations as they relate to our organization's operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We will diligently employ the proper procedures with respect to handling and disposal of hazardous and biohazardous waste, including but not limited to medical waste.

In helping MCH comply with these laws and regulations, we must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert your supervisor to any situation regarding the discharge of a hazardous substance, improper disposal of medical waste, or any situation which may be potentially damaging to the environment.

## **Business Courtesies**

### ***General***

Nothing in this part of the Program/Code should be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity purposes, please note that these limitations govern activities with those outside of MCH. This section does not pertain to actions between the organization and its colleagues nor actions among MCH colleagues themselves.

### ***Receiving Business Courtesies***

We recognize that there will be times when you may wish to accept from a current or potential business associate an invitation to attend a social event in order to further develop your business relationship. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host company) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$100.00 per person.

Sometimes a business associate will extend training and educational opportunities that include travel and overnight accommodations to you at no cost to you or MCH. Similarly, there are some circumstances where you are invited to an event at a vendor's expense to receive information about new products or services. Prior to accepting any such invitation, you must receive approval to do so consistent with the corporate policy on this subject.

As an MCH colleague, you may accept gifts with a total value of \$50.00 or less in any one year from any individual or organization who has a business relationship with MCH. For purposes of this paragraph, physicians practicing in MCH facilities are considered to have such a relationship. Perishable or consumable gifts given to a department or group are not subject to any specific limitation. You may never accept cash or cash equivalents, such as gift certificates. Finally, under no circumstances may you solicit a gift.

### ***Extending Business Courtesies to Non-referral Sources***

No portion of this section, "Extending Business Courtesies to Non-referral Sources," applies to any individual who makes, or is in a position to make, referrals to a MCH facility.

There may be times when you may wish to extend to a current or potential business associate (other than someone who may be in a position to make a patient referral) an invitation to attend a social event in order to further or develop your business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must be discussed and the host must be present. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$100.00 per person. Moreover, such business entertainment with respect to any particular individual must be infrequent, which, as a general rule, means not more than quarterly, and preferably less often.

With regard to the \$100.00 guideline, if circumstances arise where an entertainment event was contemplated prior to the event to meet the guideline but unforeseeably exceeded it, a report to that effect with the relevant details must be filed consistent with the corporate policy on this subject. If you anticipate an event will exceed the \$100.00 guideline, you must obtain advance approval as required by corporate policy. That policy requires a showing as to the business necessity and appropriateness of the proposed entertainment. The organization will under no circumstances sanction participation in any business entertainment that might be considered lavish. Departures from the \$100.00 guideline are highly discouraged.

Also, MCH facilities will routinely sponsor events with a legitimate business purpose. Provided that such events are for business purposes, reasonable and appropriate meals and entertainment may be offered. In addition, transportation and lodging can be paid for. However, all elements of such events, including these courtesy elements, must be consistent with the corporate policy on such events.

It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with MCH. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business associates who are not government employees must not exceed \$50.00 per year per recipient. You may never give cash or cash equivalents, such as gift certificates. The corporate policy on business courtesies may from time to time provide modest flexibility in order to permit appropriate recognition of the efforts of those who have spent meaningful amounts of volunteer time on behalf of MCH.

U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. MCH's policy is to not provide any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch of the Federal government, except for minor refreshments in connection with business discussions or promotional items with the MCH or facility logo valued at no more than \$10.00. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, you must determine the particular rules applying to any such person and carefully follow them.

#### ***Extending Business Courtesies to Possible Referral Sources***

Any entertainment or gift involving physicians or other persons who are in a position to refer patients to our healthcare facilities must be undertaken in accordance with corporate policies. We will comply with all Federal laws, regulations, and rules regarding these practices.

### **Political Activities and Contributions**

The organization's political participation is limited by law. MCH funds or resources are not to be used to contribute to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. Organizational resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of MCH property for use in the political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. You may, of course, participate in the political process on your own time and at your own expense. While you are doing so, it is important not to give the impression that you are speaking on behalf of or representing MCH in these activities. You cannot seek to be reimbursed by MCH for any personal contributions for such purposes.

At times, MCH may ask colleagues to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is a part of the role of some MCH management to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain that you are familiar with any regulatory constraints and observe them. Guidance is always available from the Corporate Compliance Committee, Compliance Officer and/or Administration as necessary.

# **The Corporate Compliance Program**

## ***Program Structure***

The Corporate Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance. That commitment permeates all levels of the organization. There is an oversight committee (i.e., Leadership Council) which includes members of the Board of the Directors; the Vice President – Finance serves as the Corporate Compliance Officer; and there is a Corporate Compliance Committee consisting of organization management and staff. All of these individuals or groups are prepared to support you in meeting the standards set forth in this Code.

The leaders of the Corporate-wide Compliance Program are:

*Members of the Leadership Council*

*Corporate Compliance Officer*

*Members of the Corporate Compliance Committee*

## ***Resources for Guidance and Reporting Violations***

To obtain guidance on a compliance issue or to report a suspected violation, you may choose from several options. It is an expected good practice, when you are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with another member of management, the Compliance Officer or Chief Executive Officer. You are always free to contact the Compliance Hotline at 675-5404.

MCH will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible misconduct. There will be no retribution or discipline for anyone who reports a possible violation in good faith. Any colleague who deliberately makes a false accusation with the purpose of harming or retaliating against another colleague will be subject to discipline.

## ***Personal Obligation to Report***

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each colleague has an individual responsibility for reporting any activity by any colleague, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code.

## ***Internal Investigations of Reports***

We are committed to investigate all reported concerns promptly and confidentially to the extent possible. The Corporate Compliance Officer will coordinate any findings from the investigations and immediately recommend corrective action or changes that need to be made. We expect all colleagues to cooperate with investigation efforts.

## ***Corrective Action***

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future at any MCH facility.

## ***Discipline***

All violators of the Code will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any of the following disciplinary actions:

- Verbal warning
- Written warning
- Written reprimand
- Suspension
- Termination
- Restitution.

### ***Internal Audit and Other Monitoring***

MCH is committed to the aggressive monitoring of compliance with its policies. Much of this monitoring effort is carried out by the Corporate Compliance Committee, which routinely conducts internal audits of issues that have regulatory or compliance implications. The organization also routinely seeks other means of ensuring and demonstrating compliance with laws, regulations, and MCH policy.

### ***Acknowledgment Process***

MCH requires all colleagues, as a condition of employment, to sign an acknowledgment confirming they have received the Code and understand it represents mandatory policies of MCH.

Adherence to and support of MCH's Program/Code and participation in related activities and training will be considered in decisions regarding hiring, promotion, and compensation for all candidates and colleagues.

## **Questions & Answers**

The Program/Code is not intended to provide answers to every question that you may have about MCH's policies, laws, or regulations. The following questions and answers are intended to increase your understanding of how the specific guidelines must be applied.

### ***The Compliance Program***

*If I have a question about workplace conduct or saw something that I thought was wrong, whom should I contact?*

We have provided several resources for you to turn to with such concerns. We encourage you to talk to your supervisor first. However, if for any reason you do not feel comfortable talking to your supervisor or if your supervisor did not answer the question or address the problem to your satisfaction, you do have other options. You may wish to try to speak with someone else in management of the Hospital, contact your Compliance Officer, or call the Compliance Hotline at 675-5404.

*If I report something suspicious, will I get in trouble if my suspicion turns out to be wrong?*

As long as you honestly have a concern, our policy prohibits your being reprimanded or disciplined. As a MCH colleague, you have a responsibility to report suspected problems. In fact, colleagues may be subject to discipline if they witness something but do not report it to the company. The only time someone will be disciplined for reporting misconduct is if he or she knowingly and intentionally reports something that he or she knows to be false or misleading in order to harm someone else.

*What should I do if my supervisor asks me to do something that I think violates the Program/Code, MCH policy, or is illegal?*

Don't do it. No matter who asks you to do something, if you know it is wrong, you must refuse to do it. You must also immediately report the request to a level of management above your supervisor or to the Compliance Hotline.

### ***Ethical Behavior Generally***

*How do I know if I am on ethical "thin ice?"*

If you are worried about whether your actions will be discovered, if you feel a sense of uneasiness about what you are doing, or if you are rationalizing your activities on any basis (such as perhaps the belief that "everyone does it"), you are probably on ethical "thin ice." Stop, step back, consider what you are doing, get advice, and redirect your actions to where you know you are doing the right thing.

### ***Accuracy, Retention, and Disposal of Documents***

*In preparation for an accreditation visit, my supervisor has asked me to review medical records and to fill in any missing signatures. May I do this?*

No. It is absolutely wrong to sign another healthcare provider's name in the medical record. It is part of our basic integrity obligation to provide only complete and fully accurate information to accrediting groups.

### ***Business Courtesies***

*A patient with a chronic health condition is frequently admitted to our facility for treatment. He wants to tip the nurse with \$100 or an expensive gift. May the nurse accept it?*

No. Cash gifts must never be accepted from anyone with whom we have a business relationship. You are entitled to accept gifts with a total value of \$50.00 or less in any one year from any individual or organization who has a business relationship with MCH.

*May I accept a basket of fruit or flowers that a patient sent?*

Yes. Gifts to an entire department may be accepted if they are consumable or perishable.

### ***Conflicts of Interest***

*I am planning a dinner meeting at our hospital. My daughter owns a catering service in town. May I pick her catering service if the prices are comparable to other restaurants?*

Yes. If your daughter has submitted a bid and it has been accepted through the hospital's normal/competitive selection process. We must avoid even the slightest appearance of favoritism.

*Do the conflict of interest policies apply to distant relatives, such as cousins or in-laws or friends?*

The conflict of interest policies generally apply to members of your immediate family. However, if any relationship could influence your objectivity or create the appearance of impropriety, you must apply the policies.

### ***Patient Information***

*We live in a small town, and most of the community knows each other. There is a physician in our hospital who sometimes requests medical records, whether he is taking care of the patient or not. Is he allowed to do this?*

No. Only the attending, covering, or consulting physicians may have access to patient medical records. We are responsible for protecting the confidentiality of patient information from interested third parties as well as our staff. Patients are entitled to expect confidentiality, the protection of their privacy, and the release of information only to authorized parties.

***Personal Use of Organization Resources***

*Can I type my spouse's resume on my computer?*

Possibly. If you use the computer during non-working hours, you may be permitted to type personal documents. Check with your supervisor.

*I volunteer for Big Brothers. May I copy a fundraising leaflet?*

MCH encourages all colleagues to participate in volunteer activities. Organization equipment, however, must not be used for charitable or other non-business purposes without prior approval from your supervisor.

***Political Activities and Contributions***

*I do volunteer work for a local candidate for office. May I use the copy machine to make flyers?*

No. You may not use MCH time or resources to support political activities that are undertaken on a personal basis, as is the case here.