



Code of Conduct and Ethical Behavior

St. John Medical Center

Approved by the Audit and Compliance

Committee of the Board of Directors:

March 2011

ST. JOHN MEDICAL CENTER

A CATHOLIC HOSPITAL



University Hospitals



SISTERS of CHARITY
HEALTH SYSTEM

Table of Contents

Letter from Administration.....	1
SJMC Mission Statement, Vision, Core Values, Brand Promise.....	2
Purpose of the Code of Conduct and Ethical Behavior.....	3
Pledge of Commitments.....	4
Leadership Responsibilities and Stewardship.....	5
COMMITMENT TO QUALITY CARE	
Patient Care and Patient Rights.....	6
Pastoral Care.....	7
Emergency Treatment.....	7
Confidentiality of Patient Information.....	7-8
Research and Education.....	8
RELATIONSHIP WITH AFFILIATED PHYSICIANS	
Business Arrangements.....	9
Extending Business Courtesies to Potential Referral Sources.....	9
BUSINESS AND FINANCIAL RECORDS	
Accurate Coding and Billing of Services.....	10-11
Accuracy of Records and Reports.....	11
Financial Reporting and Records.....	11
Retention and Disposal of Documents and Records.....	12
Cost Reports.....	12
Billing Inquiries.....	12
WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES	
Diversity and Equal Employment Opportunities.....	13
Harassment and Workplace Violence.....	13-14
Drugs, Alcohol and Smoke-Free Environment.....	14-15
Controlled Substances.....	15
Health and Safety.....	15
Licensure and Certification.....	15
Responsible Use of SJMC Assets.....	16
Non-Employment or Retention of Sanctioned Individuals.....	16
Cooperation in Government Investigations.....	16
Environmental Compliance.....	17
BUSINESS ACTIVITIES	
Compliance with Tax-Exempt Requirements.....	17
Communication Systems and Electronic Media.....	17-18

Table of Contents (cont.)

Confidential Business Information.....	18-19
Copyrights.....	19
Marketing, Advertising and Communications.....	19

CONFLICTS OF INTEREST AND BUSINESS RELATIONSHIPS

Conflicts of Interest.....	20
General Policy Regarding Business Courtesies.....	20
Receiving Business Courtesies and Entertainment.....	20-21
Extending Business Courtesies and Entertainment to Non-Referral Sources.....	21
Meals and Entertainment.....	22
Sponsoring Business Events.....	22
Gifts.....	22
Business Courtesies and Entertainment of Government Officials.....	22-23
Relationships With Subcontractors and Suppliers.....	23
Sharing Information With Competitors.....	23-24
Gathering Information About Competitors.....	24
Discharge Planning.....	24
Hiring Former or Current Government Employees.....	24
Political Activities and Contributions.....	24-25

COMPLIANCE AND ETHICS PROGRAM

Compliance and Ethics Mission Statement.....	25-26
Program Structure.....	26
Purpose and Scope of Compliance Program.....	26-27
Personal Responsibility to Report Without Fear of Retaliation.....	27
Resources for Guidance and Reporting Concerns.....	27
Compliance Hotline.....	27-28
Education and Training.....	28
Internal Audit and Other Monitoring Activities.....	28
Internal Investigations of Reports.....	28
Corrective Action.....	29
Discipline.....	29
Employee Evaluation.....	29
Acknowledgment Requirement.....	29
Updates to Code of Conduct.....	29
Acknowledgement Certification.....	Appendix A

Letter From Administration

To all employees, physicians, business partners and colleagues of St. John Medical Center:

As a faith-based health care provider, St. John Medical Center is committed to quality, compassionate care in a manner consistent with the healing tradition of the Catholic Church, the Mission of the Sisters of Charity Health System, the *Ethical and Religious Directives for Catholic Health Care Services* and the mission of University Hospitals. We act with integrity and honesty in all our relationships with patients, families, medical and professional staff, and business associates.

Our *Code of Conduct and Ethical Behavior* (“Code”) is based on the Elements of Catholic identity and serves as a guideline for ethical and compliant behavior based on the values of:

- respect and dignity for the individual;
- holistic care, including spiritual needs;
- responsible stewardship;
- care for the poor and vulnerable;
- concern for the community and promotion of the common good;
- actions on behalf of justice; and
- teachings of the Catholic Church.

Our Mission, Core Values, and our Code are resources that guide us in every aspect of our daily work. As we strive to meet all applicable rules, compliance standards, and regulatory requirements, our prime motivation is to continue the healing ministry of Jesus. Our faith-based mission and core values set the context and culture for our organization.

Each of us—including all St. John Medical Center Board members, employees, volunteers, physicians and others who provide care to our patients—will be asked to sign a certification stating that we understand the Code and our individual commitment to compliance. If you have any questions regarding this Code or want to report a situation that you believe violates this Code, you should immediately contact your supervisor, another member of management, Human Resources or the Compliance Officer.

This Code describes the beliefs and values embodied in our faith-based culture. It provides guidelines that shape and nurture the faith-based culture so that our core values permeate all aspects of the organization.

The Code demonstrates to our patients and communities that we have strong values and can be relied upon to act in an ethical and compliant manner. Thank you for your ongoing commitment to our patients, our communities and our continued reputation for excellence and integrity.

Mission Statement, Vision, Core Values

Mission Statement

St. John Medical Center is a community health care resource committed to excellence. Our Mission is rooted in a deep reverence and respect for human life and the dignity of each person. Our service is characterized by a spirit of love, truth, justice and stewardship. We strive to always provide care which is compassionate and professional, continuing the healing ministry of Jesus in our community.

Vision

St. John Medical Center will be the provider of choice in its service area by delivering the highest quality care and best patient experience. As a faith-based provider, we will achieve excellence by focusing on a performance-based culture that delivers results and significant community benefit.

Core Values

St. John Medical Center, sponsored by the Sisters of Charity Health System, implements the philosophy, charism and values of the Congregation. Our strategies and goals create an organizational culture that embodies these core values:

- COMPASSION** To display a profound sense of interconnectedness to others;
- COURAGE** To dare to take risks that our faith-based care demands;
- RESPECT** To value dignity and sacredness of life from conception to death;
- JUSTICE** To develop right relationships internally and externally;
- COLLABORATION** To promote inclusive, compassionate and collaborative relationships.

St. John Medical Center Commitment
Inspired by Faith to Serve with Compassion,
Connecting with Every Patient, Every Time

Purpose of The Code of Conduct and Ethical Behavior

St. John Medical Center (“SJMC”) is grounded in and guided by fundamental beliefs and core values of the Catholic tradition. In addition, Catholic health care continues the healing ministry of Jesus and therefore focuses on the biblical values of respect and dignity for the individual, responsible use of resources, care for the poor and vulnerable, concern for the community, promotion of the common good, and actions on behalf of justice.

In Catholic health care, ethics permeates the entire culture of the organization. The teachings of the Catholic Church, the mission and values of the Sisters of Charity of St. Augustine, and the *Ethical and Religious Directives for Catholic Health Care Services* shape our *Code of Conduct and Ethical Behavior* (“Code”). All policies and procedures reflect these teachings. All members and employees’ conduct reflects the core beliefs and values of the faith tradition that continue the healing ministry of Jesus.



SJMC is committed to maintaining the highest professional and ethical standards in the conduct of its business. Members of the Board of Directors, management, employees, physicians, volunteers and contractors (“stakeholders”) act in a manner that is consistent with this Code and its supporting policies. This Code provides guidance to all SJMC stakeholders to:

- Assist us in performing our daily activities within appropriate ethical and legal standards; and
- Enhance our ability to achieve the organization’s mission.

These standards are achieved and sustained only through the actions of all personnel. All individuals maintain integrity in business conduct and avoid any activities that could reflect adversely on the reputation of SJMC, its officers, directors, or other employees.

In some instances, the Code deals fully with the subject covered. In many cases however, the standards described in this Code involve areas requiring additional guidance. Policies and procedures expand or supplement the standards in these areas and provide further guidance.

This Code is an evolving document that will be updated periodically to respond to changing conditions and to reflect changes in the law.

Members of the SJMC team follow and support the mandatory standards set forth in this Code. Therefore, please keep this Code for future reference. All stakeholders comply with the requirements of federal health care programs. Employees who ignore or disregard the principles of this Code will be subject to appropriate disciplinary actions. In addition, if an individual or SJMC fails to comply with such requirements and policies, civil or criminal penalties or possible exclusion from the federal health care programs may result. If you have any questions regarding these standards, it is your responsibility and obligation to seek guidance from a member of management, the Compliance Officer, or a Human Resource representative.

Pledge of Commitments

We are committed to our responsibility to work toward the common good of all. We continually look at our organizational and financial viability to ensure we can continue to provide high quality care in the future. Our values call us to act justly; therefore, we affirm the following commitments:

To our patients: We are committed to providing quality care that is sensitive, compassionate, promptly delivered, cost effective, faithful to our Catholic identity and values, and compliant with laws and regulations.

To our employees: We are committed to a work setting that treats all employees 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 that has excellent facilities, modern equipment, and outstanding professional support.

To our volunteers: We are committed to recognizing the time and talent provided by our volunteers as a vital component of our mission in assisting and attending to the non-medical needs of patients and their families. We are committed to ensuring that our volunteers feel a sense of meaningfulness from their volunteer work and receive recognition for their efforts.

To the communities we serve: We are committed to understanding the particular needs of the communities we serve to provide these communities faith-based, quality, cost-effective health care. We realize as an organization that we have a responsibility to help those in need. We provide care to the poor, in keeping with the philosophy and values of the Sisters of Charity of St. Augustine and established policies.

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 health care while pursuing efficiency and cost effectiveness. 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 to work fairly and objectivity with providers.

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

To our suppliers: We are committed to fair competition among prospective suppliers and to acting in an ethical manner in selecting and maintaining our business relationships. We manage our supplier relationships in a fair and reasonable manner.

Leadership Responsibilities and Stewardship

Leadership Responsibilities

While all SJMC employees are obligated to follow the Code, our leaders set the example and are role models in every respect. In supporting and maintaining a spirit and culture that includes faith-based values, our managers ensure their employees have sufficient information and training to understand their obligations under the Code and comply with our faith-based traditions and applicable laws, regulations, and policies. Leaders continue the healing ministry of Jesus and create a culture within SJMC that promotes the highest standards of ethics and compliance. This culture encourages everyone in the organization to strive for excellence and to be honest in raising concerns. Leaders maintain an open-door policy and encourage employees to raise concerns, while ensuring that no one who reports a suspected violation of law or policy in good faith is subject to retaliation. Leaders must be responsive and take prompt, appropriate action when they become aware of a potential violation of law or policy. A member of management should seek assistance from the SJMC Compliance Officer in addressing questions or concerns.

Responsible Stewardship

Good stewardship means the management and appropriate use of health care resources. We know that by being good stewards, we provide services to meet the needs of the community while acting prudently in using technology to sustain life. Respect for life and dignity of the person does not translate directly into efforts to sustain life indefinitely without considering the burden to the patient or the futility of the treatment. Nor does commitment to the delivery of quality health care require the use of the latest or most expensive technology. We wisely use our resources to meet the needs of future generations.



Commitment to Quality Care

Patient Care and Patient Rights

Our mission is to provide quality health care to all of our patients. Since we believe all persons are created in the image and likeness of God, 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 gender, race, color, creed, religion, national origin, ancestry, sexual orientation, ability to pay, or source of payment for care. Clinical care is based on identified patient health care needs.



SJMC has a comprehensive program to promote the quality of patient care and to measure its effectiveness. The commitment to quality care and patient safety is everyone's responsibility. SJMC monitors quality in numerous ways, including review of patient outcomes, implementation of national initiatives related to patient safety and quality, and patient satisfaction surveys. SJMC also compares the quality of its services against national standards and benchmarks in an effort to identify ways to continually improve the quality of care we provide and to establish standards of care that reflect best practices. SJMC maintains an active and continuous patient safety program to identify and mitigate risks to our patients, and to promote the prevention, reporting and reduction of health care errors. All

SJMC caregivers must make patient safety paramount and ask for assistance or report issues to ensure that we fulfill our commitment to the highest quality and safety standards.

Each patient is provided with a statement of Patient Rights and Responsibilities as well as a Notice of Privacy Practices. These statements include the right of patients to make decisions regarding their medical care, the right to refuse or accept treatment, the right to make informed decisions, and the right to privacy of their health information maintained by SJMC. These statements conform to applicable state and federal laws, including the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

SJMC is committed to creating a treatment environment where patients and their families will understand their illnesses and make informed decisions concerning their medical care. 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, benefits and alternatives associated with available treatment options. A patient has the right to request a transfer 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 SJMC's mission, philosophy and capabilities.

At SJMC,
we provide pastoral
care to demonstrate a
commitment to caring
for the whole person.

Patients and their representatives will be given appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, counseling, and pastoral care. Each patient will be informed of the grievance process, including whom to contact to file a grievance. 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.

Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. SJMC employees will receive education regarding patient rights and the employees' role in supporting those rights.

We are committed to providing compassionate care to the people we serve. We strive to provide health education, health promotion, and wellness programs as part of our efforts to improve the quality of life of our patients and our communities.

Pastoral Care

At SJMC, we provide pastoral care to demonstrate a commitment to caring for the whole person. As a fundamental tradition of Catholic health care, spiritual care is important to the delivery of patient care. The Pastoral Care Department demonstrates the faith-based character of the hospital and provides support for the spiritual and emotional needs of patients, their families, and employees.

Emergency Treatment

SJMC complies with the Emergency Medical Treatment and Labor Act (EMTALA) in providing a medical screening examination and (if necessary) stabilizing treatment to all patients who come to the hospital for emergency treatment, regardless of their ability to pay. SJMC will not delay the medical screening examination or necessary stabilizing treatment in order to inquire about insurance status or ability to pay. We do not admit or discharge patients with emergency medical conditions based on their ability (or inability) to pay or any other discriminatory factor.

Patients with emergency medical conditions will be transferred to another facility only at the patient's request, or if the patient's medical needs cannot be met at SJMC and appropriate care is available at another facility. Such transfers must be in compliance with state law and federal EMTALA requirements. SJMC personnel and physicians who work in the Emergency Department must be knowledgeable about the EMTALA rules and applicable SJMC policies.

Confidentiality of Patient Information

HIPAA sets forth national standards for maintaining the privacy and security of patients' protected health information ("PHI"). All personnel must realize the sensitive nature of this information and be committed to maintaining its confidentiality. Consistent with HIPAA, we do not use, disclose or discuss patient-specific information with others unless it is necessary for treatment, payment or healthcare operation purposes, or if such disclosure is authorized by the patient or is required or authorized by law.

All individuals must take reasonable measures to protect the confidentiality of PHI, whether that information exists in oral, written or electronic form. SJMC maintains and safeguards medical records in a manner that ensures that the medical record and the information contained in the records are not disclosed to anyone except the patient; the patient's designated agent, surrogate or executor; other third parties who present a valid written authorization signed by the patient; or as required or authorized by law.

In accordance with our information access and HIPAA policies and procedures, SJMC employees, affiliated physicians or other business associates (as defined by HIPAA) may access patient information only to the extent necessary to perform their jobs. Unless authorized by law or by the patient, only individuals who require patient information to furnish care, perform quality control activities, bill or collect payments for services, or furnish administrative services are permitted access to PHI.

Research and Education

Any participation in research by SJMC must comply with *Ethical and Religious Directives for Catholic Health Care Services*, the teachings of the Catholic Church, and the mission and values of the hospital. All human subject research is to be monitored by the Institutional Review Board ("IRB") that is contracted through University Hospitals.

We follow high ethical standards in any research conducted by our physicians and professional staff. We are committed to research integrity in disseminating appropriate, valid scientific results in accordance with applicable regulations and guidelines.

All human subject research proposals must be approved by the IRB that has oversight responsibility for the research project. Any employee or physician engaging in human subject research must do so in conjunction with IRB approval and must be consistent with policies and procedures governing human subject research. Our first priority in the responsible conduct of research is to protect the patients and human subjects, and to respect their rights and welfare during research and clinical trials.

All patients who are asked to participate in a research project are given a full explanation of alternative treatment services that might prove beneficial to them. Such patients are also fully informed of potential discomforts and are given a full explanation of risks and expected benefits. 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 his or her access to service.

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. As in all record keeping, our policy is to submit only true, accurate, and complete costs related to research grants.

Relationships with Affiliated Physicians

Business Arrangements

All physicians working within SJMC must agree to follow the *Ethical and Religious Directives for Catholic Health Care Services*. Any business arrangement with physicians must be pursuant to signed, written contracts and appropriately structured to comply with legal requirements. All transactions with physicians require prior certification by the appropriate Vice President or President and must be approved, as to form by Legal Counsel and in accordance with physician transaction policies.

SJMC does 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 anyone (employees, physicians, or other persons) inducements for referral of patients. Violation of this policy may subject the organization and the individuals involved to civil and criminal penalties, and possible exclusion from participation in federally funded health care programs.

SJMC does not accept payments for referrals that we make. No employee 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 health care provider, we do not take into account the volume or value of referrals or other business that the provider has made to us. Referrals to physicians, health professionals or other health care facilities are made based solely on what is best for the person seeking treatment.

All SJMC personnel who interact with physicians, particularly those in a position to approve financial arrangements with physicians or process payments to physicians, must be aware of the legal requirements and policies that address relationships between SJMC entities and physicians. Financial relationships with physicians may include paying physicians for providing administrative, clinical, or teaching services; lease arrangements for space or equipment; and for supporting physician recruitments based upon a community need. If relationships with physicians are properly structured but not followed, disciplinary action and significant legal consequences may result.

SJMC shall not provide, on a routine basis, "professional courtesy" discounts to members of the medical staff and their families. SJMC does not allow hospital charges owed by an affiliated physician to be waived, in whole or in part.

Extending Business Courtesies to Potential Referral Sources

Any entertainment, gift or token of appreciation involving physicians or other persons who are in a position to refer patients to SJMC must be undertaken in accordance with SJMC policies, which have been developed consistent with federal laws and regulations. Personnel must consult SJMC policies prior to extending any business courtesies or token of appreciation to a potential referral source and must comply with all related documentation requirements. The Medical Staff Office will track all expenditures.

Business and Financial Records

Accurate Coding and Billing of Services

SJMC takes great care to assure that all billings to government, third-party payors and patients are accurate and conform to all applicable federal and state laws and regulations. We prohibit any employee or agent of SJMC from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious or fraudulent.

Strict federal and state laws and regulations govern third-party billing of our insured patients. SJMC is committed to full compliance with federal health care program requirements, including preparing and submitting accurate claims consistent with such requirements. SJMC, its employees, and physicians can be prosecuted for filing inaccurate claims for reimbursement and can be subject to civil fines, criminal penalties or both. We monitor and verify that claims are submitted accurately and appropriately by requiring the following:

- SJMC bills third-party payors for only those services actually provided;
- The services we provide are medically necessary and are ordered by a physician or other appropriately licensed individual;
- The medical record contains proper, timely, appropriately organized and legible documentation of all physician and other professional services prior to billing;
- The documentation supports the billing codes used to describe the services provided, and such documentation is available for audit and review;
- Diagnosis and procedures reported on claims for reimbursement are based on the medical record and other documentation available to the coding staff for accurate coding assignment;
- Employees who perform billing and coding take reasonable precautions to ensure that their work is accurate, timely and in compliance with SJMC policies;
- Employees promptly notify the payor and make a correction if inaccuracies in previously submitted bills are discovered and confirmed;
- Employees and subcontractors who perform billing or coding services on behalf of SJMC have the necessary skills, quality assurance processes, and appropriate procedures to ensure that all billings for governmental and third-party payors are accurate and complete; and
- Compensation for billing department, coders, consultants, or subcontractors involved with billing and coding is properly structured to avoid providing financial incentives to submit improper or non-compliant claims.

The following are examples of unacceptable billing practices:

- Knowingly and willfully making, or causing to be made, any false statement or misrepresentation of any claim for benefit or payment;
- Concealing, failing to disclose, or inappropriately changing information (e.g., diagnoses or procedures performed) that might affect the amount of payment, with the intent to secure a larger payment than what is due;

- Falsifying the name on a claim and receiving a payment for someone other than the person in whose name the claim was made;
- Presenting, or causing to be presented, a claim for false, improper, or fraudulent services; or
- Submitting a request for payment that violates the requirements of the payor.

Accuracy of Records and Reports

Each SJMC employee is responsible for the integrity and accuracy of the organization's documents and records, not only to comply with regulatory and legal requirements, but also to ensure that records are available to support our business practices and actions. No one may falsify information on any record or document or make alterations to such information except in accordance with SJMC policy.

Medical records must be as accurate and complete as possible. Personnel may correct errors in medical records only according to the appropriate procedures. Any changes or entries made out of time sequence should be clearly dated, timed, and initialed. All SJMC supporting documentation (e.g., medical records) related to our coding and billing of patient care services to third-party payors must be accurate, timely, reliable and properly maintained in accordance with SJMC documentation retention policy.



Financial Reporting and Records

SJMC maintains 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, employees, suppliers, and others. These records are also necessary for compliance with tax and financial reporting requirements.

All financial information must fairly represent actual business transactions and conform to generally accepted accounting principles and other applicable rules and regulations. No undisclosed or unrecorded funds or assets may be established.

SJMC 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 for the organization's assets. Anyone with knowledge of false financial records must promptly report them to his or her supervisor, the Chief Financial Officer, Compliance Officer, or the Compliance Hotline (1-800-507-6291).

Each member of the management team must monitor the commitment and expenditure of SJMC funds by persons under his or her authority to ensure that any expenditure or transfer of funds is made for valid business purposes, is appropriately documented, and is made in compliance with applicable laws, regulations, and policies.

Retention and Disposal of Documents and Records

Medical and business documents and records are retained and destroyed in accordance with the law and our record retention policy, which is available on the Intranet. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on the SJMC network or stored in a portable format (e.g., disk, tape, DVD, USB drive, etc.) and any other medium that contains information about the organization or its business activities. No one may remove or destroy records prior to the specified date without first obtaining permission as outlined in our record retention policy.

SJMC employees are responsible for knowing and following the retention requirements for the documents they create or maintain on SJMC's behalf. Records of any type must never be destroyed, altered or concealed in an effort to deny governmental authorities or appropriate persons information that may be relevant to an investigation, inquiry or litigation.

Cost Reports

As a Medicare and Medicaid provider, we are required by federal and state laws and regulations to submit certain reports of our operating costs and statistics. These laws and regulations and guidelines define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. We will comply with federal and state laws, regulations and guidelines relating to all cost reports. All issues related to the preparation, submission and settlement of cost reports must be addressed by or coordinated with our Finance Department.

Billing Inquiries

SJMC will be forthright in dealing with any billing inquiries. We will answer requests for information with complete, factual and accurate information. We will cooperate with and be courteous to all government inspectors, their agents (e.g., fiscal intermediaries and carriers), and other third parties, and we will provide them with the information to which they are entitled during an inspection or inquiry. SJMC maintains documentation in support of patient care services billed to government and third-party payors in accordance with our document retention policy, which is available on the Intranet.



Diversity and Equal Employment Opportunities

Our employees provide us with a wide complement of talents and diversity, which contributes greatly to our success. SJMC's ability to deliver quality patient care is directly related to the skills and abilities of our employees, medical staff and volunteers. To promote diversity and equality in the workplace, we must abide by the following standards:

- Provide an equal opportunity work environment where everyone is treated with fairness, dignity, and respect; and
- Comply with all applicable laws and regulations related to nondiscrimination.

Specifically there shall be no discrimination against any person due to race, religion, color, gender, age, national origin, sexual orientation, ancestry, disabilities as identified by the Americans with Disabilities Act, or veteran or Vietnam-era veteran status.

This policy applies to recruitment, placement, promotion, transfer, retention, compensation, benefits, training, reduction in work force, attendance, discipline, discharge, retirement, pension policies, human resources programs and activities, policies and conditions of employment, and the granting or renewal of clinical privileges.

We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

All management and supervisory employees are responsible for assuring that this policy is followed at all times and that full knowledge and understanding of this policy is communicated to their personnel.

Harassment and Workplace Violence

SJMC respects the rights and dignity of each employee. Therefore, each employee has the right to work in an environment free of harassment, intimidation and workplace violence. Accordingly, we prohibit:

- Degrading or humiliating jokes, disparaging language, slurs, intimidation or other harassing conduct;
- Unwelcome sexual advances;
- Requests for sexual favors in conjunction with employment matters;
- 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;

*Equal Opportunity
work environment
where everyone
is treated with
fairness, dignity
and respect*

- Workplace violence, including physical assault, threat of violence, stalking, robbery and other crimes, violence directed at the employer, terrorism and hate crimes; and
- Employees, patients or visitors to our facilities from possessing firearms, other weapons, explosive devices or other dangerous materials on SJMC premises, except as authorized.



If you observe or experience any form of harassment or violence, you should report the incident immediately to your supervisor, Protective Services, Human Resources, a member of management, Compliance Officer, or the Compliance Hotline (1-800-507-6291).

If you have concerns that you or a fellow employee may be a potential target of physical violence by a third party (spouse, former spouse, family member, boyfriend, girlfriend, etc.), or concerns that a patient or visitor may act violently, you must report these concerns to your supervisor or to Protective Services.

If you have obtained a domestic violence or other type of restraining order against any third party, you must provide a copy of that order to Protective Services, and alert your direct supervisor and Human Resources.

Drugs, Alcohol and Smoke-Free Environment

To improve the health of our employees and patients, we are committed to an alcohol-, drug-, and smoke-free work environment. This means:

- You must report to work free of the influence of alcohol, illegal drugs or improperly used or abused prescription drugs;
- Reporting to work under the influence of alcohol, any illegal drug or a prescription drug used improperly may result in immediate termination;
- Having an illegal drug or alcohol in your system or using, possessing, selling, distributing or manufacturing illegal drugs while on SJMC work time or property may result in immediate termination;
- Drug testing, based upon reasonable suspicion or after a repetitive on-the-job injury, may be used as a means of enforcing this policy;
- Your failure to submit to a drug test after reasonable suspicion or a repetitive on-the-job injury may result in immediate termination; and
- SJMC hospital, facilities, and properties, including all parking lots, sidewalks and green space areas are entirely smoke free.

SJMC recognizes that individuals may be directed by a physician to take prescription drugs that could impair judgment or other skills required in job performance. For employee and patient safety, if you believe a medication, either prescribed or over the counter, may impair your judgment or job performance, you must notify your supervisor. If you have any questions about the effects of such medication on your performance, you should consult your supervisor and your physician.

Human Resources can arrange for confidential counseling and treatment for drug and alcohol dependence problems through the Employee Assistance Program. No employee with an alcohol and/or drug abuse problem will have his or her job jeopardized by a request for counseling or treatment if the request for help is made prior to an event or incident subjecting the employee to disciplinary action.

Controlled Substances

Certain employees 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. These items must be handled properly and only by authorized individuals to minimize risks to you, patients and the organization. If you become aware of inadequate security of drugs, theft of drugs from the organization, or diversion of drugs from their intended purpose, you must report this immediately to your supervisor, Director of Pharmacy, Protective Services, Compliance Officer, or the Compliance Hotline (1-800-507-6291). We will comply with all applicable reporting requirements of the appropriate regulatory agencies and law enforcement.

Health and Safety

SJMC employees must comply with all government regulations and rules and with SJMC policies that promote the protection of workplace health and safety. SJMC has adopted policies to protect you from potential workplace hazards. To ensure workplace safety:

- Each employee is responsible for providing and maintaining a safe environment for patients, visitors, fellow employees, contractors, and physicians;
- You should become familiar with and understand how SJMC health and safety policies apply to your specific job responsibilities and seek advice from your supervisor or the SJMC Safety Officer; and
- It is important for you to notify your supervisor about a safety hazard, broken piece of equipment, any workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken.

Licensure and Certification

Employees and independent contractors requiring professional licenses, certifications or other credentials to perform their job duties are responsible for maintaining the current status of their credentials. They shall comply at all times with federal and state requirements applicable to their respective disciplines. SJMC may require certain independent contractors to maintain their own insurance coverage. In addition:

- Each employee is responsible for providing a copy of his or her current license, certification or other required credentials to the Human Resources Department and
- SJMC will not allow any employee or independent contractor to work without valid and current licenses, certifications or credentials and, if required, appropriate insurance.

Responsible Use of SJMC Assets

Each employee has the responsibility to preserve and protect our organization's assets. These assets include, but are not limited to, employee time, materials, supplies, equipment, information, reports and records, computer software and data, trademarks and service marks, other intellectual property and SJMC-provided services. SJMC assets are to be used for business-related purposes. In addition:

- As a general rule, SJMC prohibits the personal use or taking of any SJMC asset without the prior approval of your supervisor;
- We permit the occasional, reasonable personal use of items, such as telephones, where the cost to SJMC is insignificant;
- Any community or charitable use of organizational resources must be approved in advance by your supervisor and the Director of Marketing; and
- We do not allow any use of organizational resources for personal financial gain of any individual or entity.

Non-Employment or Retention of Sanctioned Individuals

SJMC will not knowingly employ, grant medical staff privileges to or contract with any person or entity that:

- has been convicted of a criminal offense related to healthcare or a criminal offense deemed to disqualify an individual from employment;
- is listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded healthcare programs; or
- is a suspected terrorist as determined by the federal government.

In order to carry out this requirement, we will make reasonable inquiry into the publicly available government databases that lists excluded or debarred individuals and entities as well as suspected terrorists. In addition, until resolution of any criminal charges, proposed debarment or exclusion, any individual or entity that is charged with criminal offenses related to health care or proposed for exclusion or debarment shall be removed from direct responsibility for, or involvement in, clinical activities, documentation, coding, billing or other business activities. If resolution results in a conviction, debarment or exclusion of the individual or entity, SJMC will immediately terminate or suspend the employment, contract, medical staff privileges or other relationships.

Cooperation in Government Investigations

SJMC will comply fully with the law and cooperate with any reasonable demand made in a government investigation. If any employee receives an inquiry, subpoena or other legal document regarding SJMC business, whether at home or in the workplace, from any government agency, the employee must notify his or her supervisor as well as Legal Counsel immediately.

During a government investigation or inspection, you must never conceal, destroy or alter any documents, lie or make misleading statements to the government representative. You may not cause another employee to provide inaccurate information or obstruct, mislead or delay the communication of information or records relating to possible violations of the law.

Environmental Compliance

SJMC is committed to promoting sound environmental practices related to our operations that will prevent damage to the environment, enhance human and community resources and reduce or avoid exposure to environmental liabilities. We will comply with all applicable environmental laws and operate our facilities with the necessary permits, approvals and controls. We will diligently employ the proper procedures with respect to handling and disposing of hazardous and biohazardous waste.

In helping SJMC comply with these laws and regulations, you must understand how your job duties may impact the environment and follow all requirements for the proper handling of hazardous, biohazardous and nuclear materials. Immediately alert your supervisor to any situation regarding contamination by a hazardous substance, improper disposal of medical waste or any situation that may be potentially damaging to your environment or create a hazard to personnel. If you are uncertain of the correct procedures for handling or disposing of any such material, you should consult your supervisor for assistance.

*SJMC is
committed to
promoting sound
environmental
practices*

Business Activities

Compliance with Tax-Exempt Requirements

SJMC is a charitable, tax-exempt entity. We provide community benefits that include health care services, medical training, education, research and community outreach activities. SJMC also provides significant free and discounted care to indigent patients and participates in federal and state medical assistance programs. SJMC has a legal and ethical obligation to act in compliance with applicable laws, to engage in activities in furtherance of its charitable purpose and to ensure that its resources are used in a manner that furthers the public good, rather than the private or personal interests of any individual or entity. SJMC and its employees will avoid compensation arrangements in excess of fair market value, will accurately report required information to appropriate taxing authorities, and will file all tax and information returns in a manner consistent with applicable laws.

Communication Systems and Electronic Media

All communication systems, including computers, electronic mail, the Intranet, Internet access, fax machines, telephones and voice mail are the property of SJMC and are to be used primarily for business purposes. Reasonable and extremely limited personal use of the SJMC's communication systems is permitted; however, the employee should assume that these communications are not private. Patient or confidential information should not be sent through the Intranet or the Internet until such time that its confidentiality can be assured.

SJMC reserves the right to periodically access and monitor and disclose the contents of Internet, e-mail messages, voice messages or other communications made through SJMC communication systems, consistent with SJMC policies. Access and disclosure of individual employee messages may only be done with the approval of authorized or designated personnel.

Employees may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening, knowingly reckless, maliciously false or obscene materials including anything constituting or encouraging a criminal offense, giving rise to civil liability or otherwise violating any law. 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 or open misaddressed mail.

Employees who abuse our communication systems or use them for unauthorized non-business purposes may lose these privileges and be subject to disciplinary action, up to and including termination.

SJMC employees are prohibited from using personal computers to make illegal copies of licensed software or from using unlicensed software. Failure to observe this policy may result in serious consequences to the employee, such as termination of employment or legal action by the software or licensing company. Any questions regarding this policy should be directed to the Chief Information Officer.

Confidential Business Information

Confidential information about our organization's strategies and operations is a valuable asset. Although an employee may use confidential information to perform his or her job, it must not be shared with others outside of SJMC or the employee's department unless the individuals have a need to know this information to perform their specific job duties or carry out a contractual business relationship, and the recipients have a legal obligation to safeguard such information. Recipients may have this obligation through a written confidentiality agreement or through other agreements required by law for certain types of information (e.g., a HIPAA business associate agreement for recipients of PHI). In addition, disclosures may not be made if prohibited by law or regulation.

Confidential information covers anything related to SJMC's operations that is not publicly known, such as: personnel data maintained by the organization; patient lists and clinical information; passwords; 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 organizations; suppliers and subcontractors information; and proprietary computer software. In order to maintain the confidentiality and integrity of patient and confidential information, such information may be sent through the Internet only in accordance with SJMC information security policies and standards, which require certain information to be encrypted.

Because much of our clinical and business information is increasingly generated and maintained within our computer systems, all users must exercise diligence to protect our computer systems and their information stored therein by following Information Systems' policies and guidance.

Computer passwords and other means of identification that may be used by SJMC are confidential and personal to users. Such passwords allow authorized users access to specific applications related to their SJMC responsibilities. Divulging confidential passwords or allowing an individual to use your password or means of identification is a breach of internal security and is grounds for immediate termination.

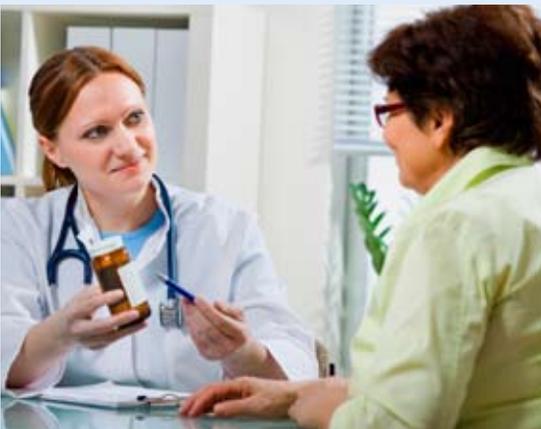
If an individual's employment or relationship with SJMC ends for any reason, the individual is still bound to maintain the confidentiality of information viewed, received or used during the course of his/her relationship with SJMC. Such individuals will not be permitted access to confidential information after termination, and copies of any confidential information in the individual's possession must be returned at the end of the individual's employment or relationship with SJMC.

Copyrights

SJMC personnel shall not reproduce any copyrighted materials without the express permission of the copyright holder unless SJMC is licensed under an agreement to do so. Copying copyrighted works, even for internal distribution, can lead to substantial organizational and personal liability for copyright infringement. Copyrighted works include, but are not limited to, printed articles from publications, magazines, books, television and radio programs, videotapes, musical performances, photographs, training materials, manuals, documentation, surveys, software programs and databases. In general, the laws that apply to printed materials are also applicable to all other media, including visual and electronic media such as diskettes, CD-ROMS, DVDs, and Internet pages.

Marketing, Advertising and Communications

Marketing and advertising activities may be used to educate the public, provide information to the community, increase awareness of our services, and to recruit employees. We will present only truthful, fully informative, and non-deceptive information about our organization and services. We will comply with applicable federal and state laws and, as relevant, professional ethical guidelines related to marketing, advertising and communication activity. Our marketing practices and materials should always be reflective of the mission and values of SJMC. Employees may not consent to allowing a third party (vendor) to use or associate SJMC's name, symbols, logos or trademarks in an advertisement, press release or marketing material without prior consent from the Director of Marketing. Advertising relating to clinical trials will be conducted consistent with regulatory requirements, in compliance with SJMC and IRB policies.



Conflicts of Interest and Business Relationships

Conflicts of Interest

The term “conflict of interest” refers to situations in which financial or other personal considerations may compromise, or have the appearance of compromising, the independent judgment of an employee or physician in the care of a patient, management functions, educational instruction, research or other professional activities. Because reports of conflicts based on appearance can undermine public trust in ways that may not be adequately restored, even the appearance of a conflict may be as serious and potentially damaging as an actual conflict.

A conflict of interest may occur if your outside activities or personal interest influence or appear to influence your ability to make objective decisions in the course of your SJMC responsibilities. A conflict of interest also may exist if the demands of any outside activities hinder or distract you from the performance of your SJMC responsibilities or cause you to use SJMC resources for other than SJMC purposes. Employees must avoid engagement in any activity that conflicts with the interest of SJMC or its patients. Conflicts of interest, or the appearance of conflict of interest, can arise in many situations. For example, SJMC financial relationship with a company owned by a SJMC employee or his or her family member may constitute a conflict of interest. A SJMC employee hiring or having a reporting relationship with a relative could constitute a conflict of interest.

Employees must disclose all possible conflicts of interest involving themselves or their family members (spouse, parents, brothers, sisters, and children). If you believe a conflict of interest exists or if you have any question about whether an outside activity might constitute a conflict of interest you must obtain approval from Legal Counsel and the Compliance Officer before pursuing the activity. You should refer to the SJMC policy on conflicts of interest for more detailed requirements.

General Policy Regarding Business Courtesies

The policies set forth in the following three sections of the Code govern activities with those outside SJMC such as vendors, subcontractors, suppliers, physicians and others. These sections do not apply to actions between SJMC and its employees or actions among SJMC employees themselves. Nothing in this part of the Code should be considered in any way as an encouragement to make, solicit, or receive entertainment or gifts.

SJMC has developed policies regarding vendor relationships and business courtesies that provide detailed guidance regarding these sections of the Code. You should review these policies and be familiar with the requirements for advance approval and with prohibited activities before accepting or offering any business courtesy.

Receiving Business Courtesies and Entertainment

We recognize that there will be times when you may wish to accept from a current or potential business partner an invitation to attend an event with representatives of a business partner (e.g., sporting events, theatre shows) in order to further develop a SJMC business

relationship. Business partners include contractors, customers, suppliers or anyone with whom you do business on behalf of SJMC. These events must not include expenses paid for any travel cost or overnight lodging. The cost associated with such an event must be reasonable and appropriate, and events from a particular business partner should be occasional. As a general rule, this means that the cost will not exceed \$150 per person per event, and such

events from any particular business partner should not occur more frequently than quarterly. Such invitations should not be accepted if a business transaction or renewal of an existing relationship is currently under negotiation. Certain exceptions to these requirements may be made with the prior written approval of a Vice President in the requester's chain of command. Any approval must also be copied to the Compliance Officer.



As a SJMC employee (or a physician influencing the selection of business partners by SJMC), you or any member of your family may accept a personal gift or favor from any individual or organization with a current or potential relationship with SJMC as long as all gifts or favors from such business partners to you or your family in a calendar year are \$150 or less. Gifts or favors from any business partner may not be provided more frequently than quarterly. Perishable or consumable gifts given to a department

or group may exceed \$150 in aggregate, but the benefit per recipient should be modest. Neither you nor any member of your family may accept cash or cash equivalents, such as stocks, bonds or gift certificates, from any individual or organization with a current or potential relationship with SJMC. Under no circumstances may you solicit a gift or accept a gift if it could influence or reasonably appear to others to be capable of influencing your business judgment in conducting SJMC affairs.

If the value of any gift is over \$150, or there is any question regarding whether the gift meets the standards of reasonableness, you must either disclose the circumstances surrounding the gift and seek approval to accept it, or refuse the gift or promptly return the gift to the donor. Such disclosures and/or approvals should be directed to a Vice President in the requester's chain of command. Any approval must also be copied to the Compliance Officer.

Business partners may extend training and educational opportunities that include travel and overnight accommodations at no cost to you or SJMC. Similarly, there may be 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 by the Vice President in your chain of command. Any approval must also be copied to the Compliance Officer.

Extending Business Courtesies and Entertainment to Non-Referral Sources

This section of the Code does not apply to physicians and certain other health care providers in a position to make referrals of patients or patient services to SJMC. Such business courtesies are addressed in the section of this Code entitled "Extending Business Courtesies to Potential Referral Sources" and related SJMC policies.

Meals and Entertainment

There may be times when we 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 SJMC 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 paid expenses 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 \$150 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. Under no circumstances may anyone offer direct, indirect or disguised payments or anything of value in exchange for the referral of patients. In addition, the organization will under no circumstances allow participation in any business entertainment that might be considered lavish.

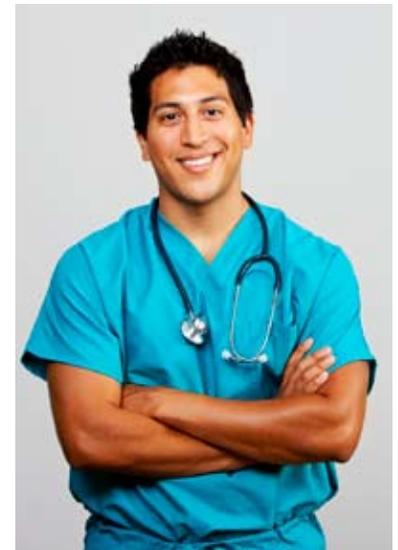
If you anticipate an event will exceed \$150 or be more frequent than quarterly, you must obtain advance approval from your supervisor, who must be at least a Vice President, and who may consult with the Compliance Officer. Any approval must be copied to the Compliance Officer.

Sponsoring Business Events

SJMC may sponsor local events with a legitimate business purpose (e.g., hospital Board meetings or retreats). SJMC may provide reasonable and appropriate meals, entertainment, transportation and lodging, provided that such events are for business purposes. However, all elements of such events, including these courtesy elements, must be consistent with SJMC policy.

Gifts

We must avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with SJMC. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business partners must not exceed \$150 per year per recipient and should not be given more frequently than quarterly. You may never give cash or cash equivalents, such as stocks, bonds or gift certificates, to business partners. SJMC 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 SJMC.



Business Courtesies and Entertainment of Government Officials

Both federal and state governments have strict rules and laws regarding gifts, meals and other business courtesies to their elected officials and their employees. SJMC is not to offer or give anything of monetary value, including gifts, gratuities, favors, entertainment or anything

else of value to any elected official, employee or representative of a government agency with which SJMC has or is seeking to obtain contractual or other business relations, or that regulates any SJMC activities or operations.

In a limited number of circumstances, SJMC may provide refreshments (only up to \$10 in value) in connection with business discussions between SJMC and government officials, but only if doing so is permitted by law and done in accordance with all applicable rules and regulations pertaining to the government agency in question. You must determine the particular rules applying to any such person and carefully follow them. Any other gift to a government official may only be made with the approval of and in coordination with the Compliance Officer and Legal Counsel. At all times and in all circumstances, all applicable laws and regulations must be strictly followed.

Relationships with Subcontractors and Suppliers

SJMC manages our consulting, subcontractors, supplier and vendor relationships in a fair and reasonable manner, free from conflicts of interest and consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of consultants, subcontractors, suppliers and vendors will be made based on objective criteria including quality, technical excellence, price, delivery and 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 comply with contractual obligations not to disclose vendor confidential information unless permitted under the contract or otherwise authorized by the vendor or required by law. In addition, we encourage our suppliers to adopt their own set of comparable ethical principles consistent with their industry's best practice. SJMC will not knowingly do business with any contractors or suppliers who have been debarred or excluded from federal programs.

Any relationship SJMC has with an educational institution must have a written agreement, which defines both parties' roles. Copies of the agreements are maintained in the Education Department.

Sharing Information with Competitors

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. SJMC will comply fully with such laws. These laws could be violated by discussing SJMC 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 or payor. Our competitors are other health systems and facilities in markets throughout Northeastern Ohio where we provide services.

At trade association and professional 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, supplies, etc.) and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notify your immediate supervisor or legal counsel of the incident.

In general, SJMC personnel must avoid discussing sensitive topics with competitors or suppliers, unless we are proceeding with the advice of Legal Counsel. Due to the complexity of the antitrust laws, you should seek advice from Legal Counsel whenever any questions arise as to the possible application of antitrust laws.

Gathering Information about Competitors

General business information about competitors is important in our efforts to maintain and improve upon our competitive position both in terms of services and technology. It is acceptable to obtain information about other organizations, including our competitors, through legal and ethical means. Full use may be made of competitive information available in public documents, public presentations, journal and magazine articles, and other published and spoken information. It is not acceptable, however, for you to obtain proprietary or confidential information about a competitor through non-public means. It is not acceptable to seek proprietary or confidential information when doing so may require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer. You are not to ask a fellow employee to disclose any confidential information of a previous employer. Although all employees can and are expected to make full use of the skills, experience and general knowledge learned in their previous employment, any confidential or trade secrets information of a former employer should not be disclosed.

Discharge Planning

Tying the provisions of one SJMC service to the provision of an unrelated service may be a violation of various laws. Employees involved in discharge planning, in particular, must help each patient make discharge planning decisions based solely on the patient's choice in accordance with the most appropriate plan for the patient and the quality of services available. An integral part of the discharge planning process is educating patients and their families as to choices and options available to them.

Hiring Former or Current Government Employees

There are specific rules and regulations governing the conditions of employment of current or former federal government employees that may affect the duties they can perform as employees of SJMC. Hiring employees directly from a fiscal intermediary or carrier requires certain regulatory notifications. All SJMC employees who previously were government employees may be affected by regulations concerning conflicts of interest. Employees to whom such rules or regulations apply shall comply with the letter and spirit of those rules and regulations to avoid any appearance of impropriety.

Political Activities and Contributions

As a tax-exempt organization, all SJMC employees and others acting on behalf of SJMC must refrain from engaging in activity that may jeopardize the tax-exempt status of the organization, such as partisan political activity. No SJMC funds or resources may be used to benefit or contribute to individual political campaigns, political parties or any of their affiliated organizations. This includes both money and non-monetary resources. Affected organizational resources that may not be used in political activities include, but are not limited to, financial and non-financial donations such as using work time, paper, envelopes, secretarial time,

postage meters or telephones to solicit for a political cause or candidate, or the loaning of SJMC property for use in the political campaign.

While employees may personally participate in political affairs, contribute to political organizations or campaigns and stay informed on political issues and on the positions and qualifications of candidates for public office, you must do so on your own time and with your own funds. You cannot seek to be reimbursed by SJMC for any personal contributions for such purposes. In addition, this activity must not unreasonably interfere with your ability to perform your duties for SJMC and must not be inconsistent with applicable laws, rules or regulations, or the standards set forth in this Code or other SJMC policies.



In order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials, it is essential that you separate personal and corporate political activities. You may not give the impression that you are speaking on behalf of or representing SJMC in these activities, unless you are expressly requested to do so by SJMC management.

At times, SJMC may suggest that employees make personal contact with government officials or write letters to present our position on specific issues. Examples include making personal contact with government officials, making phone calls to them, or sending them letters, faxes or e-mails using SJMC resources. In some cases, it is part of the role of SJMC management to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain you are familiar with any regulatory constraints and observe them. All such contacts and transactions shall be conducted in an honest and ethical manner. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefits is absolutely prohibited. Any request or demand by any governmental representative for any improper benefit should be immediately reported to Legal Counsel. Questions regarding this policy should be directed to Legal Counsel or the Compliance Officer.

Compliance and Ethics Program

Compliance and Ethics Mission Statement

As a faith-based health care provider, SJMC is committed to the highest standard of ethical conduct and business integrity in the workplace. This commitment includes compliance with all federal, state and local laws and regulations as well as the promotion of ethical and moral standards. We demonstrate our commitment to these values in a consistent manner both in spirit and in actions.

In order to achieve compliance, SJMC has developed its regulatory compliance program to promote compliance with applicable regulatory requirements, foster ethical conduct and provide guidance to each employee, medical staff member, intern, resident, student, volunteer, consultant and independent contractor.

It is the personal responsibility of all who are associated with SJMC to honor this commitment in accordance with the terms of our Code, related policies and procedures, and standards developed by SJMC in connection with the Corporate Compliance Program.

Program Structure

The SJMC Compliance and Ethics Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethical and legal compliance, and to faithfully reflect the Catholic mission and values of the hospital. This commitment permeates all levels of the organization. The Compliance and Ethics Department, along with the Compliance Executive Oversight Committee and the Audit and Compliance Committee of the Board of Directors are prepared to support you in meeting the standards set forth in the Code.

SJMC has a Compliance Officer who plays a key role in implementing the Compliance and Ethics Program by communicating program standards, ensuring that training is conducted, overseeing monitoring and audit activity, investigating and resolving compliance reports and generally by providing oversight of the program. SJMC has established an Operational Compliance Committee to assist in the implementation and operation of the program. The Committee is comprised of representatives from key operating departments.



Your Human Resources representative(s) is another important contact who is knowledgeable about many of the compliance risk areas described in this Code that pertain to employment and the workplace. Human Resources representatives are also responsible for ensuring compliance with various employment laws. Your Human Resource representative is the most appropriate person to contact if you have concerns relating to specific details of your work situation. Every effort should be made to resolve workplace conduct and employment practice issues through the individual's supervisor and the Human Resource representative. Human Resources representatives often assist in investigating and resolving compliance hotline cases, workplace conduct and employment practice issues.

Purpose and Scope of Compliance Program

The provisions of the Compliance and Ethics Program apply to all medical, business and legal activities performed by SJMC employees, medical staff, interns, residents, students, volunteers, consultants and independent contractors. The expectations for compliance with the Program are as follows:

- Comply with SJMC Mission Statement and Code;
- Familiarize themselves with the purpose of the Compliance and Ethics Program;
- Perform their jobs in a manner that demonstrates commitment to compliance with all applicable laws and regulations;
- Report known or suspected compliance issues to the Compliance Officer, Privacy Officer, Security Officer, member of management, a Human Resources representative or the confidential Compliance Hotline;

- Investigate or participate in an investigation to the point of resolution of any alleged violation; and
- Strive to prevent noncompliance and provide suggestions to reduce the likelihood of errors.

Personal Responsibility to Report Without Fear of Retaliation

We are committed to ethical and legal conduct that complies with all relevant laws and regulations. We correct wrongdoing wherever it may occur in the organization. Each employee has an individual responsibility to report any activity by an employee, physician, subcontractor, consultant or vendor that appears to violate applicable laws, rules, regulations, this Code or SJMC policies. We are committed to providing an environment that allows reporting in good faith without fear of retaliation. If you believe your compliance report was given insufficient attention, you should report the matter to higher levels of management, the Compliance Officer or the Compliance Hotline (1-800-507-6291). If you observe criminal or illegal activity presenting an immediate risk to the safety of any person, you should first report it to Protective Services or the local police.

Resources for Guidance and Reporting Concerns

Individuals may obtain guidance on a compliance or ethics issue or report a concern using several resources. We encourage the resolution of issues, including human resources-related issues (e.g., payroll, fair treatment and disciplinary issues), at a local level. Employees should contact a Human Resources representative to resolve such issues. We encourage you to raise compliance concerns first with your supervisor. If this is uncomfortable or inappropriate, you may discuss the situation with Human Resources, a member of management or the Compliance Officer. Finally, you may always contact the Compliance Hotline at 1-800-507-6291, where you may submit an anonymous report.

Compliance Hotline

SJMC has established a Compliance Hotline (1-800-507-6291). The hotline may be used to report violations or suspected violations of the law (including federal health care program requirements), SJMC policy or this Code, and to ask questions or report concerns regarding compliance issues. The Hotline is intended to supplement, not replace, other channels for communicating questions and concerns within the organization. It should be used when you have exhausted other avenues of communication or are uncomfortable with disclosing your identity when reporting a concern. The hotline is staffed by a company independent of SJMC. Your call will not be traced or recorded, and your anonymity will be protected up to the limits of the law if you wish to remain anonymous.

SJMC will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible misconduct. SJMC will not allow any retribution, retaliation or discipline of anyone who reports a possible violation in good faith. However, any employee who deliberately makes a false accusation with the purpose of harming or retaliating against another employee, or who fails to report a matter of noncompliance, will be subject to disciplinary action.

In most cases, we will initiate an investigation of the reported concern within one (1) business day of receiving the Compliance Hotline call or report. Please keep in mind, however, that we may be unable to effectively and thoroughly investigate concerns unless the reporter’s identity is revealed or additional information is provided. In certain instances, we may be required by law to disclose a matter reported to us to the proper authorities.

Education and Training

SJMC will provide appropriate education and training programs and resources. Such programs and resources ensure that all employees are thoroughly familiar with this Code, legal standards and SJMC policies applicable to them and to their respective duties. Areas of focus include, without limitation, appropriate documentation, coding, billing and business practices of the organization.

While SJMC will make every effort to provide appropriate compliance information to all employees and to respond to all inquiries, education and training can not anticipate every situation that may present compliance issues. Each SJMC employee is ultimately responsible for compliance with this program, including the duty to understand the specific legal standards and SJMC policies applicable to his or her duties. All SJMC employees must actively seek guidance from supervisors, Legal Counsel and the Compliance Officer when in doubt.

Internal Audit and Other Monitoring Activities

SJMC is committed to monitoring compliance through various auditing and monitoring activities. Individual SJMC facilities and entities conduct self-monitoring activities to assess compliance with SJMC policies and applicable laws and regulations. In addition, the UH Internal Audit Department routinely conducts internal audits, including compliance-related audits that are conducted with input from the Compliance Officer and Legal Counsel, if required. Such audits evaluate SJMC’s compliance with laws, regulations and policy.

Most of these auditing and monitoring activities result in reports of findings and corrective action plans by departments that are reviewed. Through these reviews, we continuously assess the effectiveness of the Compliance and Ethics Program and find ways to improve it.

In addition, SJMC will undertake an annual Mission and Ministry Audit, a requirement of the Sisters of Charity Health System, to ensure the implementation of the *Ethical and Religious Directive for Catholic Health Care Services* and the Faith Obligations, as well as other practices.

Internal Investigations of Reports

SJMC is committed to investigate all reported concerns promptly and confidentially to the extent possible. The Compliance Officer and Human Resources along with Legal Counsel (if required), will coordinate any findings from the investigations and immediately implement corrective action or changes that need to be made. All employees must cooperate with investigation efforts.

*SJMC is committed
to investigate all
reported concerns
promptly*



Corrective Action

When an internal investigation determines that a material violation of the law, SJMC policy or this Code has occurred, SJMC will initiate corrective action. Corrective action may include, 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 occurring in the future at SJMC.

Discipline

Anyone who fails to comply with this Code will be subject to disciplinary action. Appropriate disciplinary measures will be determined on a case-by-case basis, depending upon the nature, severity and frequency of the violation, up to and including employee suspension or termination. Such actions will be determined in accordance with the SJMC policy on progressive discipline. In addition, employees who have engaged in criminal activities may be reported to the appropriate law enforcement authorities.

Employee Evaluation

Participation in and adherence to the Compliance and Ethics Program and related activities will be an element of each employee's annual personnel evaluation. As such, it may affect decisions concerning compensation, promotion and retention for all employees and candidates.

Acknowledgement Requirement

All employees are required to sign a certification statement confirming they have read this Code and agree to follow its standards as well as SJMC policies and procedures. New employees will be required to sign this acknowledgement as a condition of employment. Employees will be provided training on this Code and must certify that they will cooperate with and participate in compliance-related activities and training.

Updates to the Code of Conduct

If you have any questions or comments regarding this Code, please contact the Compliance Officer. Any revisions or clarifications to this Code will be communicated through the Intranet as well as through organization-wide communications and annual training.

Acknowledgement

I certify that I have received St. John Medical Center's Code of Conduct and Ethical Behavior and understand it represents mandatory policies of the organization.

I acknowledge that I have a duty to report any alleged or suspected violations of the Code. I certify that I will promptly report any potential violations I become aware of and that it is my responsibility to do so. I understand any violation of any section of the Code is grounds for disciplinary action, which can include termination.

Signature

Printed Name

Position

Department

Date



ST. JOHN MEDICAL CENTER

A CATHOLIC HOSPITAL



www.stjohnmedicalcenter.net