



CaroMont Health

# *Code of Conduct*

## To all CaroMont Health Employees:

The mission of CaroMont Health is to provide exceptional health care to the communities we serve. We have a responsibility to these communities to operate with the highest principles and standards as we strive to ensure a compassionate and ethical approach to health care delivery.

This Code of Conduct provides a clear statement of CaroMont Health's purpose and values. In conjunction with the CaroMont Health Mission, Vision and Values statements, this Code of Conduct was developed to help employees apply legal and ethical practices to their everyday work. All patient encounters, contacts with suppliers and business decisions must be grounded in compliance with applicable laws and the highest standards of honesty and fairness.

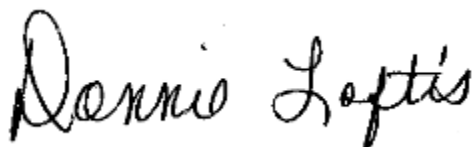
As employees of CaroMont Health, we must always be aware of how our individual actions affect the integrity and credibility of the hospital or business units in which we work, the system as a whole, and the overall health care industry. To that end, we encourage you to work with your fellow employees and use this Code of Conduct throughout your tenure at CaroMont Health.

Thank you for taking the time to review this important manual.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Peek', with a stylized, cursive script.

K. Christopher Peek, President and CEO

A handwritten signature in black ink, reading 'Donnie Loftis', in a cursive script.

Donnie Loftis, Chair, CaroMont Health Board of Directors



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## Guideposts

This Code of Conduct is designed to help employees in the CaroMont Health system make ethical decisions. However, no single document can address every issue. You may face a situation where the right course of action is unclear. In those situations, you should use your own good judgment, this Code of Conduct, and other CaroMont Health policies as guides. If you are still unsure, ask yourself these four questions about each possible course of action:

1. Is it inconsistent with our organization's values and policies?
2. Is it illegal or unethical?
3. Would the organization (or you personally) be compromised or embarrassed if it became public knowledge?
4. Is it unfair or inappropriate?

If you are still unsure about what to do, or if you are unclear about anything in this Code of Conduct, please talk to your supervisor. You may also contact CaroMont Health's Corporate Compliance Officer or make an anonymous report on the toll-free Corporate Responsibility Hotline by calling 1-877-785-0001. You can also make a report via the CaroMont Health Intranet (CHIP).

Employees of CaroMont Health are expected to fully comply with this Code of Conduct and to exhibit the highest professional ethics to maintain the reputation of CaroMont Health. You should understand that any violation of this Code of Conduct is a serious matter and could lead to disciplinary action, up to and including termination.

# **CaroMont Health Vision, Mission, and Values**

## **Our Vision**

To be our community's most trusted healthcare partner.

## **Our Mission**

To provide compassionate, exceptional and highly reliable care.

## **Our Values**

Our set of CARES values is used as a barometer for how we treat our patients, how we work with one another and how we move CaroMont forward as a sustainable organization for our community.

### **Compassion**

- Respect everyone
- Be kind
- Demonstrate empathy

### **Accountability**

- Take ownership
- Demonstrate integrity
- Honor Just Culture

### **Reliability**

- Be reluctant to simplify
- Be sensitive to operations
- Be pre-occupied with failure
- Commit to resilience
- Trust experts

### **Excellence**

- Be an engaged team member
- Provide exceptional service
- Continually improve and innovate

### **Safety**

- Strive for zero harm
- Anticipate risk
- Identify and correct mistakes
- Create and follow standard

# Treatment of People

## Patient Care

### ***Patient Rights***

Our mission at CaroMont Health is to provide exceptional health care to the communities we serve. Patients have the right to be treated with courtesy and respect and to receive appropriate medical care.

CaroMont Health complies with applicable Federal civil rights laws and does not discriminate, exclude people or treat them differently because of race, color, national origin, age, disability, sex, gender identity/expression, sexual orientation, language, culture, religious preferences or payment source.

We strive to assure patient satisfaction in all aspects of care. As appropriate, each patient or patient representative should be provided with a clear explanation of care including: diagnosis, treatment plan, right to refuse or accept care, advance directive options, organ donation and procurement information, and an explanation of the risks and benefits associated with available treatment options. If a patient has an ethical dilemma (e.g., end of life issues, risks and benefits of different treatment options), he or she should be advised of the availability of ethical consultation services.

We are committed to treating patients in a manner that preserves his or her dignity, autonomy, self-esteem, rights, and involvement in their own care. All patients have a right to privacy and safety.

CaroMont Health's employees should never access or disclose confidential information in a manner that violates the privacy rights of our patients. No CaroMont Health employee, affiliated physician, or other healthcare partner has a right to access, use or disclose any patient information other than as necessary to perform his or her job.

**Question:** I saw my wife's ex-husband in the hallway at the hospital. I believe he is being treated here. Can I look up his medical record to determine why he is here?

**Answer:** No. This is a violation of our policy and privacy laws. All medical information is private and must be held in the strictest confidence. You may only access the medical records of patients as necessary to perform your job.

### ***Patient Confidentiality***

At CaroMont Health, we collect information about a patient's medical condition, history, medication, and family illnesses in order to provide the best possible care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. The Health Insurance Portability and Accountability Act (HIPAA), as amended by the HITECH Act, protects the privacy and confidentiality of patient information. The CaroMont Health Notice of Privacy Practices explains our legal duties under HIPAA and each patient's privacy rights. We make a commitment to our patients that we will use and disclose their personal health information only as described in the Notice of Privacy Practices, and that we will seek their written authorization for any other use or disclosure, unless otherwise required by law.

**Question:** While typing a note for one of the doctors at the hospital, I noticed that my neighbor is scheduled for surgery. I mentioned this to my husband, and he said something to my neighbor. Now my neighbor is angry with me. Have I done anything wrong?

**Answer:** Yes. You must not reveal any medical information about any individual to any person who is not authorized to receive such information. Third parties, like your family members and friends, will likely never be authorized to receive such information, unless they are participating in the direct care of the patient.

### ***Emergency Treatment***



At CaroMont Health, we adhere to the requirements of the Emergency Medical Treatment and Labor Act (EMTALA) in providing emergency medical treatment to all patients regardless of their ability to pay. Everyone who presents to the emergency department and requests medical treatment will be given a medical screening exam. Anyone with an emergency medical condition will be treated based on medical need or stabilized and transferred, consistent with EMTALA requirements. In an emergency situation, financial and demographic information will be obtained only after the immediate medical needs of the patient are met. A patient who has not been stabilized will only be transferred to another facility if either (1) the patient or the patient's legal health care representative, after being informed of the risks, requests the transfer in writing, or (2) a determination is made by a physician that the benefits of treatment at another facility outweigh the risks of transfer. In either case, the receiving facility must be able to provide appropriate care and have agreed to accept the patient prior to the transfer.

## **Open Communication**

CaroMont Health employees are expected to deal with patients, outside vendors, other business contacts, and coworkers with honesty, courtesy and the utmost professionalism.

CaroMont Health values the contributions of every employee and believes that the free exchange of information promotes performance, teamwork and innovation. We communicate openly, frequently and honestly, listening to each other regardless of level or position. The open exchange of opinions and expressions of concern among employees and supervisors is always encouraged.

Keep in mind, disagreements are bound to arise in the workplace. Constructive conflict can lead to healthy learning and understanding between employees and need not result in disruptive arguments. Under no circumstances should disagreements lead to unprofessional or disrespectful conduct. Being rude or abusive to a patient, visitor, coworker, manager, supervisor, subordinate or to others is never acceptable and may result in disciplinary action.

## **Employment Practices**

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

At CaroMont Health, we treat each other with respect and dignity, valuing individual and cultural differences. CaroMont Health is committed to equal employment opportunity without regard to race, color, religion, national origin, gender, sexual orientation, age, disability, marital status, or veteran status. We comply with applicable human rights and equal employment legislation. Just as CaroMont Health does not allow discrimination in hiring practices, we do not tolerate discrimination on the job. Nondiscrimination policies apply to all employment practices including, but not limited to, hiring, recruiting, compensation, benefits, disciplinary actions, educational assistance, promotions and terminations.

### ***Sanctions Check***

Human Resources will perform a check of potential employees to ensure they do not appear on the Department of Health and Human Services' Office of Inspector General's List of Excluded Individuals/Entities or the General Services Administration's Excluded Persons List System. CaroMont Health will not knowingly employ any individual who appears on these lists. Corporate Responsibility will review current employees against these lists on an annual basis or as otherwise required by the law.

### ***Harassment***

Everyone has the right to work in an environment free from harassment, intimidation, or hostility. CaroMont Health will not tolerate workplace harassment including degrading or humiliating jokes, slurs, intimidation, or other harassing conduct.

**Question:** I heard one of my coworkers making racist and sexist remarks. Although these remarks were not directed toward me, I find them offensive, and I know they must be offensive to some of my coworkers. What should I do?

**Answer:** Immediately report the incident to your supervisor. If your supervisor made the remarks, immediately report the incident to the Human Resources Department. You also have the right to ask your coworker to stop making such remarks if you find them offensive. If the problem still persists, notify the Human Resources Department.

### ***Sexual Harassment***

Any form of sexual harassment is strictly prohibited. This prohibition includes, but is not limited to, 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 employee's work performance or creates an intimidating, hostile, or offensive work environment has no place at CaroMont Health.

You should familiarize yourself with CaroMont Health's harassment policy, which is available on the CaroMont Health Intranet (CHIP). If you have any questions, or if you believe that you have been subjected to any form of harassment or discrimination, you should immediately inform your supervisor and/or Human Resources. Employees will not be subject to any form of retaliation for filing what they believe to be a legitimate complaint.

**Question:** My supervisor makes remarks filled with sexual innuendo clearly directed at me. What can I do?

**Answer:** You should ask your supervisor to stop his/her remarks. If he/she does not, then you should immediately contact Human Resources. Even if the behavior is not physically threatening, the verbal sexual innuendo may create a hostile work environment.

## **Workplace Health and Safety**

### **Employee Concerns**

#### ***Workplace Safety***

CaroMont Health is committed to making the work environment safe and healthy for its employees, patients and others. Accordingly, CaroMont Health prohibits dangerous activities including threatening or violent behavior, or even the suggestion of such behavior; possession of firearms, explosives or other weapons on company property or while conducting company business; and willful destruction of company property or the property of others. If you have a work place safety concern, talk to your supervisor or contact Safety and Security at 704-834-2801.

#### ***Workplace Health***

CaroMont Health complies with all government regulations, policies and guidelines, and develops and enforces company policies that promote the protection of workplace health.

#### ***Substance Abuse***

To protect the interests of our employees and patients, CaroMont Health is committed to an alcohol and drug free work environment. All employees must report to work free of the influence of alcohol, illegal drugs, and controlled substances (narcotics). Reporting to work under the influence of any substance, or using, possessing, distributing, or selling illegal drugs while on CaroMont Health work time or property, may result in immediate termination. CaroMont Health employees can be subject to substance abuse testing in accordance with federal, state and local laws and regulations. CaroMont Health's Employee Assistance Program is available to all employees who request assistance with a substance abuse problem.

**Question:** I believe I saw one of my coworkers using drugs in the workplace. What should I do?

**Answer:** You should immediately report the suspected incident to your supervisor or to Human Resources.

### **Environmental Concerns**

#### ***Laws and Regulations***

It is the policy of CaroMont Health to comply with all environmental laws and regulations as they relate to our operations. We operate our facilities with all necessary permits, approvals and controls. At CaroMont Health, we strive to manage and conduct our business in a manner that respects the environment and preserves natural resources.

#### ***Hazardous Materials***

We will diligently use the proper procedures with respect to the handling and disposal of hazardous waste, including medical waste. Hazardous materials in the workplace are to be properly marked and stored in designated locations only. In accordance with applicable laws, employees should be informed about the nature of the chemical hazards to which they may be exposed.

#### ***Cooperating with Agencies***

CaroMont Health will report environmental issues to relevant agencies within the time limits imposed by the agencies. Furthermore, we will work cooperatively with the appropriate authorities to remedy any environmental contamination or improper disposal.

# Confidential Information

## Privacy

### ***Employee Information***

CaroMont Health recognizes that privacy is important to each of us. Therefore, CaroMont Health retains only those employee records required for business, legal or contractual reasons. Access to, disclosure of, and knowledge of those records is limited to people who need the information for legitimate business or legal purposes.

If you have access to personal information about coworkers, you should take precautions to ensure such information is not misused or disclosed improperly. In addition, observe all applicable laws and CaroMont Health policies regarding employee information, including those that limit disclosure of personnel data.

**Question:** I work in the Human Resources department and I have access to employee's address, date of birth and other personnel data for my job. An employee requests a coworker's home address to mail a get-well card. Can I provide this information?

**Answer:** No. You cannot provide this information without prior permission from the employee.

### ***Proprietary Information***

Information about our organization's strategies and operations is a valuable asset that must be held in strict confidence. Protection of this proprietary information plays a vital role in CaroMont Health's continued growth. Proprietary information should not be disclosed to others, except as required by law, or when permitted by company policy. When there is a legitimate business need to disclose proprietary information outside CaroMont Health, a nondisclosure agreement may be needed. In such situations, employees should contact the Legal Services Department.

Proprietary information includes, but is not limited to, personnel data maintained by the organization; employee lists including employee home addresses, telephone numbers, or other personal contact information; patient lists, records and clinical information; CaroMont Health research and development, such as inventions, patent applications, and research; pricing and cost data; information pertaining to acquisitions, divestitures, affiliations, and mergers; financial data; strategic plans; and marketing strategies.

It is essential to maintain the confidentiality of, and not improperly publish, disclose, or use, any private or proprietary information acquired, learned, developed, or created during your tenure with CaroMont Health. Always store such proprietary information in a safe place and follow security procedures for the computer systems you use.

In addition, use common sense to help prevent accidental disclosure of proprietary information. Remember that you can be overheard in public places such as elevators, hallways, cafeterias, and restaurants, and when using cell phones.

In addition, do not discuss CaroMont Health proprietary information with family or friends, as they may not understand its significance or its confidential nature. You could be subject to disciplinary action for the intentional or inadvertent disclosure of such information to a family member, friend or acquaintance or for their subsequent disclosure of such information to others.

**Question:** Do I have to protect proprietary information after I leave CaroMont Health?

**Answer:** Yes. You are prohibited from using or disclosing CaroMont Health proprietary information even after you leave the organization.

## **Computer Use and Security**

HIPAA requires that we “ensure the confidentiality, integrity, and availability of all electronic protected health information (EPHI)” that we “create, receive, maintain or transmit.” Because of HIPAA requirements, and the overall importance of maintaining the integrity of all data, CaroMont Health has stringent policies regarding computer security.

For example, a security violation occurs if you logon using someone else’s ID. Additionally, you are prohibited from allowing your ID and password to be used by anyone else. Any attempt to circumvent the security system to perform functions or access data for which you have not been granted access is a security violation. Employees involved in security violations may be subject to disciplinary action, up to and including termination.

If you have Internet access at work, it is important to remember that the Internet is to be used for business purposes only. CaroMont Health monitors Internet use. Inappropriate or illegal use of the Internet may lead to disciplinary action, up to and including termination.

For more information regarding computer use and security, please contact the CaroMont Health Chief Information Security Officer.

**Question:** I am out of town and need confidential information from my office computer. I call the office and ask my assistant to get the information for me. To do so, I must tell him my computer security password. Have I violated CaroMont Health’s policies?

**Answer:** Yes. You may forward e-mails to your assistant or other designee to be read while you are away, but it is a violation of the Code of Conduct to disclose computer passwords.

Computer passwords should be considered highly confidential and should never be disclosed to anyone because data that is protected by passwords may become vulnerable to damage, theft or improper disclosure if passwords are inappropriately shared. If an emergency arises and someone needs access to files on your personal network drive, contact the Information Services Help Desk for assistance.

Remember: You are responsible for protecting your password

## **Copyrights**

Copyright laws protect the original expression in, among other things, written materials, computer software, works of art, and music, and prohibit their unauthorized duplication, distribution, display or performance. We should not reproduce, distribute or alter copyrighted materials from books, trade journals, computer software, or magazines without permission of the copyright owner or its authorized agent, or as otherwise allowed by law.

Remember that computer software must be used only in accordance with appropriate licensing. Using unlicensed software could constitute copyright infringement.

**Question:** My department does not have enough money for everyone to have a copy of a specialized program on every computer. So I just copied the program from someone else’s computer and put it on mine. What’s wrong with that?

**Answer:** This may be a violation of federal copyright laws. Check with Information Systems to determine whether a cost-effective site license is available for this program.

## Business Conduct

### Conflict of Interest

As employees of CaroMont Health, we owe a duty of loyalty to our employer. A conflict of interest may occur if outside activities or personal interests influence, or appear to influence, our ability to make objective decisions or otherwise perform our work responsibilities. Employees should not accept gifts, payments, entertainment, or anything of value provided in connection with their employment that exceed nominal value unless reported and approved by appropriate levels of management. Cash gifts of any amount are strictly prohibited. Gifts of nominal value, such as meals and entertainment are not prohibited, but should comply with the following policies: Gifts, Gratuities and Entertainment; and Non-Monetary Compensation and Medical Staff Incidental Benefits. Some examples of conflicts of interest include, but are not limited to:

- Owning or having a financial interest in an outside organization that does business with CaroMont Health, unless the business arrangement has been entered into in accordance with the CaroMont Health contracting and conflict of interest policies. (This prohibition does not apply to ownership of stock held by an employee in a public corporation, where the value of the employee's stock does not exceed three percent of the value of the company.)
- Conducting business for personal gain with a vendor, supplier, contractor, or agency that does business with CaroMont Health, or with any officer or employee of such an organization, outside of the vendor's usual business practices.
- Influencing, either directly or indirectly, CaroMont Health's dealings with any supplier with whom you have a personal or financial relationship.
- Representing CaroMont Health in a transaction in which you and/or your immediate family member(s) have a substantial personal or financial interest. Immediate family members include grandparents, parents, siblings, spouses, children, grandchildren, "steps" and in-laws.
- Disclosing or using CaroMont Health's private or patient information for your and/or your family's personal gain or advantage.
- Competing with CaroMont Health directly or indirectly, in the purchase, sale, or ownership of property or property rights, or in business investment opportunities.
- Using CaroMont Health's name, information, property, time and/or other resources to perform outside activities such as a second job, or to volunteer for community activities not specifically sponsored or approved by CaroMont Health.

**Question:** As a department head, I have been working with a CaroMont Health vendor for several years. This vendor recently offered to do some landscaping work for me at a substantial discount. Can I let him re-landscape my yard?

**Answer:** Yes, but not at a discount. A substantial discount implies that the vendor was giving you a special service with the expectation that you would provide continued or additional CaroMont Health business to this vendor.

### Contracting

It is the responsibility of those contracting on behalf of CaroMont Health to secure contracts that will be in the best interest of the organization. We strive to build good working relationships with our suppliers because they help us achieve the highest standards of quality. Moreover, we manage our contractor and supplier relationships in a fair, ethical and reasonable manner, consistent with all applicable laws and good business practices. Only persons authorized by the Board may enter into agreements on behalf of CaroMont Health and its subsidiaries.

## ***Vendor Selection***

At CaroMont Health, we employ high ethical standards in vendor selection, negotiation, contract awards, and the administration of all contracting services. Contracting decisions are based on the supplier's ability to meet CaroMont Health's needs and not on personal relationships, friendships, or self-interests. Contracts are awarded in a fair and impartial manner with no discrimination toward or against any bidders.

**Question:** My department is hosting a conference off campus to include a continental breakfast and lunch. My daughter owns a catering company. May I hire her service, if the prices are comparable to other caterers?

**Answer:** Possibly. You would need to work with the Purchasing Department to coordinate vendor selection. The selection process would be based on several factors, including price, quality, services offered (selection), guarantees, and reliability. However, be sensitive that there may be times when the appearance of a conflict may preclude contracting with a relative.

## ***Sanctions Check***

It is the policy of CaroMont Health to require compliance from all its vendors, suppliers and contractors. Designated employees at CaroMont Health will perform a check of potential contractors to ensure they do not appear on the Department of Health and Human Services' Office of Inspector General's List of Excluded Individuals/Entities or on the General Services Administration's Excluded Parties List System (<https://www.epls.gov/>). CaroMont Health will not contract with any vendors who appear on this list. Corporate Responsibility will review current contractors against this list on an annual basis or more frequently as required by law.

## ***Confidential Information***

CaroMont Health employees should not communicate to a third party confidential information given to us by a supplier unless authorized in writing to do so by the supplier. You should not disclose contract pricing and information to outside parties. Contracts involving potential sharing of confidential information should include a contractual commitment from contractors that neither they nor their employees will disclose such information without the consent of CaroMont Health.

## ***Political Contributions and Activities***

CaroMont Health supports employee participation in the political process. However, CaroMont Health is prohibited from participating in political activities. CaroMont Health's funds or resources are not to be used to contribute to or support candidates or their political campaigns, or for gifts or payments to any political parties or any of their affiliated organizations.

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 not use your position at CaroMont Health or use CaroMont Health equipment or supplies to support a personal philosophy or belief without approval of senior management. Of course, employees may participate in the political process on their own time and at their own expense. Employees cannot seek to be reimbursed by CaroMont Health for any personal political contributions.

At times, CaroMont Health may ask employees to advocate on its behalf by writing letters that present our position on specific health care issues to various government agencies and elected officials. It is your choice whether to participate in these efforts. Additionally, some CaroMont Health employees interface with government officials on a regular basis. If you are involved in these communications on behalf of CaroMont Health, be certain that you are familiar with applicable regulatory constraints and observe them.

**Question:** I work for the committee to re-elect a local political candidate. Can I distribute campaign brochures to other CaroMont Health employees at work?

**Answer:** No. You may not distribute campaign material on CaroMont Health property or otherwise campaign for a candidate while on duty. However, you are free to distribute these materials after hours in non-work areas and off campus.

## **Antitrust**

Antitrust laws are designed to benefit consumers by promoting competition. These laws primarily prohibit activities that reduce or eliminate competition. Our competitors are other healthcare systems and facilities in markets where we operate. Antitrust laws could be violated by discussing with a competitor certain aspects of CaroMont Health's business such as how our prices are set, current wage rates, strategic and marketing plans, or the terms of key contracts.

An agreement with a competitor that establishes pricing levels for services is unlawful. Discussions about pricing arrangements should be viewed as highly sensitive and should be reviewed by CaroMont Health's Legal Department. Additionally, the antitrust laws are violated when two competitors agree not to compete against each other with respect to a geographical area or particular services or when they agree to boycott certain vendors or service providers. Discussions with competitors about services and strategic planning may raise concerns under the antitrust laws and require the close scrutiny of CaroMont Health's Legal Department.

**Question:** I have been asked to represent the hospital at a local hospital association meeting. Are there specific subjects that I should not discuss with representatives from other hospitals?

**Answer:** Yes. Do not participate in any discussion with competitors about pricing, profit margins, costs, bids, market share, distribution practices, terms or conditions of key contracts, or other competitive information. In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice of CaroMont Health's Legal Department.

## **Marketing and Advertising**

Patients trust CaroMont Health because they are aware of our excellent reputation and they know we stand behind our commitment to provide exceptional health care to the communities we serve. The way we market and advertise our services is an important element in maintaining that trust. Advertising can help establish a person's positive impression of CaroMont Health. It can give patients confidence in the health care service we provide. To maintain our patients' hard-won trust, our advertisements and other communications must always accurately and fairly describe our services. Anything less would be a disservice to our patients and could damage CaroMont Health's good name.

## **Accuracy of Records**

Every CaroMont Health employee is responsible for the integrity and accuracy of our documents and records. All records, whether medical, operational, or financial, should be maintained in accordance with applicable laws and policy. No one should alter or falsify information contained in any CaroMont Health record or document. In addition, employees must be accurate in completing or providing information for records such as time reports, leave of absence records, expense reports, or other employment-related documents.



## Record Retention

Medical and business documents and records must be retained in accordance with the law and CaroMont Health's Document Retention and Destruction policy. Medical and business documents include paper documents, such as letters and memoranda; computer-based information, such as e-mail or computer files on disk or tape; diagnostic imaging films and digital images; and any other medium that contains information about CaroMont Health or its business activities. At CaroMont Health, we should not tamper with or alter records or remove or destroy them before the time period specified in the CaroMont Health Document Retention and Destruction policy.

**Question:** I am aware that an outside auditor is on the way to look over some of our financial records. My supervisor asked me to immediately destroy several boxes of records. What should I do?

**Answer:** Once you are notified an auditor is coming to view certain records, do not destroy any records requested for review by the auditor. CaroMont Health has a formal Document Retention and Destruction policy that should be followed. The policy includes appropriate times to destroy records. Just as records should be retained for a specific amount of time, records should also be destroyed on schedule. If your supervisor advises you to destroy the documents, you should immediately contact the Corporate Responsibility Office or the Legal Department for advice and assistance.

## Use of CaroMont Health Resources

### Electronic Media

All communications systems, electronic mail, intranet, Internet access, telephone, pagers and voice mail that are the property of CaroMont Health are to be used for business purposes only. Employees may not use internal communication channels or access the Internet at work to post, store, transmit, download, distribute or view any material that is threatening, maliciously false, obscene or sexually harassing. Additionally, these channels of communication may not be used to send chain letters or personal broadcast messages, nor are they to be used to conduct job searches or open misaddressed mail. CaroMont Health monitors Internet use, and inappropriate use of the Internet may be grounds for dismissal.

**Question:** I own a small business and I also work at CaroMont Health. Can I use CaroMont Health telephones and e-mail to conduct my business?

**Answer:** No. Employees may not borrow or use any CaroMont Health property for their personal business or other personal activities.

### Intellectual Property

At CaroMont Health, we encourage individual creativity that will lead to scientific discoveries, new methods, processes or products that will benefit the patients we serve. Intellectual property includes, but is not limited to, any invention, discovery, improvement, idea, computer software, scientific or technological development, or other form of expression of an idea (whether patentable, copyrightable, or subject to other forms of protection). All intellectual property created by employees of CaroMont Health in the course of their employment is the property of CaroMont Health.

### Research

We follow high ethical standards at CaroMont Health in all research conducted by our physicians and professional staff. A complete set of policies related to clinical research and human subjects' protection are found in the Administrative Policy Manual on the CaroMont Health Intranet (CHIP). We do not tolerate research misconduct. Research misconduct includes, but is not limited to, fabricating or falsifying results, or copying results from other studies without actually performing the research.

All patients asked to participate in research projects should be given a full explanation of alternative services that might prove beneficial to them. They also should be fully informed of potential risks and expected benefits from participating in the research. The patients should be given a full explanation of the procedures to be followed, especially those that are experimental in nature. Refusal by patients to participate in research studies will not compromise their access to health care services provided by CaroMont Health.

All employees applying for, or performing, research of any type are responsible for maintaining the highest ethical standards in any written or oral communication regarding their research projects, as well as following appropriate research regulations and guidelines. As in all accounting and financial record keeping, our policy is to submit only truthful, legitimate, and appropriate costs related to each research grant or proposal.

**Question:** What are examples of scientific misconduct?

**Answer:** Plagiarism, fabrication of research data or results, and falsification of research data or results.

## Health Care Regulatory Laws

CaroMont Health expects its employees and contractors to refrain from conduct that may violate health care regulatory laws. These laws prohibit:

- The submission of false, fraudulent or misleading claims to any government entity or third-party payer, including:
  - claims for services not rendered,
  - claims that characterize the service differently than the service actually rendered, or
  - claims that do not otherwise comply with applicable program or contractual requirements;
- Direct, indirect or disguised payments in exchange for the referral of patients; and
- Making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service.

This section applies to all employees, management, contractors and agents of CaroMont Health. This section and the information contained in it shall be distributed to all current and new employees and to all current and future contractors of CaroMont Health. Information is included concerning tools federal and state agencies use to fight fraud, waste and abuse in the administration of federal and state health programs at CaroMont Health. Specifically, it will address the following:

- A summary of the Federal False Claims Act
- A summary of the Federal Anti-Kickback Statute
- A summary of the Federal “Stark” Law
- A summary of the North Carolina False Claims Act
- A summary of the North Carolina Prohibition on Self Referrals

### Federal False Claims Act

The federal False Claims Act, 31 U.S.C. §§ 3729-3733, applies to persons or entities that knowingly and willfully submit, cause to be submitted, or conspire to submit a false or fraudulent claim, or that use a false record or statement in support of a claim for payment to a federally-funded program. The phrase “knowingly and willfully” means that the person or entity had actual knowledge of the falsity of the claim, or acted with deliberate ignorance or reckless disregard of the truth or falsity of the claim. Persons or entities that violate the FCA generally can be:

- Fined three times the amount of damages suffered by the government; and
- Assessed civil penalties of \$5,000 or more for each claim made.

Additionally, criminal penalties (including fines and imprisonment) may be assessed for false claims and statements.

Below are a few examples of false claims:

- A claim is made for a service that was not rendered.
- A claim is made as a result of a violation of another law (e.g., as the result of the payment of a kickback for the referral of the business).
- A false statement of certification is made by a health care provider that it has complied with certain regulations or statutes.

The federal False Claims Act provides that any person with actual knowledge of false claims or statements submitted to the federal government may bring a False Claims Act action in the

government's name against the person or entity that submitted the false claim. This is known as the False Claims Act's "qui tam" or whistleblower provision. Depending on the outcome of the case, a whistleblower may be entitled to a portion of the judgment or settlement. The federal False Claims Act provides protection to whistleblowers that are retaliated against by an employer for investigating, filing or participating in a False Claims Act lawsuit.

## **Federal Anti-Kickback Statute**

The Medicare and Medicaid Patient and Program Protection Act of 1987, 42 U.S.C. § 1320a 7b(b), as amended (the "Anti-Kickback Statute") prohibits:

- The knowing and willful offer or receipt of any remuneration (defined broadly to mean anything of value) in exchange for a referral or which is intended to induce a referral for the furnishing or arranging of any item or service for which payment may be made under a federal health care program, including the Medicare and Medicaid programs; and
- The offer or receipt of remuneration in exchange for or which is intended to induce the purchase, lease, order or arranging for or recommending the purchase, lease or order of any good, facility, service or item for which payment may be made under a federal health care program, including Medicare and Medicaid.

A violation of the Anti-Kickback Statute is a felony crime punishable by up to five years imprisonment and a fine of \$25,000. It may also result in significant civil penalties, including civil monetary penalties and possible exclusion from participation in federal health care programs.

## **The Stark Law**

The Stark Law, 42 U.S.C. § 1395nn, prohibits a physician who has a financial relationship with an entity from referring patients to that entity to receive a designated health service for which payment may be made under Medicare or Medicaid. The prohibition also applies if a physician's immediate family member has a financial relationship with an entity. A financial relationship can exist by virtue of ownership, investment or compensation arrangement with an entity. The law is triggered by the mere fact that a financial relationship and a referral for designated health services exist. The physician's intent when he or she makes a referral is irrelevant.

The following services constitute Designated Health Services:

- Clinical laboratory services
- Physical therapy services
- Occupational therapy services
- Radiology services
- Radiation therapy services and supplies
- Durable medical equipment and supplies
- Parenteral and enteral nutrients, equipment and supplies
- Prosthetics, orthotics, and prosthetic devices and supplies
- Home health services
- Outpatient prescription drugs
- Inpatient and outpatient hospital services

A physician has a financial relationship with an entity if he or she (or an immediate family member) has an ownership or investment interest in that entity or a compensation arrangement with the entity.

A physician makes a referral when he or she makes a request for an item or service covered by Medicare or Medicaid. It includes situations in which a physician requests a consultation with another physician and covers any test or procedure that the other physician orders, performs, or supervises. A physician also makes a referral for services when he or she requests or establishes a plan of care that includes a designated health service be provided to a patient.

A violation of the Stark Law may result in significant civil penalties, including civil monetary penalties and possible exclusion from participation in federal health care programs.

## **North Carolina False Claims Acts**

The following acts form the basis for a violation of the North Carolina Medical Assistance Provider False Claims Act (“North Carolina FCA”):

- Knowingly presents, or causes to be presented, to the Medical Assistance Program a false or fraudulent claim for payment or approval; or
- Knowingly makes, uses, or causes to be made or used a false record or statement to get a false or fraudulent claim paid or approved by the Medical Assistance Program.

Any person who violates the North Carolina FCA may be liable for a civil penalty of not less than \$5,000 and not more than \$10,000 plus three times the amount of damages which the State Medical Assistance Program sustained. A provider violating the Act may also be liable for the cost of the civil action brought to recover any penalty or damages, interest, and the costs of the investigation.

All authority to bring an action under the North Carolina FCA resides with the state Attorney General. The North Carolina FCA does not provide for an action by a private plaintiff. The Act provides relief to any employee who has been discharged, demoted, suspended, threatened, harassed, or otherwise discriminated against because of his or her objection to a false claims violation or involvement in a false claims action.

## **North Carolina Prohibition on Self-Referrals**

North Carolina’s prohibition on self-referrals prohibits a health care provider (including physicians and optometrists) from making a referral of any patient to any entity in which the provider (or certain family members of the provider) is an “investor.” A health care provider or entity may not submit an invoice or claim for payment for most health care services furnished pursuant to a prohibited referral. The definition of “referral” includes certain exceptions for providers making referrals within or between physician practices.

Violations of North Carolina’s prohibition against self-referrals constitute grounds for disciplinary action to be taken by the applicable licensing board. Additionally, the health care provider may be subject to a civil penalty of up to \$20,000 for each bill or claim presented that the provider knows or should know is prohibited. The statute also provides for civil penalties of not more than \$75,000 for each circumvention arrangement or scheme (e.g., cross-referral arrangement) that a health care provider or other entity enters into and knows or should know is intended to induce referrals or patients for services in violation of this statute.

## **Claims Submission**

At CaroMont Health, we are committed to ensuring that all claims to government and private insurance payers are accurate and truthful. All claims should conform to all pertinent federal, state and local laws and regulations. Claims should be submitted only for services that were actually provided and properly documented. CaroMont Health prohibits any employee or agent of CaroMont Health from knowingly presenting, or causing to be presented, claims for payment or approval that are false, fictitious, or fraudulent. No false or misleading entries shall be made or submitted on any bills or claim forms, and no employee should participate in any arrangement that results in such prohibited acts. Making a false statement in a medical record or any document that is used to support billing of medical services could also be considered criminal fraud.

**Question:** My supervisor has asked me to change the date on a progress note so that we can submit a bill. Am I allowed to do that?

**Answer:** No. Once the document has been completed, it may not be altered. If the date in the progress note was incorrect, an addendum may be made to the note, but the note should not be changed and the addendum must be dated with the date on which it is written.

## Examples of Fraud & Abuse

Although it is not an exhaustive list, CaroMont Health and its employees will specifically refrain from engaging in the following billing practices:

- Billing for services or supplies not rendered
- Billing for services that are not documented
- Billing for services that are not “medically necessary”
- Double billing (billing twice for the same service)
- Upcoding (changing a procedure code to one that is reimbursed at a higher rate)
- Misrepresenting a diagnosis in order to obtain payment
- Accepting, offering or paying a kickback for patient referrals
- Brand-name billing for generic drugs
- Falsifying any type of record: payroll or time records, medical records, scientific research records, etc.
- Billing for the use or administration of pharmaceuticals, devices or supplies that are not approved by the US Food & Drug Administration (if such approval is required)
- Billing for or using pharmaceuticals, devices or supplies that are purchased from vendors that are not approved by CaroMont Health
- Billing for pharmaceuticals that are received from manufacturers at no cost to CaroMont Health (i.e., drug samples).

**Question:** I would like to extend a courtesy to some of my patients. May I tell the patient that I will accept “what insurance pays” as full payment for my charge?

**Answer:** No. Waiver of the deductible or coinsurance for a Medicare patient, except when based on financial need, may violate federal law. Moreover, our contracts with many third-party payers requires CaroMont Health to collect any applicable co-pay or deductible.

Please be aware that CaroMont Health takes compliance with the FCA and all other applicable laws very seriously. CaroMont Health has policies and procedures for detecting and preventing fraud, waste, and abuse. These policies require prompt reporting of any problem to the Corporate Compliance Officer or to the Corporate Responsibility Hotline at 1-877-785-0001 to allow for early detection of any problem, to ensure continued compliance with the law and to reduce exposure to penalties. These policies provide for specific standards of conduct and allow for prompt investigation of any alleged misconduct

or mistake, appropriate correction of the problem, mitigation of the damage, and sanctions for the violator, if appropriate.

Refer to the latest version of CaroMont Health's corporate responsibility/compliance policies, which are located on the CaroMont Health Intranet (CHIP), for more information relating to detecting and preventing fraud, waste, and abuse.

# CaroMont Health Corporate Responsibility Program & How to Report a Concern

## Compliance Program

CaroMont Health is committed to operating each of its facilities in accordance with all applicable laws and regulations. To that end, each employee should maintain a high level of integrity and honesty in business conduct and avoid any conduct that could reflect adversely on the integrity of CaroMont Health. Each employee will perform all duties on behalf of CaroMont Health in a manner that the employee reasonably believes to be legal, ethical and in the best interests of CaroMont Health.

The CaroMont Health Board of Directors delegates oversight of the Corporate Responsibility program to the Corporate Responsibility Committee. The Corporate Compliance Officer and Executive Compliance Committee are responsible for the day-to-day direction and implementation of CaroMont Health's Corporate Responsibility Program. This includes developing and maintaining compliance materials and resources, providing compliance related training, alerts and updates, and overseeing on-going compliance reviews and audits, as needed.

## How to Report

Every CaroMont Health employee has an affirmative obligation to report any situation that you believe to be a violation of law, a violation of CaroMont Health policy or unethical, involving another employee or someone acting on behalf of CaroMont Health. Any potential issue should be reported to your supervisor, through the normal chain of command or to the Corporate Responsibility Department. You can also make an anonymous report on the toll-free Corporate Responsibility Hotline by calling 1-877-785-0001. You can also make a report via the CaroMont Health Intranet (CHIP).

## Employee Discipline

Employees may be disciplined for violations of this Code of Conduct or CaroMont Health policies. Disciplinary measures may also be taken against those who intentionally make a false accusation against an employee. Violations of this Code of Conduct or CaroMont Health policies, may lead to disciplinary action, up to and including termination. Additionally, violations of law may be reported to law enforcement and the violator may be subject to criminal investigation and prosecution, as mandated by law.

## Non-Retaliation

It is the express policy of CaroMont Health that retaliation will not be tolerated, in any form, by management or non-management staff against an employee who reports in good faith a compliance concern, an actual or potential violation of this Code of Conduct, or any CaroMont Health policy. Similarly, retaliation against an employee for cooperating in a compliance, legal or human resources investigation is also prohibited. Employees who engage in such retaliation may be subject to disciplinary action, up to and including dismissal.

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

**Answer:** As long as you honestly have a concern, our policy prohibits your being reprimanded or disciplined for reporting your concern. As a CaroMont Health employee, you have a responsibility to report suspected problems. In fact, employees may be subject to discipline if they witness or are aware of a violation but do not report it. The only time employees may be disciplined for reporting misconduct is if they knowingly and intentionally report something that they know or suspect is not true or is misleading.



## **Attestation**

CaroMont Health requires all employees to sign an Attestation confirming they have received this Code of Conduct and understand that it summarizes the mandatory policies of CaroMont Health. New employees will be required to sign an Attestation as a condition of employment. Adherence to and support of CaroMont Health's Code of Conduct, and participation in related activities and training, will be considered in decisions regarding hiring, promotion, and compensation for all candidates and employees.



