



Code of Ethics

Effective date: 02/02/2018



Ballad Health is committed to acting with integrity and ethical behavior at all times

Our organization exists to meet the needs of our community, and therefore the community must be able to trust us. We earn that trust every day by how we behave — how we treat our patients, how we treat each other and how we conduct our business operations. We have created this Code of Ethics to outline some of the most important points of our commitment to conducting business with integrity and in compliance with all applicable laws and regulations. Because this is so important, this Code is a policy of Ballad Health, and compliance is mandatory.

Thank you for being a part of Ballad Health. It is our mission to honor those we serve by delivering the best possible care. I believe if we all follow the best standards for conduct and ethical operations, we will all share the satisfaction of being part of something special.

Alan Levine

Executive Chairman / President
Ballad Health

Table of contents

Introduction

The Ballad Health Code of Ethics (“the Code”) provides a framework for the ethical and legal principles that reflect the philosophy of our organization. Our stakeholders, including but not limited to, team members, vendors, business associates, physicians and any person or entity conducting a transaction with Ballad Health, must uphold the highest standards of integrity at all times.

The Code itself is a mandatory policy of Ballad Health, and all stakeholders are required to comply. Failure to comply with the Code may lead to disciplinary action, up to and including termination from employment, termination of medical staff privileges, or termination of any business relationship. The Code provides guidance with respect to company policies and compliance with applicable laws and regulations.

The Code may not fully address every ethical or legal requirement, yet adherence with all applicable regulations and laws is required even if not specifically described in the Code. The Code does not provide any additional employment or contractual rights to stakeholders or other persons. Ballad Health has developed policies, procedures and other documents that expand upon and address the principles within the Code.

- I. Corporate Compliance Program** 5

- II. Compliance education** 5

- III. Sanctions for violations** 5

- IV. Medical compliance and ethics standards** 5
 - Standard 4.1 Professional standards 5
 - Standard 4.2 Quality patient care 6
 - Standard 4.3 Emergency care 6
 - Standard 4.4 Patient rights 6
 - Standard 4.5 Patient confidentiality 6
 - Standard 4.6 Registration, admission, transfer and discharge practices 7
 - Standard 4.7 Research and clinical trials 7

V. Business compliance and ethics standards	7
Standard 5.1 Conflict of interest	7
Standard 5.2 Coding and billing practices	8
Standard 5.3 Record keeping and reporting	8
Standard 5.4 Kickbacks and physician self-referrals	8
Standard 5.5 Antitrust and competition	9
Standard 5.6 Intellectual property	9
Standard 5.7 Lobbying and political activity	9
Standard 5.8 Tax laws	9
Standard 5.9 Vendors, contractors and consultants	10
Standard 5.10 Marketing and public relations practices	10
Standard 5.11 Ineligible persons	10
Standard 5.12 Certificate of Public Advantage / Cooperative Agreement (COPA)	10
VI. Employment compliance and ethics standards	11
Standard 6.1 Fair and equitable treatment	11
Standard 6.2 Health and safety precautions	11
Standard 6.3 Drug-free environment	12
Standard 6.4 Pharmaceuticals, prescription drugs and controlled substances	12
VII. Environmental compliance and ethics standards	13
Standard 7.1 Environmental standards	13
VIII. Workplace compliance and ethics standards	13
Standard 8.1 Proprietary information	13
Standard 8.2 Travel and entertainment	13
Standard 8.3 Gifts and business gratuities	13

Standard 8.4 Business inducements.....13

Standard 8.5 Corporate assets13

IX. Communicating legal and ethical issues.....14

Standard 9.1 Responsibility to report problems or concerns.....14

Standard 9.2 Non-retaliation14

X. Doing business with the government14

Standard 10.1 Medicare and Medicaid / state programs.....14

Standard 10.2 Federal and state false claims acts.....15

Standard 10.3 Responding to government inquiries15

Standard 10.4 Hiring of former government employees.....16

Standard 10.5 Gifts, meals or gratuities to government personnel.....16

XI. How to report problems or concerns17



Definitions

Ballad Health: The organization known as Ballad Health, including facilities, clinics, offices, subsidiaries and other entities that have adopted the compliance initiatives of Ballad Health

Corporate Compliance: The independent advisory function of Ballad Health designed to assist Ballad Health in attaining its mission. Promotes and helps maintain an effective system of internal controls and compliance with laws, rules and regulations

Physician / Allied Health Personnel (AHP): An individual who holds a position on the professional staff of a Ballad Health facility, granted an appointment to such staff by the board of directors pursuant to the Ballad Health bylaws

Stakeholder: A collective reference that includes all board members, board committee members, team members, physicians, Allied Health personnel, vendors, or any entity or individual in a business relationship with Ballad Health

Team member: An individual that may be employed (including employed physicians), contracted or volunteers with Ballad Health or an entity in which Ballad Health is a majority member, to work in a facility, office, clinic, subsidiary, or other operation owned or managed by Ballad Health

Vendor: An individual or entity who does business with Ballad Health by providing supplies, goods or services



I. Corporate Compliance Program

Ballad Health is committed to providing quality healthcare to our patients and their families through excellent customer service, sensitivity to customer needs and professionalism with the highest integrity, and in compliance with all laws, regulations, standards and other requirements. To underscore and enhance our continued pledge of compliance, Ballad Health maintains a comprehensive Compliance Program adopted from the directives set forth in the Office of Inspector General's Compliance Program Guidance. The design of the program is to detect, prevent and report any actions that constitute violations of applicable laws, policies and procedures.

To fortify existing conduct, the Board of Directors has approved the Ballad Health Code of Ethics. This document conveys the standards of ethical and legal behaviors to assist stakeholders in doing what is right and appropriate in the conduct of our business. The Ballad Health Code of Ethics, an integral part of the Compliance Program, governs our actions in relationships with patients, vendors, stakeholders and others.

II. Compliance education

Ballad Health is committed to providing education to Stakeholders regarding the Code. Ballad Health requires that all Stakeholders read this Code thoroughly, attest to having read and understood it and comply with the standards contained in this Code.

III. Sanctions for violations

Stakeholders must abide by the Code, policies, and laws that affect the operations of the organization. Ballad Health maintains zero tolerance for violations. Disciplinary actions can occur for actions that violate the Code, which may include, but not be limited to,

Ballad Health is committed to acting with integrity and ethical behavior at all times

failure to report a violation or to cooperate in an investigation; failure by management of a violator to detect and report a violation if such failure reflects lack of oversight; or retaliation against an individual for reporting a known violation or possible violation of the Code.

Disciplinary measures may result in corrective actions, employment or contractual termination, institution of peer review, etc. as applicable. Team members are encouraged to talk to a supervisor, other management or Corporate Compliance about concerns. No stakeholder may discourage or prohibit another from reporting a potential or known violation.

IV. Medical compliance and ethics standards

Standard 4.1 Professional standards

Ballad Health prides itself in providing quality patient care with the utmost degree of professionalism. Stakeholders must display a superior level of professionalism and integrity while engaged in the organization's business. Licensed and certified team members must abide by the ethical standards of this Code and by those set forth by their professional organizations. Stakeholders should conduct themselves honestly and in good faith, striving for excellence, observing all laws and regulations, and using Ballad Health assets only for legitimate business purposes.

Ballad Health requires that team members in certain professions maintain current licensure, registration or certification in order to practice. Ballad Health will not hire or retain in employment any professional team member who cannot present a current license or valid temporary permit. Current licensure in another state does not satisfy this requirement or allow the professional to practice in Ballad Health service areas in the absence of a reciprocal agreement between the states. Suspension from duty may result from failure to present evidence of licensure, registration, or certification renewal on or before the renewal date.

Standard 4.2 Quality patient care

Ballad Health is committed to providing high-quality, safe, compassionate and cost-effective healthcare. Our services shall be provided consistent with applicable laws, accreditation guidelines and professional standards. Services must be planned, coordinated, provided and supervised by professional healthcare providers who recognize the unique physical, emotional and spiritual needs of each person. The delivery of quality patient care requires knowledge, judgment and skill derived from principles of biological, physical, behavioral, psychosocial, medical and nursing sciences.

Federal agencies, such as the Centers for Medicare and Medicaid Services (CMS) that administer the Medicare program and partner with state governments to administer other programs, such as Medicaid, require healthcare organizations to comply with health and safety standards referred to as Conditions of Participation (CoPs) and Conditions of Coverage (CfCs). CMS also ensures that the standards of accrediting organizations such as The Joint Commission (TJC) and the Healthcare Facilities Accreditation Program (HFAP) must meet or exceed the Medicare standards set forth in the CoPs and CfCs.

Standard 4.3 Emergency care

Ballad Health adheres to the Emergency Medical Treatment and Active Labor Act

(EMTALA) to provide emergency treatment to patients, regardless of the ability to pay. By law, Ballad Health provides a presenting patient with a screening examination to determine whether an emergency exists, and to provide stabilizing care within its capabilities for emergency medical conditions.

In an emergency or if a patient is in labor, a medical screening and necessary stabilization treatment shall not be delayed in order for the patient to provide payment information. Patient transfers to another facility occur only if Ballad Health does not have necessary equipment or services available, or the patient / family requests a transfer to another facility and the transfer meets all other legal requirements.

Standard 4.4 Patient rights

Ballad Health is committed to the observance of a patient's rights, their personal preferences and individual values as reasonably possible. All patients have a right to competent, considerate and courteous treatment within our capacity without discrimination as to age, race, ethnicity, national origin, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression. This encompasses the right to receive care in a safe setting, and be free from neglect, exploitation, verbal, mental, physical, and sexual abuse and harassment from staff, other patients or visitors.

All patients receive information about their rights as outlined in the Patient Rights document and the Ballad Health Notice of Privacy Practice provided during the registration process. Stakeholders must make reasonable efforts to understand the wishes of a patient, and ensure that the care provided is consistent with and supports the rights of the patient.

Standard 4.5 Patient confidentiality

It is not only the right of every patient to expect confidentiality and privacy — federal and state laws mandate it. Various laws, such as the Health Insurance Portability

and Accountability Act (HIPAA), provide protections for individually identifiable health information held by Ballad Health and entities doing business with Ballad Health. These regulations give patients a range of rights while balancing the need for health information by stakeholders.

Ballad Health services include the care of individuals with problems relating to behavioral health, crisis management, substance abuse and other related issues. Regulations governing these areas are more stringent than those pertaining to other medical environments. Stakeholders must ensure the utmost compliance with all health-related regulations in addition to applicable Ballad Health policies.

Standard 4.6 Registration, admission, transfer and discharge practices

Registration, admission, transfer and discharge processes occur based on medical necessity, not hospital fiscal conditions. Ballad Health does not register, admit, transfer or discharge patients based on the ability to pay. Patients with conditions that cannot be safely treated are transferred to an accepting organization only under specific circumstances. Registration, admission, transfer and discharge practices occur in an ethical manner, and in accordance with state and federal rules, regulations and Ballad Health policies.

Standard 4.7 Research and clinical trials

Ballad Health supports the need for research and clinical trials to improve the quality of healthcare services provided in our region. Ballad Health will ensure the protection of the rights, safety, welfare and ethical treatment of patients participating in research, clinical trials and investigative studies. Research is conducted in strict compliance with regulatory requirements imposed by agencies such as the Office for Human Research Protections (OHRP), the Department of Health and Human Services Protection of Human Subjects, and research requirements imposed by other applicable entities.



V. Business compliance and ethics standards

Standard 5.1 Conflict of Interest

A conflict of interest arises when a stakeholder's exercise of judgment or discretion in the course of job responsibilities is or may be influenced by personal considerations, or the interests of Ballad Health are compromised by those considerations. Stakeholders are obligated to ensure they remain free of conflicts with their responsibilities, and put the interests of Ballad Health ahead of employment, business, financial or personal interests that they or their family members may have. Stakeholders must refrain from engaging in employment, business, and financial or personal practices that conflict with the interest of Ballad Health or the provision of healthcare, or that might negatively affect the reputation of Ballad Health.

Stakeholders are required to disclose employment, consulting or other business relationships that they, or a member of their immediate family, may have with a Ballad Health competitor, customer or supplier by completing a Conflict of Interest Disclosure

Statement. Stakeholders may not use their positions at Ballad Health to profit personally or assist others in profiting at the expense of Ballad Health. Ballad Health retains the right to prohibit membership on any board where such membership may conflict with the best interests of Ballad Health.

Standard 5.2 Coding and billing practices

All claims submitted to any payer must be accurate and complete, and cost reports prepared consistent with applicable requirements. Ballad Health will not knowingly submit claims for payment or reimbursement that are false, fraudulent, inaccurate, incomplete or fictitious. Team members are obligated to notify management or Corporate Compliance of practices or requests for practices that deviate from policy or accepted principles. Additionally, Ballad Health maintains policies and procedures to facilitate accurate coding and billing for services provided to our patients.

Standard 5.3 Record keeping and reporting

Ballad Health documentation, including but not limited to, financial, clinical and personnel records must be complete, accurate, timely, reliable and properly retained. Stakeholders will not distort facts or falsify records; will maintain documents required by law and necessary to do business; will preserve the confidentiality of records; will use, access, and disclose information as authorized; and will destroy records only in accordance with record retention guidelines.

Ballad Health maintains a system of internal controls to provide assurances that transactions are authorized and properly recorded in accordance with generally accepted accounting principles. An external certified accounting firm audits financial records routinely. Ballad Health will disclose information regarding operating costs and statistical data as required by law.

Clinical documentation conveys information about the patient, care and services provided, and supports billing requirements, as well as other goals substantiating the quality of care provided to the patient. The documentation must comply with standards of care as



required by federal and state regulations, accrediting organizations and reimbursement agencies, such as Medicare, Medicaid and others. External agencies, such as accreditation and payers, as well as appropriate Ballad Health individuals routinely audit Ballad Health medical records.

Standard 5.4 Kickbacks and physician self-referrals

Various laws govern relationships between hospitals and physicians in an effort to prohibit direct or indirect remuneration in exchange for the referrals of patients, or in return for receiving services, supplies or other business. Federal law prohibits a physician from referring a patient to an entity for services (including hospital services, laboratory services, home health services, physical therapy and others) payable by Medicare if the physician has a financial relationship with the entity. “Financial relationship” includes a compensation arrangement or investment interest. Ballad Health will fully comply with all laws regarding kickbacks and physician self-referrals.

Ballad Health accepts patients based on their healthcare needs and our ability to provide needed services. Stakeholders must not accept or offer anything of value in exchange for the direct or indirect referral of patients or business, or for receiving services, supplies, patients or other business. Any uncertainty should be resolved on advice from Corporate Compliance or the Ballad Health legal department prior to the offer or acceptance.

Standard 5.5 Antitrust and competition

Stakeholders must comply with antitrust laws that regulate competition and protect consumers from unfair trade practices. These laws foster free and open competition in the marketplace, and generally forbid an understanding or agreement between competitors to fix or control fees for services, terms and conditions of treatment, division of patients, markets and boycotts or to engage in conduct that restrains competition.

Ballad Health will compete fairly in the market. Team members cannot participate in any discussion, agreement, plan or scheme with a competitor or potential competitor that restricts competition, or involves discussions with competitors regarding Ballad Health future business, reimbursement, employee wages or salary levels, or other related business.

Standard 5.6 Intellectual property

Laws protect the exclusive rights of intellectual property, which includes patents, copyrights, trademarks and trade secrets. Ballad Health has intellectual property that must be protected, but may be disclosed for a business purpose. As intellectual property, software is protected by copyright laws and may have protections of exclusive rights. Software may include computer programs, databases and related documentation owned by another party. Stakeholders must ensure that terms and conditions for use of Ballad Health intellectual property or the intellectual property of any license holder are followed before using such property. Any information, licenses, patents or other regulatory provisions which apply to research or work conducted utilizing Ballad Health resources shall be considered to be the intellectual property of Ballad Health, and may be subject to any agreement with the principal of any such research or work. In the absence of any such agreement, Ballad Health retains a claim to ownership of intellectual property for any work conducted utilizing Ballad Health resources.

Standard 5.7 Lobbying and political activity

As a tax-exempt, not-for-profit corporation, laws prohibit Ballad Health from donating

not-for-profit corporate funds, goods or services (including team members' work time) to any individual who holds a political office or is a candidate for political office. Team members, board members and board committee members may not contribute Ballad Health not-for-profit corporate money, property or services at Ballad Health's expense to a political candidate, party, organization or committee, which would violate applicable law. Team members, board members and board committee members may participate and contribute to political organizations or campaigns as private individuals, not as representatives of Ballad Health, using their own personal time and funds. Team members, board members and board committee Members will clarify at all times that the views expressed are theirs as individuals and not those of Ballad Health.

Ballad Health may make recommendations regarding legislation, and analyze and take positions on issues that have a relationship to the organization's operations. Only individuals appointed by the Ballad Health administration may propose these recommendations and positions. Transactions with governmental agencies and officials will be conducted in an ethical manner. Actions to influence a decision of governmental agencies or officials by an improper offer is strictly prohibited.

To the degree any associated for-profit, or taxable, entity may lawfully contribute funds, any such contribution shall be made only with the approval of the president of Ballad Health.

Standard 5.8 Tax laws

As a not-for-profit organization, Ballad Health has a legal and ethical obligation to comply with tax laws, engage in activities to support its charitable purpose and ensure the use of its resources to further the public good. To maintain this tax exemption, which is critical to the organization's existence, Ballad Health must avoid what tax laws refer to as "private inurement" and "private benefit."

This means that non-exempt individuals or entities must pay fair market value for the use of Ballad Health services, supplies,

equipment, properties or other assets. It is prohibited to purchase personal items through Ballad Health, even if the purchaser reimburses the organization. Tax returns and related information must be filed according to applicable laws.

Standard 5.9 Vendors, contractors and consultants

The need to safeguard the rights of Ballad Health patients and to preserve the integrity of the environment of care requires Ballad Health to construct and enforce reasonable guidelines for vendor access and conduct. Ballad Health will conduct a vendor certification program to inform vendor representatives of expectations in order to do business with the organization.

It is the practice of Ballad Health to interact with vendors in a fair and courteous manner. The representation of products and services by a vendor at a Ballad Health facility is a privilege, not a right. Ballad Health will enter into business relationships only with vendors, contractors and consultants (also referred to as a third party) who have in effect and abide by standards of ethics and compliance comparable to those reflected in this Code. If a team member is uncertain about the standards adhered to by a vendor, contractor or consultant prior to entering into the business relationship, the team member is obligated to provide a copy of this Code to the third party.

Ballad Health generally prohibits the purchase of goods and services from a Physician-Owned Distributorship (POD) unless approved as an exception by the Ballad Health Corporate Compliance officer with input from the Ballad Health chief medical officer and the supply chain executive.

Standard 5.10 Marketing and public relations practices

Ballad Health aims to conduct ourselves professionally with truth, accuracy, fairness and accountability to those we serve, holding to the fundamental values and dignity of the individual, and the freedom of speech, assembly and the press.

Ballad Health marketing materials reflect only those services available, the level of licensure and accreditation, and comply with truth in advertising and non-discrimination laws and regulations. Events held under the auspices of Ballad Health public relations must be coordinated through the appropriate Ballad Health department or designated individuals. Ballad Health respects the privacy of our patients. Public relations involving patients or patient information will require approved authorizations unless exempted by regulation or law.

Standard 5.11 Ineligible persons

Ballad Health will not contract with, employ, grant hospital privileges, or otherwise do business with any person or company who has been excluded from participation in federally funded programs (referred to as an “ineligible person”).

Pending the resolution of criminal charges or proposed debarment or exclusion, individuals and companies with whom Ballad Health currently contracts charged with criminal offenses related to healthcare or proposed for debarment or exclusion will be removed from direct responsibility, or involvement in any federally funded healthcare program. If resolution results in conviction, debarment or exclusion, Ballad Health will immediately cease contracting with or employing the ineligible person or company.

Before employing an individual, credentialing for medical / AHP staff or entering into a contract or agreement, Ballad Health will ensure that the proposed employee, contractor, physician / AHP or vendor is an eligible person by performing sanction checks to verify that an individual has not been excluded from participation in federally funded programs. Sanction checks are performed routinely on active team members, credentialed medical / AHP staff and vendors.

Standard 5.12 Certificate of Public Advantage / Cooperative Agreement

Ballad Health is operating under a Certificate of Public Advantage (COPA) issued by the Tennessee Department of Health and a letter



authorizing a Cooperative Agreement issued by the Virginia Department of Health (“the agreements”). Ballad Health is committed to fulfilling the obligations and commitments of these agreements as outlined by both the Tennessee Department of Health and the Virginia Department of Health.

Whether involved directly or indirectly with the efforts and measures to implement the agreements, Ballad Health expects all stakeholders to abide by the requirements of the agreements. Any questions related to compliance with such agreements should be directed to the compliance office, and any such issue will be addressed by the COPA Compliance Officer.

VI. Employment compliance and ethics standards

Standard 6.1 Fair and equitable treatment

Ballad Health is an equal-opportunity employer. Team members are afforded non-discriminatory terms, conditions and privileges of employment in accordance with law. Ballad Health will recruit, hire, train, promote, assign, transfer and terminate individuals based on their ability, performance, conduct and experience regardless of age, race, ethnicity, religion, culture, national origin, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression, veteran status, or any other classification protected by law.

Ballad Health promotes diversity in the workplace, and is committed to providing an

A concern may be reported anonymously by calling the AlertLine at 800.535.9057

environment where individuals are treated with respect and free of harassment, including sexual or racial provocation. Ballad Health will not tolerate harassing, intimidating or disruptive conduct that creates a hostile or offensive work environment. Team members must promptly report any known concerns regarding harassment or discrimination.

Standard 6.2 Health and safety precautions

For the safety of our patients, stakeholders, visitors and others, Ballad Health is committed to complying with all health and safety laws, such as the Occupational Safety and Health Act, Centers for Disease Control and Prevention regulations, the Drug Enforcement Administration, the Food and Drug Administration, and others. Team members are expected to follow safety-related standards and regulations that apply to their positions, and immediately notify their supervisor of any workplace injury or situation creating the potential for a workplace injury. Team members must be aware of and effectively perform duties during disasters and code situations. Team members should refer to specific policies and / or manuals regarding the environment of care or related procedures.

Standard 6.3 Drug-free environment

Ballad Health is a drug-free workplace. The unlawful use, possession, distribution, manufacture, being under the influence of or sale of controlled substances, illegal substances or chemicals improperly used in a manner not intended by the manufacturer (such as, but not limited to, household inhalants, industrial chemicals with concentrated vapors or pressurized gases) is inconsistent with the behavior expected of stakeholders.

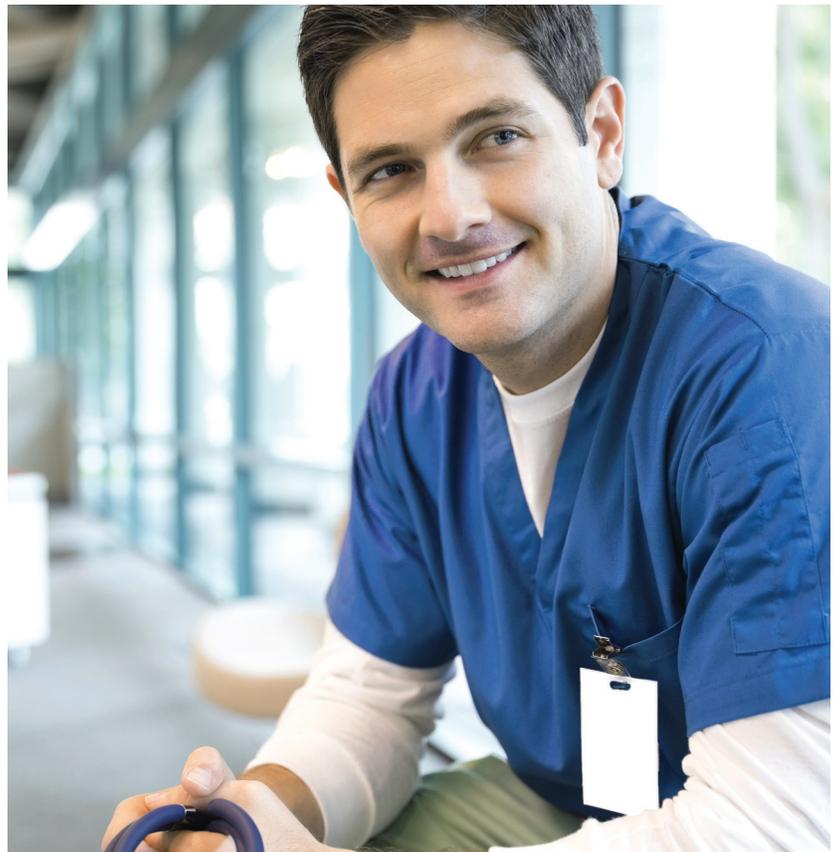
Stakeholders are not allowed on Ballad Health premises while under the influence of illegal drugs, legal drugs used improperly, other substances used improperly or alcohol unless at a facility seeking emergency treatment. An exception is the responsible use of alcoholic beverages at official Ballad Health business functions authorized by Ballad Health executive management.

Unless prohibited by law or other legal directive, all team members are subject to random drug testing. Violations can result in disciplinary actions up to and including termination. Ballad Health may also be required to notify the professional board associated with the involved team member. Any stakeholder having knowledge of or a concern about another stakeholder who appears to be impaired must immediately notify Ballad Health management.

Standard 6.4 Pharmaceuticals, prescription drugs and controlled substances

Ballad Health maintains a controlled substance management and diversion prevention plan to comply with requirements of various agencies, including but not limited to, the Drug Enforcement Administration, the Food and Drug Administration, state survey agencies and accreditation agencies.

The laws governing prescription drugs and controlled substances intend to maintain the integrity of our national drug distribution system and protect consumers by assuring that prescription drugs are safe and properly labeled. Ballad Health is legally responsible for the proper distribution and handling of these pharmaceutical products.



Stakeholders may have responsibility for or access to prescription drugs, controlled substances, supplies, paraphernalia, drug samples and other pharmaceuticals in the course of duties. Stakeholders are required to adhere to processes supporting control of pharmaceuticals and the prevention of diversion.

Ballad Health providers who dispense and / or prescribe controlled substances must comply with controlled substance monitoring programs to promote the appropriate use of such substances for legitimate purposes, while preventing abuse and diversion. Stakeholders must be diligent and vigilant in their obligations to handle and dispense prescription drugs and controlled substances in accordance with laws, regulations and policies. Stakeholders are required to report any irregularities identified in ordering, receiving, administering or inventory controls of controlled substances. Concerns regarding suspicious behavior or the appearance of being under the influence that may be impairing performance or judgment must be reported immediately upon discovery.

VII. Environmental compliance and ethics standards

Standard 7.1 Environmental standards

Ballad Health is concerned with the protection of the environment and strives to conserve natural and synthetic resources. Ballad Health will comply with all safety and environmental laws. Team members must use resources efficiently and appropriately, reducing waste and recycling or shredding as appropriate.

Stakeholders are required to ensure that medical waste, environmentally sensitive materials and hazardous materials are disposed of in a proper manner; the handling and storage of infectious materials and medical equipment is appropriate; personal protective equipment is used as needed; and confidential information is properly destroyed. Supervisors or other members of management must be promptly notified of situations which represent known or potential risks.

VIII. Workplace compliance and ethics standards

Standard 8.1 Proprietary information

Stakeholders may have access to and become knowledgeable of information that is confidential and / or proprietary. Information gained as a result of a role with Ballad Health is Ballad Health property. Stakeholders are obligated to maintain confidentiality during and subsequent to employment with Ballad Health.

Stakeholders must handle proprietary information in a manner so as to protect against improper access, use or disclosure. Information may not be used directly or indirectly for personal gain, nor disclosed or posted in publicly available sources without authorization. Team members must return all confidential and proprietary information to Ballad Health upon termination of employment.

Standard 8.2 Travel and entertainment

Travel and entertainment expenses should be consistent with team member job responsibilities and the needs and resources of Ballad Health. Team members should not have a financial gain or loss due to business travel and entertainment. Team members are to exercise reasonable judgment and discretion with Ballad Health financial resources. Team members are required to comply with business travel and entertainment policies, as well as departmental travel and entertainment requirements.

Standard 8.3 Gifts and business gratuities

It is the general practice of Ballad Health that team members shall not accept gifts, favors, services, entertainment or other items of value from a supplier, potential supplier, patient or competitor of Ballad Health. The acceptance of gifts, favors, services, entertainment, or other items of value can infer an attempt to influence decision-making or actions affecting Ballad Health. If a patient or other individual wishes to make a monetary gift, he or she should be referred to Ballad Health Foundation. For additional information, stakeholders should refer to Ballad Health policies.

Standard 8.4 Business inducements

Team members may not offer, give, solicit or receive any form of bribe or other improper payment from a vendor or anyone external to Ballad Health as an inducement for business or special treatment. Offering, giving, soliciting or receiving any form of bribe, kickback or improper payment is prohibited. While commissions, rebates, discounts and allowances are acceptable under certain circumstances, the rules governing those circumstances are complex. Arrangements are not to be entered into without the approval of Ballad Health management or the Ballad Health Legal Department prior to the arrangement.

Standard 8.5 Corporate assets

Ballad Health assets are available to stakeholders for business purposes. Stakeholders are personally responsible for



the proper use of company property and expenditure of company funds, and shall not convert any resources or assets for personal use. Stakeholders must protect Ballad Health assets, property, facilities, equipment and supplies against loss, theft, damage, inappropriate use or disclosure. Team members must obtain approval prior to engaging in any activity that will result in remuneration, or the use of equipment, supplies or services for personal purposes. Improperly using Ballad Health assets will lead to disciplinary action and potential criminal charges.

IX. Communicating legal and ethical issues

Standard 9.1 Responsibility to report problems or concerns

The standards in this Code promote honesty and fairness, and express the principles and values that govern the organization. Ballad Health's reputation depends upon each stakeholder. It is the responsibility of every stakeholder to ensure associations with patients, co-workers, community members and businesses are ethical and law-abiding. This imposes on each stakeholder an affirmative obligation to know Ballad Health policies, as well as laws and regulations that relate to their job duties. Stakeholders have an obligation to report questionable behavior, unethical conduct or suspected violation of policies

or laws. Every stakeholder is responsible for making appropriate persons within the organization aware of potential or known concerns or problems.

Standard 9.2 Non-retaliation

Ballad Health encourages stakeholders to discuss legal and ethical issues that may arise while performing job responsibilities. Team members are required to report concerns to appropriate persons within the organization for investigation. In order to protect those stakeholders coming forth in good faith, Ballad Health will not tolerate retaliation against any stakeholder who reports a legal or ethical concern internally or to external parties, such as the federal government, state or accrediting body that governs the organization. Individuals engaging in retaliation or discriminatory treatment will be disciplined.

X. Doing business with the government

Standard 10.1 Medicare and Medicaid / state programs

Ballad Health participates in Medicare and Medicaid / state programs governed by rules and regulations imposing strict requirements that may be different from, and more extensive than, those in non-government commercial arenas. Medicare and Medicaid / state programs have multifaceted payment guidelines that identify the circumstances under which, and how much, those programs will reimburse for goods and services rendered to patients covered under those programs. These guidelines are often different from directives received from third-party payors.

Violations of these laws and regulations can result in civil liability with monetary penalties, criminal prosecution with imprisonment and

finances and administrative sanctions including exclusions from federally funded programs. These can be imposed not only on the persons involved, but also on the organization. Strict compliance by every stakeholder with Medicare and Medicaid / state laws and regulations is essential.

Standard 10.2 Federal and state false claims acts

Federal and state governments have false claims acts to prevent and detect fraud, waste and abuse in healthcare programs. Acts such as the Federal False Claims Act prohibit healthcare providers from knowingly submitting false or fraudulent claims for payments to federal healthcare programs, including claims for services not rendered, claims that depict the service differently from the actual service provided, or claims that do not comply with regulations.

Civil actions may occur against any person who knowingly submits or causes another to submit a false or fraudulent claim for payment by a government agency, which can result in fines and penalties. Under the Tennessee Medicaid False Claims Act, the Virginia Fraud Against Taxpayers Act and the Federal False Claims Act, a person (known as a “whistleblower”) may bring a civil action under each act for both the person and the state (the Tennessee and Virginia acts), and / or the United States government (under the federal act). Generally, if the civil lawsuit is successful, the “whistleblower” will be entitled to a percentage of the government’s recovery, as well as reasonable attorney fees and costs.

Each false claims act has a provision that protects a person reporting a claim from discharge, demotion, suspension, threats, harassment or discrimination as a result of lawful actions. Ballard Health will not tolerate retaliation against a team member for reporting compliance and ethical concerns in good faith.

Standard 10.3 Responding to government inquiries

Ballad Health shall comply with reasonable and lawful requests by government officials. Requests might include information related to patient care, billing and financial practices or operational issues. Team members have the right not to respond to such inquiries before consulting with the Ballard Health legal department. Team members are expected to provide truthful and accurate information in a timely manner to a government request. Ballard Health will not tolerate false statements by team members to government agencies and will take action against team members for violations.

Team members must consult with their Supervisor, other management or Corporate Compliance in response to a government request made on Ballard Health premises. Requests should be obtained in writing. If not possible, team members will independently document the specific request, including pertinent details, such as but not limited to, date and time of the request; name, title and agency of the requestor; etc.; and retain copies of the disclosed information.

When such requests are directed to a team member individually off Ballard Health premises, the team member has the right to consult with Ballard Health legal counsel before responding. If the team member chooses not to consult with Ballard Health legal counsel before responding, the team member is obligated to notify Ballard Health legal counsel immediately after responding.

While team members are to comply with such requests, Ballard Health is entitled to safeguards provided by law against disclosure of certain information.

Examples of information that might not be subject to disclosure include, but are not limited to, patient information protected by

medical record privacy laws; team member records; quality assurance data compiled by Ballad Health; and information collected as part of the peer review process to review and evaluate the credentials of healthcare providers furnishing services within Ballad Health.

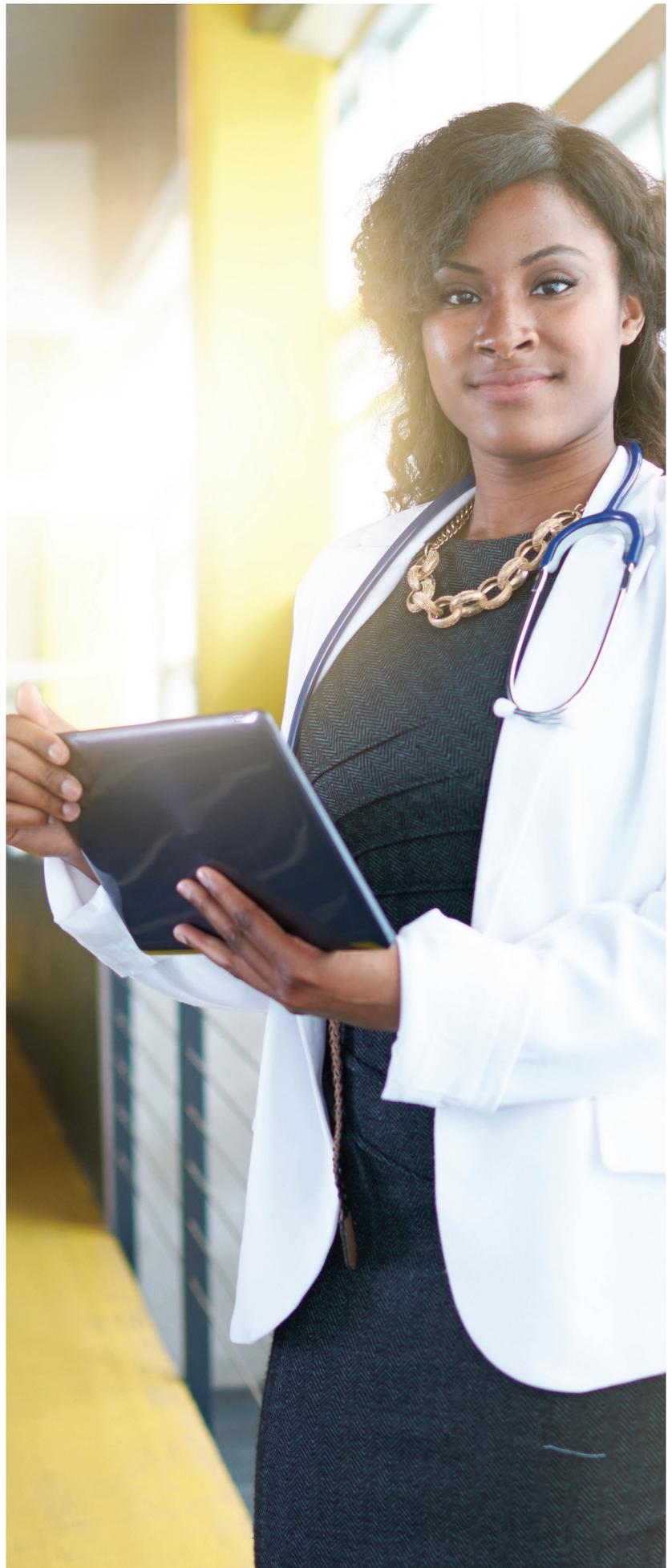
Any team member receiving a subpoena, court order or other legal directive directed to Ballad Health must notify the Ballad Health legal department immediately and cannot respond to such requests without direction from the Ballad Health legal department.

Standard 10.4 Hiring of former government employees

Specific rules exist to eliminate the appearance of a conflict of interest by government employees who, upon termination of their government service, seek employment with those who do business with the government. Clearance from the Ballad Health legal department and / or Corporate Compliance must be obtained prior to discussing employment or retention of a government employee.

Standard 10.5 Gifts, meals or gratuities to government personnel

Payment for government employees is regulated by strict rules that prohibit any type of gratuity, with few exceptions. Laws regarding this issue are easily violated if anything of value is given to a government employee, even if there is no intent to influence a decision or official action. Team members should consult with management before offering gifts, meals or gratuities to government personnel.





XI. How to report problems or concerns

Stakeholders may report concerns to any of the following listed below. Refer to the telephone directory for contact details or contact the operator at the specific facility. If an issue appears to not be receiving appropriate attention or the individual feels the answer is not acceptable, concerns should be raised to the next level leader or to any of the other areas noted below:

- Immediate supervisor, manager, department leader or executive leader**
- Facility or system compliance officer**
- Corporate compliance**
- COPA compliance office**
- HIPAA privacy or security officer**
- Human resources**
- Legal services**
- Ethics consultant / house supervisor**
- Billing / Reimbursement patient accounts**
- Environmental / Infection prevention**

In addition, the following online services are available:

- Patient / Guest feedback system**
- Direct line / Contact us**
- Patient safety / Patient-employee occurrence reporting system**

A concern may also be reported anonymously by calling the AlertLine. Calls are answered confidentially from an external agency 24 hours a day, seven days a week. There is no caller ID function; a caller may remain anonymous and will be given a call back code to request a status of the concern.

AlertLine: 800.535.9057

Stakeholders may also report quality of care or patient safety issues directly to:

- The Joint Commission.....www.jointcommission.org
- Healthcare Facilities Accreditation Program.....www.hfap.org
- State of Tennessee Division of Health Care Facilities..... www.tn.gov
- State of Virginia Department of Health..... www.vdh.virginia.gov

For more information, call 423.302.3345
or visit balladhealth.org

Ballad Health
Corporate Compliance

303 Med Tech Parkway
Johnson City, TN 37604
tel 423.302.3345

