

Definitions

When used herein, the following words have the following meaning:

1. Norton Community Hospital or “NCH”- refers to the legal entity known as Norton Community Hospital which includes all of its subsidiaries and related organizations;
2. Employee(s) or Team Member(s)- Any person employed by Norton Community Hospital, or contracted by Norton Community Hospital through a staffing agency to work in a facility or site owned by NCH;
3. Physician(s)/Allied Health Personnel- Any person who holds a position on the professional staff of any NCH facility as a result of having been granted an appointment to such staff by the Hospital Board of Directors pursuant to the NCH bylaws;
4. Vendor(s)- Any person or entity who does business with NCH by providing supplies, goods or services to NCH;
5. Stakeholder(s)- A collective reference that includes all Team Members, Physicians/Allied Health Personnel and Vendors.

An asterisk (*) beside a heading means that section also applies to Physicians/Allied Health Personnel and/or Vendors. The absence of an asterisk means that section only applies to Team Members.

Norton Community Hospital has adopted the MSHA Mission, Vision, and Values:

MSHA Mission:

Mountain States Health Alliance is committed to Bringing Loving Care to Health Care. We exist to identify and respond to the healthcare needs of individuals and communities in our region and to assist them in attaining their highest possible level of health.

MSHA Vision:

We passionately pursue healing of the mind, body and spirit as we create a world-class healthcare system.

MSHA Core Values:

Integrity ... Honesty in Everything We Do
Service ... With Caring and Compassion
Leadership ... With Creativity and Innovation
Excellence ... Always Pursuing a Higher Standard

Message to All Stakeholders:

Norton Community Hospital (NCH) is committed to providing high-quality health care to our patients and their families through excellent customer service, sensitivity to customer needs, and professionalism. NCH is equally committed to conducting business with the highest integrity and in compliance with all federal, state

and local laws and regulations applicable to our operations. To reflect our commitments and help us achieve them, NCH has adopted this *Code of Ethics and Business Conduct*, which is an integral part of our Corporate Compliance Program.

You are NCH's most important asset. The way in which you perform your job affects not only your own success but the performance and success of your fellow stakeholders and ultimately the success of our organization. Therefore, it is essential that each of us understands and upholds certain principles and values that reflect our commitment to conducting business honestly, prudently, and in full compliance with our significant regulatory, as well as other legal responsibilities. This booklet is intended to convey to you the standard of ethical and legal behavior that is expected of all NCH stakeholders and to assist you in doing what is right, appropriate, and proper in the conduct of our business.

It is not possible, however, to include in this *Code* specific direction for all business activities. In many instances, NCH's policies and procedures will provide detailed guidance to you regarding how to conduct the organization's business ethically and legally. If you find yourself in a situation that neither this *Code* nor NCH's policies and procedures address, you should consult with your supervisor, your manager, Facility Compliance Officer, or MSHA's Corporate Audit and Compliance Services to ensure that decisions made and actions taken reflect NCH's values and commitment to legal compliance.

All stakeholders are expected to abide by the standards in the *Code of Ethics and Business Conduct* and to comply with all organizational policies and procedures. No one, regardless of his/her position, will be allowed to compromise adherence to our standards or policies.

NCH maintains an open-door policy and management is committed to listening to and addressing stakeholder concerns and questions. If you have any questions about the *Code* or NCH's policies, or if you have concerns about a situation you are facing, you may seek assistance by:

- talking with a supervisor, manager, department director, administrator, facility compliance officer or
- contacting Mountain States Health Alliance (MSHA) Corporate Audit and Compliance Services.

Simply put, NCH is committed to doing the right thing in all matters at all times. If you are ever in doubt as to what the right thing to do is in a given situation, seek advice.

Finally, NCH's ability to uphold its commitment to ethical behavior is dependent upon your commitment to us to report all instances of known or suspected noncompliant or illegal behavior. You should report immediately any behavior you detect or suspect on the part of a team member or agent of NCH, or any person with whom NCH deals, which you believe is or may be improper, inconsistent with the guidelines in this *Code* or in violation of applicable laws or regulations. You may do so in person, in writing, or by using our anonymous AlertLine provided by MSHA.

It is essential that all stakeholders abide by the standards outlined within this Code in order for NCH to fulfill its commitment to compliance. We must ask that you please take your responsibilities seriously, and, at all times, conduct yourselves with the utmost honesty and integrity.



Mark Leonard, Chief Executive Officer
Norton Community Hospital

Norton Community Hospital will comply with all applicable federal, state and local laws, rules and regulations, as well as all standards and requirements imposed upon us by licensing and accrediting bodies and by the various health professions represented by our team members.

I. Medical Compliance and Ethics Standards

Standard 1.1 - Professional Standards

NCH prides itself in providing high quality patient care with the utmost degree of professionalism. Team members must display a high degree of professionalism and integrity while engaged in the organization's business. Additionally, licensed and certified team members are expected to abide by the ethical standards set forth by their professional organizations. Team members should respond honestly and in good faith, striving for excellence in performing job duties, observing all laws and regulations and using NCH's assets only for legitimate business purposes.

*Standard 1.2 - Quality Patient Care

Patient care at NCH occurs through organized and systematic processes designed to ensure the delivery of safe, effective and timely care and treatment. The delivery of quality patient care services requires specialized knowledge, judgment and skill derived from the principles of biological, physical, behavioral, psychosocial, medical and nursing sciences. Patient services must be planned, coordinated, provided, delegated and supervised by professional healthcare providers who assess and recognize the unique physical, emotional and spiritual needs of each person. Patient care encompasses not only the recognition of disease and health, but also patient education and patient advocacy. The medical staff, registered nurses and allied health care professionals must function collaboratively as a part of an interdisciplinary team to achieve positive patient outcomes.

Each NCH Stakeholder should strive to provide appropriate services and to achieve the best attainable outcome for patients at the lowest possible cost. NCH Stakeholders are expected to adhere to all applicable patient care guidelines, including requirements of accreditation bodies; federal, state and local laws and regulations; organizational policies; and all other standards related to patient care.

Standard 1.3 – Emergency Care

NCH is required by the Emergency Medical Treatment and Active Labor Act (EMTALA) to provide emergency medical treatment to all patients, regardless of their ability to pay. NCH is required by law to provide any presenting patient with a medical screening examination to determine whether an emergency exists and to provide stabilizing care within its capabilities for emergency medical conditions.

Patients will only be transferred to another facility if NCH does not have the necessary equipment or services available or the patient/family requests a transfer to another facility.

*Standard 1.4 - Patient Rights

Patients have a fundamental right to compassionate care that safeguards their personal dignity and respects their cultural and spiritual values. All NCH Stakeholders involved in the care of a patient shall respect and support

the patient's right to competent, considerate and courteous treatment or service within our capacity without discrimination as to age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression.

NCH is committed to the observance of a patient's rights, personal preferences, and individual values as much as reasonably possible. A patient's rights include the right to participate in decisions regarding the consent to or refusal of medical care. In order to render the most effective care, NCH Stakeholders must ensure that patients are well informed, participate in treatment decisions and are encouraged to openly communicate with caregivers.

NCH is committed to enabling patients to make informed decisions and choices regarding consent and treatments. Therefore, NCH Stakeholders are required to provide patients with accurate and timely information regarding their health, diagnoses, prognosis and other necessary information.

When patients are asked to participate in an investigational study or clinical trial, they will receive information upon which to base their decision. NCH, through its staff, will protect and respect patients and their rights during research, investigation and clinical trials involving human subjects by:

- Giving them information to make fully informed decisions;
- Describing expected benefits;
- Describing potential discomforts and risks;
- Describing alternatives that might also help them;
- Explaining procedures to be followed; and
- Explaining that they may refuse to participate, and that their refusal will not compromise their access to NCH's services.

If a patient's decision regarding medical treatment conflicts with NCH policies, the situation should be evaluated in accordance with NCH's policies and procedures and applicable federal and state laws.

*Standard 1.5 - Patient Confidentiality

It is the right of every patient and the responsible duty of all NCH Stakeholders to maintain confidentiality of patient information. Patient case discussions, consultations, examinations and treatments are private and should be conducted discreetly.

Patients have the right to review information contained in their medical record at any time while under care at any NCH facility. Only patients or, in some cases, their properly designated decision makers, may review this information and should be accompanied by a healthcare professional to ensure accurate interpretation of the information.

In order to maintain patient confidentiality, Stakeholders should release patient information and medical record contents only in accordance with NCH policies and procedures and federal/state rules and regulations.

Standard 1.6 – Admission, Transfer and Discharge Practices

Admission, transfer and discharge policies are based on medical necessity, not current hospital fiscal conditions. We do not admit, transfer or discharge patients simply on their ability to pay. Patients whose specific condition or disease cannot be safely treated are diverted or transferred to an accepting organization only under such circumstances and in accordance with NCH policies.

Admission, transfer and discharge are conducted in an ethical manner and in accordance with applicable local, state and federal laws, rules and regulations and NCH policies.

II. Business Compliance and Ethics Standards

Standard 2.1 – Conflict of Interest

A conflict of interest arises if a team member's exercise of judgment or discretion in the course of his or her job responsibilities is or may be influenced by personal considerations, or if the interests of NCH are compromised or jeopardized by those considerations.

NCH team members have a responsibility to put the interests of NCH ahead of any other employment, business, financial, investment or personal interests that they, as individuals, or their family members may have. Therefore, team members must refrain from engaging in any employment, business, financial, investment or personal activity or practice that conflicts with the interest of this organization or the provision of high-quality health care to its patients or that might negatively impact NCH's reputation.

NCH team members should disclose any employment, consulting or other business relationships that they may have with any of NCH's competitors, customers or suppliers by completing a Conflict of Interest Disclosure Statement and submitting it to Corporate Audit and Compliance Services. Finally, NCH team members may not use their positions at NCH to profit personally or to assist others in profiting in any way at NCH's expense.

The existence of a conflict of interest is not always obvious. Following are specific examples of conflict of interest. This list is not complete; other transactions or arrangements may also constitute conflicts. Team members therefore are encouraged to consult with their supervisors, managers or Corporate Audit and Compliance Services to discuss any concerns they may have.

A team member or immediate family member (parent, sibling, child or spouse) directly or indirectly holds a financial interest in an outside organization that does business with NCH or is a competitor of NCH, where the interest is sufficient to potentially affect decisions or actions of the team member;

A team member or immediate family member serves as a director, officer, consultant, agent, or in any other type of decision-making capacity of an organization that does business with NCH or is a competitor of NCH;

A team member or immediate family member uses confidential information obtained in the course of employment at NCH for personal gain or the benefit of others.

A team member uses NCH facilities, equipment or resources in any political campaign or related activity.

Team members are required to disclose immediately, to their department directors or Corporate Audit and Compliance Services, any situation that may constitute a conflict of interest. Board members, administrative staff, department directors and selected other individuals are required to complete a Conflict of Interest Disclosure Statement annually.

In summary, all NCH team members are expected to make every effort to avoid even the appearance of a conflict of interest.

*Standard 2.2 - Medical Records Coding and Billing of Third Parties

There are strict federal and state laws and regulations governing third party billing of our insured patients. NCH Stakeholders, as appropriate, are required to ensure that all patient records, documents, reports and bills are prepared and maintained accurately and completely. To achieve this, Stakeholders must, as applicable:

Ensure that accurate, complete, truthful and timely documentation is made in the patient medical record for all services performed;

Use appropriate procedure, diagnosis and billing codes that are supported by adequate documentation in the medical record;

Ensure that services were actually rendered and are appropriately documented before bills or claims are submitted for payment; and

Take necessary steps to verify the accuracy of the information and, if necessary, contact other team members or physicians to obtain additional information.

Affected Stakeholders must be familiar with all NCH policies, federal and state laws and regulations, third party requirements, etc. that govern documentation, coding and billing for services rendered. Further, Stakeholders are required to abide by these policies and regulations in carrying out their duties.

NCH will not knowingly submit claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate, incomplete or fictitious. NCH team members are obligated to notify appropriate supervisory staff or Corporate Audit and Compliance Services of any requests to deviate from accepted billing practices. NCH team members are further obligated to notify Corporate Audit and Compliance Services if they are aware of any billing practices that may deviate from this policy.

Standard 2.3 – Financial Reporting and Record Keeping

All NCH records (financial, clinical and team member) must be accurate, timely, reliable and properly stored. All financial information must reflect actual transactions and conform to generally accepted accounting principles. NCH maintains a system of internal controls to provide reasonable assurances that all transactions are authorized by management and are recorded properly. NCH's financial records are audited annually by an external certified public accounting firm.

NCH is required by law to maintain certain types of medical and business records for specified time periods. NCH team members must familiarize themselves with the specific policies and procedures applicable to the
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documents they work with and to fully comply with the applicable record retention and destruction policies and schedules.

The following standards govern all record keeping:

NCH does not misrepresent facts or falsify records;

NCH maintains those documents required by law and necessary to do business;

NCH preserves the confidentiality of patients' records;

NCH keeps records in accordance with legal requirements;

NCH destroys records only in accordance with the records retention policy; and

As required by regulatory agencies, NCH makes records available for periodic inspection by authorized persons.

Standard 2.4 - Kickbacks and Referrals

Many federal and state laws specifically prohibit soliciting or receiving, or offering or paying, anything of value to induce the referral of patients or business insured or covered by certain government programs; or in return for receiving services, supplies, patients or other business related to such government programs.

Therefore, NCH team members should NOT accept or offer to provide anything of value in exchange for the direct or indirect referral of patients or business or in return for receiving services, supplies, patients or other business. There are limited exceptions to this NCH prohibition discussed in detail in Standard 5.3 - Acceptance of Gifts and Gratuities and Standard 5.4 - Business Inducements. Any uncertainty regarding whether an item or business inducement may be offered or accepted should be resolved based on the advice of Corporate Audit and Compliance Services and/or legal counsel, prior to the offer or acceptance.

Examples of disallowed kickback and referral activities include, but are not limited to, the following:

Making payments to referral sources (such as physicians or other hospitals) that exceed the fair market value of the services we are receiving OR accepting payments that exceed the fair market value of the services we provide when NCH is the referral source;

Giving free or unreasonably discounted goods or services to referral sources OR accepting free or unreasonably discounted goods or services when NCH is the referral source (including free or discounted radiology, laboratory, ambulance, pharmacy and therapy services or supplies); and

Payment arrangements with vendors, suppliers or others who are in a position to make referrals to NCH where the payments by NCH are based on the amount or volume of business referred by the other party, rather than the actual value of the goods or services provided.

Standard 2.5 – Antitrust and Competition

All team members must comply with applicable antitrust and similar laws that regulate competition. These laws are designed to foster free and open competition in the marketplace and generally forbid any kind of understanding or agreement between competitors to fix or control fees for services, terms, conditions of treatment, patients, divide markets, boycotts, or to engage in any other conduct that restrains competition.

NCH team members will not participate in any discussion, understanding, agreement, plan or scheme with any competitor or potential competitor that restricts competition. For NCH, a “competitor” may be another hospital or, depending on the circumstances, any other healthcare provider. You should not have any discussions or other communications with competitors about the division of either patients, geographic areas or services; the circumstances under which business will be conducted with suppliers, insurance companies, patients or customers (including boycotts); or specific marketing efforts. Further, you should avoid discussions with competitors regarding the future business plans of NCH. Finally, you should not have any discussions with competitors regarding prices, reimbursement or salary levels.

NCH will compete fairly in the market.

*Standard 2.6 – Information Owned by Others

Like NCH, other organizations and individuals have intellectual property that they strive to protect, but are sometimes willing to disclose for a particular business purpose. If you are on the receiving end of another party’s confidential information, you must proceed with caution to prevent any accusations that you or NCH misappropriated or misused such information. Once another party’s confidential or restricted information is properly in your hands, you must not use, copy, distribute or disclose that information, unless done so in accordance with the terms of the agreement.

NCH Stakeholders should not duplicate copyrighted materials in any form without written permission of the license holder for use on NCH premises or elsewhere.

Special care should be taken in acquiring software from others. As intellectual property, software is protected by copyright laws and may also be protected by patent, trade secret laws or as confidential information. Such software includes computer programs, databases and related documentation owned by the party with whom you are dealing or by another party. The terms and conditions of software license agreements - such as provisions not to copy or distribute programs must be strictly followed. Also, if you acquire software for your personally owned computer equipment, you should refrain from copying any part of such software in any work you do for NCH or from placing such software on any NCH-owned computer system.

Standard 2.7 - Lobbying/Political Activity

As a tax-exempt, not-for-profit corporation, laws prohibit NCH from donating – either directly or indirectly – 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.

Therefore, team members must follow these general rules:

NCH team members may NOT contribute any of NCH’s money or property, or the services of any team member, to any political candidate, party, organization, committee or individual, which would violate any applicable law.

NCH team members MAY personally participate in and contribute to political organizations or campaigns as
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private individuals – not as representatives of NCH – using their own personal time and funds. Team members will at all times let it be known that the views expressed are theirs as individuals and not those of NCH.

Where its experience may be helpful, NCH may publicly offer recommendations concerning legislation or regulations being considered. Additionally, NCH may analyze and take public positions on issues that have a relationship to the operations of the organization. These recommendations and positions may be made only by individuals officially appointed by Administration.

Standard 2.8 – Tax laws

As a not-for-profit organization, NCH has a legal and ethical obligation to comply with applicable tax laws, to engage in activities to further its charitable purpose, and to ensure that its resources are used to further the public good. In order to maintain this tax exemption, which is critical to the organization’s survival, NCH must avoid what the tax laws refer to as “private inurement” and “private benefit.” This means that all non-exempt individuals or entities must pay fair market value for the use of NCH’s services, supplies, equipment, properties or other assets. Personal items should not be purchased through NCH, even if the purchaser reimburses the organization. Additionally, we must file all tax returns and information according to applicable laws.

Standard 2.9 - Standards of Conduct for Vendors and Independent Consultants

NCH will enter into business relationships only with those vendors and independent consultants 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 regarding the standards adhered to by a vendor or independent consultant, prior to entering into a business relationship with such entity, the team member is obligated to provide a copy of this Code to the third party. The team member must also inform the vendor or independent consultant that NCH expects all vendors and contractors to abide by comparable standards, to the extent applicable and relevant to their operations.

Standard 2.10 – Marketing and Public Relations Practices

Our aim is to conduct ourselves professionally with truth, accuracy, fairness and accountability to the public which we serve, holding to the fundamental values and dignity of the individual, and the freedom of speech, assembly and the press.

NCH’s marketing materials reflect only those services available, the level of licensure and accreditation, and comply with applicable laws and regulations of truth in advertising and non-discrimination.

III. Employment Compliance and Ethics Standards

Standard 3.1 - Fair and Equitable Treatment of Team Members

NCH is an equal opportunity employer and we ensure that team members are afforded non-discriminatory terms, conditions and privileges of employment in accordance with law, regardless of race, color, sex, religion, age, disability, national origin, veteran's status, or any other factor protected by applicable law.

Consistent with NCH's respect for the rights and dignity of each team member, harassment based on race, color, sex, religion, age, disability, national origin, veteran's status, or any other factor protected by law will not be sanctioned or tolerated. NCH expects that all team members will demonstrate proper respect and consideration for each other, regardless of their position.

It is NCH's policy to comply fully with all applicable wage and hour laws and other statutes regulating the employer-employee relationship in the workplace environment.

NCH supervisors and managers are available to discuss and resolve any concerns team members may have as to any aspect of their employment. Human Resources representatives may also be contacted to assist in resolving any employment issues that arise.

Standard 3.2 - Health and Safety Precautions

NCH is committed to complying with applicable federal, state and local health and safety laws and standards. NCH team members are expected to know about and follow all safety-related standards and regulations that apply to their positions. Additionally, team members should be aware of and effectively perform their duties during disasters and code situations. For specific policies/procedures, team members should refer to the Administrative Policies and individual department policy manuals.

NCH requires team members to report to their supervisor, Safety Officer or a member of the Safety Committee any existing or potentially dangerous condition that is a threat to the health and well-being of individuals or that is a violation of policy. NCH is committed to maintaining a safe workplace for our team members, patients and customers.

*Standard 3.3 – Use of Illegal Drugs or Alcohol

NCH maintains a safe working environment without the presence of illegal drugs or alcohol. Unlawful use of controlled substances is inconsistent with the behavior expected of NCH Stakeholders, subjects them and our patients and visitors to unacceptable safety risks, and undermines our ability to operate effectively and efficiently. Therefore, NCH Stakeholders are prohibited from the use, sale, possession, manufacture or purchase of illegal drugs or alcohol while at work or while on NCH premises. Additionally, Stakeholders are not allowed to at a NCH facility or location while under the influence of illegal drugs, legal drugs improperly used or alcohol unless there seeking emergency medical treatment.

*Standard 3.4 – Pharmaceuticals, Prescription Drugs, Controlled Substances

Many of NCH's Stakeholders have responsibility for or access to prescription drugs, controlled substances,

hypodermic needles, drug samples and other regulated pharmaceuticals in the course of their duties while on NCH premises. NCH is legally responsible for the proper distribution and handling of these pharmaceutical products. Federal, state and local laws covering prescription drugs and controlled substances are intended to maintain the integrity of our national drug distribution system and protect consumers by assuring that prescription drugs are safe and properly labeled.

These laws include prohibitions against diversion of any prescription drug or controlled substance, including a drug sample, in any amount for any reason to an unauthorized individual or entity. The distribution of adulterated, misbranded, mislabeled, expired or diverted pharmaceuticals is a violation of federal and state law for which severe criminal penalties may be imposed on individual violators, as well as on their employer.

It is NCH's policy that all Stakeholders be both diligent and vigilant in carrying out their obligations to handle and dispense prescription drugs and controlled substances in accordance with all applicable laws, regulations and internal policies.

IV. Environmental Compliance and Ethics Standards

***Standard 4.1 - Environmental Standards**

NCH is committed to observing and complying with all federal, state and local health, safety and environmental laws. Stakeholders are required to ensure that:

- Medical waste, environmentally sensitive materials and hazardous materials are properly disposed of;
- Infectious materials and medical equipment are properly handled and stored;
- Personal protective equipment is used appropriately; and
- Spills or accidents involving infectious or hazardous materials are promptly reported and handled.

Additionally, NCH respects the environment and strives to conserve natural resources in managing and operating its business. NCH team members are charged with using resources appropriately and efficiently, recycling where possible, reporting instances of noncompliance with this Standard to their supervisor, the Safety Officer, or a member of the Safety Committee, and working cooperatively with appropriate authorities to remedy any environmental contamination for which NCH may be responsible.

For detailed guidance in this regard, team members should refer to their facility policy and procedure manuals.

V. Basic Workplace Compliance and Ethics Standards

Standard 5.1 - Confidentiality and Proprietary Information

Throughout the course of employment, NCH team members will have access to and become knowledgeable about information that is confidential, private or proprietary and which is very valuable to the organization. NCH team members are expected to maintain the confidentiality of such information during and subsequent to their employment with NCH.

Examples of confidential proprietary information include, but are not limited to, the following:

- Medical information pertaining to patients and beneficiaries;
- Payment and reimbursement information;
- Team member records;
- Company financial records;
- Computer programming and processing information;
- Customer lists;
- Business plans or business strategies;
- Product and pricing strategies; and
- Negotiations with team members or organizations.

Team members possessing proprietary information must handle the information in a manner so as to protect against improper access or use. Any confidential or proprietary information may not be used directly or indirectly for personal gain, nor can it be disclosed to anyone or posted in a publicly accessible source without due authorization. Team members must return all confidential and proprietary information in their possession to NCH upon termination of their employment with the organization.

Standard 5.2 - Travel and Entertainment

Travel and entertainment expenses should be consistent with the team member's job responsibilities and NCH's needs and resources. Team members should not have a financial gain or loss as a result of business travel and entertainment. Team members are expected to exercise reasonable judgment in using NCH's financial resources and to spend them as carefully as they would their own.

Team members are expected to comply with NCH's Business Travel and Entertainment policies and any departmental travel and entertainment requirements.

Standard 5.3 - Acceptance of Gifts and Business Gratuities

When gifts or items of value are offered from a vendor, patient or anyone outside NCH, there may be a concern that the donor's motivation is improper, such as expecting to receive some special treatment in exchange for the gift. Therefore, team members should not accept gifts, entertainment or other favors from any supplier, potential supplier, patient or competitor of NCH if it may be inferred that the gift is intended to influence, or possibly will influence, the team member in performing his/her duties at NCH. Under certain circumstances, acceptance of non-monetary items is allowed and these exceptions are outlined in detail in the Gifts and Business Gratuities Policy.

Standard 5.4 - Business Inducements

NCH team members may not offer, give, solicit or receive any form of bribe or other improper payment from a

vendor or anyone outside of NCH as an inducement for business or special treatment. While commissions, rebates, discounts and allowances are acceptable under certain circumstances, the rules governing those circumstances are complex. No such arrangement should be entered into without explicit approval of NCH's Director of Materials Management and/or legal counsel.

Standard 5.5 - Proper Use of Corporate Assets

NCH assets made available to team members are to be used only for authorized business purposes and should not be used for non-business or personal purposes. NCH team members are personally responsible and accountable for the proper use of company property and the proper expenditure of company funds. Team members are expected to protect NCH's assets, property, facilities, equipment and supplies against loss, theft, damage and misuse by ensuring that appropriate internal controls exist and are adhered to.

Improper use of assets, including the outright theft or embezzlement of money or other property belonging to NCH or its customers, for anything other than an authorized purpose is a serious violation and will lead to appropriate disciplinary action.

VI. Communicating Legal and Ethical Issues

*Standard 6.1 – Responsibility to Report Problems or Concerns

The Standards in NCH's Code of Ethics and Business Conduct are designed to promote honesty and fairness in all of our dealings and to ensure compliance with all regulatory requirements. It is every Stakeholder's responsibility to ensure that all associations with patients, co-workers, community members and businesses are honest and law abiding. All Stakeholders are required to be familiar with and adhere to these Standards, all company policies and procedures that are applicable to them and their work, and all laws and regulations applicable to the operations of our business. This imposes on each and every Stakeholder an affirmative obligation to know the Company's policies and procedures applicable to them, and laws and regulations that relate to their responsibilities.

NCH's reputation depends upon each Stakeholder doing his/her part to report any questionable behavior, unethical conduct or suspected violation of policies or laws. Every Stakeholder is responsible for making the appropriate persons within the organization aware of potential problems, so that the problems may be remedied and violators can be disciplined. It is not acceptable to overlook an actual or potential wrongdoing.

*Standard 6.2 – No Retaliation for Reporting Problems or Concerns

NCH encourages Stakeholders to discuss legal and ethical issues that arise while performing their jobs and requires team members to report any concerns to appropriate persons within the organization for investigation or follow-up. In order to protect those Stakeholders coming forth in good faith to relate these issues, NCH has implemented a non-retaliation and non-retribution policy. NCH will not tolerate retaliation or retribution against any Stakeholder who, in good faith, reports a legal or ethical concern either internally or to external

parties, such as the federal government, state or accrediting bodies that govern our operations.

VII. Doing Business with the Government

***Standard 7.1 – Medicare and Medicaid Requirements**

NCH is a participant in the Medicare and Medicaid programs, both of which are governed by complicated laws and regulations which impose strict requirements that are significantly different from, and more extensive than, those encountered in non-government commercial contracts. For example, Medicare and Medicaid have very complex payment guidelines that identify not only the circumstances under which, but also how much, those programs will reimburse hospitals for goods and services rendered to patients covered under those programs. These guidelines are often different than directives received from other third-party payers. Violations of these laws and regulations can result in criminal sanctions being imposed, not only on the persons actively involved, but also on the organization on whose behalf those persons act. Moreover, NCH could be precluded from further participation in federally funded programs. It is essential, therefore, that there be strict compliance with all Medicare and Medicaid laws and regulations and all Stakeholders are expected to strive toward such compliance in conducting their respective duties while conducting business for, or with, NCH and its patients.

***Standard 7.2 Federal and State False Claims Act**

Both the Federal Government and the Virginia State government have enacted false claims acts to help prevent and detect fraud, waste and abuse in Federal and State healthcare programs. In summary, under each of these acts, a civil action may be brought against any person who “knowingly” submits or causes another to submit a false or fraudulent claim for payment by the respective government agency, which can result in significant fines and penalties (which could include \$5,000 - \$11,000 per claim plus treble damages under the Federal False Claims Act, and similar fines and penalties under the state act).

Under the Virginia Fraud Against Taxpayers Act (Code of Virginia Title 8.01 Chapter 3 Section 216.1), and the Federal False Claims Act (United States Code Title 31 Section 3729), a person may act as a relator and bring a civil action (commonly referred to as a qui tam lawsuit) under each act for both the person and for the state (under the Virginia Act) and/or the United States Government (under the Federal Act).

Generally, if the civil lawsuit is successful, the relator (commonly referred to as the whistleblower) will be entitled to 15 percent to 30 percent of the government’s recovery as well as reasonable attorneys’ fees and costs.

Under each of the false claims acts there are specific protections for whistleblowers to protect them from being discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against as a result of lawful actions taken under the act. An employee may bring an action in the appropriate court for such relief/protections that are provided under the acts.

NCH will not retaliate against any stakeholder for reporting in good faith compliance and ethical concerns.
(Standard 6.2)

Additional information about the false claims acts can be found by referencing the citations above.

Standard 7.3 – Responding to Government Inquiries

NCH's policy is to comply with every reasonable and lawful request by federal, state and local government officials for information and documents relating to the organization's operations. Government requests might include information related to patient care, billing and financial practices or various operational issues. Where possible, NCH team members should seek to obtain government requests/inquiries in writing; if this is not possible or appropriate, NCH team members should independently document the specific request(s) for information. NCH team members are expected to provide only truthful and accurate information in a timely manner in response to a government request for information/inquiry. NCH will not tolerate false statements made by team members to government agencies and will take appropriate action against team members violating this policy.

While team members are expected to comply with such requests, NCH is entitled to the safeguards provided by law against disclosure of certain information to the government. Examples of information that might not be subject to disclosure include, but are not limited to,

Certain patient information that might be protected by medical record privacy laws;

Certain quality assurance information compiled by NCH to comply with federal and state requirements; and

Certain information collected as part of NCH's peer review process to review and evaluate the credentials of healthcare providers furnishing services within our organization.

Team members should consult with their supervisors if there is any question concerning whether information or documents requested by a government official are subject to disclosure. Team members should maintain copies of, or a list identifying, all information disclosed to the government in response to an audit.

Any team member receiving a subpoena from the government must notify Corporate Audit and Compliance Services and/or Legal Services immediately. Team members are not permitted to respond to subpoenas for NCH information without the express permission and direction of legal counsel. This measure is required to ensure that NCH retains backup copies of the information submitted to the government so that NCH's delivery of healthcare services and business operations are not compromised as a result of responding to a government subpoena.

Any NCH team member who is requested to provide information regarding NCH operations or confidential information to a government official or investigator, regardless of where the request for information is made (i.e., on NCH premises or at the team member's home), should report the existence of the communication to their departmental director and to MSHA Corporate Audit and Compliance Services. All team members have the right to not respond to such inquiries before consulting with legal counsel.

Standard 7.4 – Hiring of Former Government Employees

Very specific rules exist to eliminate even the appearance of a conflict of interest by former government employees who, upon termination of their government service, seek employment with those who do business with the government. You should obtain clearance from Legal Services prior to discussing the employment or possible retention of any current or former government employee.

Standard 7.5 – Offering Gifts, Meals or Gratuities to Government Personnel

You may not provide or pay for meals, refreshments, travel or lodging expenses for government employees. Very strict guidelines prohibit any type of gratuity, with very few exceptions, and your strict compliance is required. Unlike in other circumstances, the laws regarding this issue could be violated if anything of value is given to a government employee, even if there is no intent to influence an official action or decision.

VIII. Compliance Education

NCH is committed to providing education and training to all team members regarding NCH's standards in this Code of Ethics and Business Conduct. NCH requires that all Stakeholders read this Code thoroughly and attest to having read and understood it and that they will comply with the applicable standards contained in this Code. Team members also are expected to attend compliance program training when requested to do so by their supervisors or managers. All new NCH team members will receive training as part of their orientation. Satisfactory completion of all required training and adherence to NCH's standards and policies will be a factor in each team member's annual evaluation. Failure to comply with these requirements may result in disciplinary action.

IX. Sanctions for Code Violations

*All NCH Stakeholders are expected to abide by the applicable Standards in this Code of Ethics and Business Conduct, all NCH policies and procedures, and all laws and regulations that affect the operations of our business. NCH maintains a policy of zero tolerance for violations of our Standards, policies and regulatory requirements.

Disciplinary actions will be taken for:

Authorization of or participation in actions that violate the Code;

Failure to report a violation of the Code or to cooperate in an investigation;

Failure by a violator's supervisor(s) or manager(s) to detect and report a violation of the Code, if such failure reflects inadequate supervision or lack of oversight;

Retaliation against an individual for reporting a violation or possible violation of the Code.

Disciplinary action may result in verbal or written warnings, corrective action programs, employment termination, institution of peer review, or termination of contractual relationship, all as applicable. Disciplinary action will be determined on a case-by-case basis in accordance with NCH administrative policies and procedures.

X. How to Report Problems or Concerns:

- 1) Talk to your supervisor about your concerns. Your supervisor is in a good position to listen to you and understand the concerns you have. Give your supervisor an opportunity to resolve the issue. Your supervisor is responsible for using resources throughout the organization to assist in upholding the Standards of the Code of Ethics and Business Conduct, the organization's policies and procedures, and all regulatory requirements.
- 2) If you have raised an issue and you do not think it is receiving appropriate attention, or if your supervisor does not provide an acceptable answer, you should relate your concerns to the next management level and/or to your Department Director.
- 3) If your supervisor, next level manager, or Department Director is unable to resolve the issue satisfactorily, you should contact your Facility Compliance Officer, a Human Resources representative, MSHA Corporate Audit and Compliance Services, MSHA Legal Counsel, or the Ethics Committee Consultant.

There are many resources available throughout NCH to answer questions and guide you on various matters. The following contacts within the organization are available for questions you may have in the identified areas:

Coding

Coding Questions Request Line 423-431-6070

Billing and Third Party Reimbursement

Patient Accounts 423-431-1700

Employment Issues

Human Resources 276-439-1014

Environmental Concerns

Infection Control 276-439-1220

Patient Care Ethical Issues

Ethics Consultant 276-439-1320

Potential Conflicts of Interest

Corporate Compliance Officer 423-302-3394

Contracts, Kickbacks and/or Other Legal Issues

Corporate Legal Counsel 423-302-3411

If you do not feel comfortable discussing your issue(s) with your supervisor or manager, or otherwise wish to report a concern anonymously, you may call the Compliance AlertLine provided by MSHA. The Compliance AlertLine is designed to permit any team member to call and report a compliance-related concern or to obtain clarification on compliance issues. Calls to the AlertLine are answered confidentially by trained operators from an outside agency 24 hours a day, seven days a week. There is no caller ID function on the AlertLine, and callers are not required to identify themselves. If you desire to remain anonymous, you will be given a follow up code to use if you wish to call back and check the status of NCH's response to the problems or concerns you report.

MSHA Compliance AlertLine: 1-800-535-9057