



SISTERS *of* CHARITY  
HEALTH SYSTEM

# **Code of Conduct And Ethical Behavior**

**Mercy Medical Center  
Providence Hospital  
Providence Hospital Northeast  
St. Vincent Charity Medical Center**

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## ***Introduction***

As faith-based health care providers, we are committed to quality, compassionate care in a manner consistent with the healing tradition of the Catholic Church, the Mission of the Sisters of Charity of St. Augustine Health System and the Ethical and Religious Directives for Catholic HealthCare Services. We endeavor to act with integrity and honesty in all our relationships with patients, families, medical and professional staff, and business associates.

Our Code of Conduct and Ethical Behavior serves as a guideline for ethical and compliant behavior based on the mission and values of:

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

We must demonstrate our commitment to these values in a consistent manner both in spirit and in actions.

Our Mission and Values Statements and our Code of Conduct and Ethical Behavior are resources that guide us in appropriate and expected conduct and ethical behavior in every aspect of the workplace. As we strive to meet all applicable rules, compliance standards, and regulatory requirements, our prime motivation is to carry on the healing ministry of Jesus. Our faith-based missions and values set the context and culture for each facility.

No Code of Conduct and Ethical Behavior can substitute for each person's internal sense of fairness, honesty and integrity. Thus, in your daily life and work, if you encounter a situation or are considering a course of action which may technically comply within the guidelines of the Code of Conduct and Ethical Behavior, but you are worried that the contemplated action simply "does not look right," feel free to utilize any of the resources provided in the Compliance Program Section of this Code of Conduct and Ethical Behavior beginning on page 23.

The Sisters of Charity Health System is the sole sponsor of St. Vincent Charity Medical Center in Cleveland, Ohio; Mercy Medical Center in Canton, Ohio; Providence Hospitals, which include Providence Hospital/Providence Heart Institute and Providence Hospital Northeast in Columbia, South Carolina.

Each of these hospitals is committed to maintaining Catholic health care, providing compassionate healing, respecting the dignity of each individual and responding to the healthcare needs of the poor and underserved. Every hospital is responsible for implementing specific faith obligations.

This Code of Conduct and Ethical Behavior Code is a specific way of articulating the beliefs and values embodied in our faith-based culture. It is a way to provide guidelines that continue to shape and nurture the faith-based culture so our core values permeate all aspects of the organization. In addition, the Code provides benchmarks for periodically evaluating the state of the organization's faith-based culture.

The Board of Directors of each hospital has approved the Code of Conduct and Ethical Behavior for the organization and its facilities. All updates to the Code will be approved by the Boards and communicated to all.

# PURPOSE OF OUR CODE OF CONDUCT AND ETHICAL BEHAVIOR

The hospitals exist within the context of a Catholic health care system and are grounded in and guided by fundamental beliefs and core values of the Catholic tradition. In addition, Catholic health care is a continuation of the healing ministry of Jesus and therefore focuses on the biblical values of respect and dignity for the individual, responsible use of resources, care for the poor and vulnerable, concern for the community, promotion of the common good, and actions on behalf of justice.

In Catholic health care, ethics covers the entire culture of the organization and its behavior, both internally and externally. Within our hospitals, the Code and the culture of each must be shaped by and reflect the teachings of the Catholic Church, the mission and values of the Sisters of Charity of St. Augustine, and the Ethical and Religious Directives for Catholic Health Care Services. All policies and procedures should reflect this. Each hospital as a whole and the behavior of each entity within the hospitals including all its members from the Boards, Presidents, and CEOs to the professional and support staffs and volunteers, must reflect the core beliefs and values of the faith tradition that designate the entities as continuing the healing ministry of Jesus.

In addition, the Code provides guidance to all and assists us in carrying out daily activities within appropriate ethical and legal standards. These obligations apply to relationships with patients, affiliated physicians, employees, volunteers, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Compliance Program. The Code has been developed to ensure that ethical standards are being followed and comply with applicable laws and regulations.

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

## ***Leadership Responsibilities***

While all are obligated to follow the Code, we expect our leaders to set the example, to be in every respect role models. In supporting and maintaining a spirit and culture that includes faith-based values, they must make certain those on their team have sufficient information to ensure the faith-based tradition of the entities, promote and support the Mission of the entities, comply with civil law, regulation and policy; as well as the resources to resolve ethical dilemmas, including implementation of the Ethical and Religious Directives for Catholic Health Care Services. Our leaders are charged with continuing the healing ministry of Jesus, while at the same time, creating a culture within our hospitals that promote the highest standards of ethical compliance. This culture must encourage everyone in the organization to strive for excellence and to be honest in raising concerns where they arise. We must never sacrifice ethical and legally compliant behavior and integrity in the pursuit of business goals because our activities are based on the Mission to continue the healing ministry of Jesus.

## ***Responsible Stewardship***

Good stewardship calls for the prudent management and use of health care resources.

We know that by being good stewards, we can accomplish more good with the resources we have. Stewardship of health care resources used to sustain life calls for the prudent use of technology. Respect for life and dignity of the human person does not translate directly into efforts to sustain life indefinitely without considering the burden to the patient or the futility of the treatment. Nor does commitment to the delivery of quality health care necessarily call for the use of the latest or most expensive technology. If we are to contribute to just stewardship, which, in turn, contributes to responsible health care utilization, economic discipline and credible expenditure controls are needed. This will assure that future generations will have the resources to address not only their own health care needs but their other legitimate needs as well.

### ***Our Fundamental Commitment***

Aware of our responsibility to work toward the common good of all, we continually look at renewing our social institutions and structures in such a way that they are sustainable into the future. Therefore, because our values call us to act justly, we affirm the following commitments:

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

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

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

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

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

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

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

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



# **RELATIONSHIPS WITH OUR HEALTHCARE PARTNERS**

## **Patients**

It is within all our hospitals, in patient care departments, service departments, and outreach facilities that our ministry comes alive in the care and service rendered directly by one person to another. Therefore, we believe the principle responsibility of each facility is to create and maintain an environment that fosters and supports the daily person-to-person interaction that is the essence of our ministry.

## **Patient Care and Rights**

Our mission is to provide quality health care to all of our patients. Since we believe all persons are created in the image and likeness of God, we treat all patients with respect and dignity, and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of patients or in the care we provide based on race, color, religion, national origin, sexual orientation, or ability to pay. Clinical care is based on identified patient health care needs.

Each patient, or when appropriate the patient's representative, is provided with a written statement of patient rights in advance of providing or discontinuing patient care. This statement includes the rights of the patient to make decisions regarding medical care and conforms to all applicable state and Federal laws.

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

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

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

Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. All employees receive education regarding patient rights and in understanding their role in supporting them.

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

## **Pastoral Care**

A Pastoral Care Department is available at each hospital. A commitment to caring for the whole person is a fundamental tradition of Catholic health care. Therefore, the recognition of the spiritual care for persons is an important consideration in the delivery of inpatient, outpatient and follow-up services. The Pastoral Care Department is a formal and identifiable means to demonstrate the faith-based character of the hospitals and to provide support for the spiritual and emotional needs of patients and their families, and employees.

## **Emergency Treatment**

We follow our long tradition of responding to the health care needs of people as well as the Emergency Medical Treatment and Labor Act (EMTALA) in providing emergency medical treatment to all patients, regardless of ability to pay. Anyone with an emergency medical condition is screened and treated by an individual qualified to perform such examinations based on medical necessity. In an emergency situation, financial and demographic information will be obtained only after the immediate medical needs of the patient are met. We do not admit or discharge patients simply on their ability to pay. Patients may be transferred to another facility if the patient's medical needs cannot be met and appropriate care is knowingly available at another facility. Patients may only be transferred after they have been stabilized or if the patient has consented to the transfer, and are formally accepted by a receiving facility and physician.

## **Patient Information**

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

Employees must never disclose confidential information that violates the privacy rights of our patients. No employee, affiliated physician, volunteer, or other health care caregiver has a right to any patient information other than that necessary to perform his or her job.

Patients can expect that their privacy will be protected and that patient specific information will be released only to persons authorized by law or by the patient's written consent. In an emergency situation, when requested by an institution or physician then treating the patient, the patient's consent is not required. However, the name of the institution and the person requesting the information must be verified in accordance with our policies and procedures.

## **Affiliated Physicians**

All physicians working within the hospitals must agree to follow the Ethical and Religious Directives for Catholic Health Care Services. Any business arrangement with a physician must be structured to ensure precise compliance with legal requirements. Such arrangements must be in writing and approved by legal counsel. In order to ethically and legally meet all standards regarding referrals and admissions, we will adhere strictly to two primary rules:

***We do not pay for referrals.*** We accept patient referrals and admissions based solely on the patient's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone—employees, physicians, or other persons—for referral of patients. Violation of this policy may have grave consequences for our hospitals and

the individuals involved, including civil and criminal penalties and possible exclusion from participation in Federally funded health care programs.

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

## **THIRD PARTY PAYERS**

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

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

Oversight systems designed to verify that claims are submitted only for services actually provided, and that services are billed as provided will be in place. These systems will emphasize the critical nature of complete and accurate documentation of services provided. As part of our documentation effort, we will maintain current and accurate medical records. Any subcontractors engaged to perform billing or coding services must have the necessary skills, quality assurance processes, systems, and appropriate procedures to ensure that all billings for government and commercial insurance programs are accurate and complete. We prefer to contract with such entities that have adopted their own ethics and compliance programs. Third party billing entities, contractors, and preferred vendors that we consider must be approved consistent with our policy on this subject, and do not appear on the governmental payer exclusion lists.

For questions concerning coding or billing issues contact your Facility Compliance Officer or Administration.

### **Cost Reports**

Our business involves reimbursement under government programs, which require the submission of certain reports of our costs of operation. We will comply with Federal and state laws relating to all cost reports. These laws and regulations define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Given their complexity, all issues related to the completion and settlement of cost reports must be communicated through or coordinated with the organizations' Chief Financial Officers.

## REGULATORY COMPLIANCE

Always acting with integrity and out of strong moral conviction, our hospitals embrace compliance policies as the minimum response to business, marketing and medical practices.

The services provided by our hospitals generally may be provided only pursuant to appropriate Federal, state, and local laws and regulations. Such laws and regulations relate to such subjects as the Stark Statute prohibition on physicians referring patients to facilities in which the physicians have a financial relationship unless a particular exception applies. The anti-kickback statute further generally precludes the offering or receiving of anything of value in exchange for patient referrals. As tax-exempt organizations, our hospitals cannot enter into any "excess benefit" transactions in which the hospitals provide an economic benefit to certain private parties, which exceeds the fair market value of the consideration received in exchange. Other regulatory compliance issues relate to subjects such as certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, medical recordkeeping, access to medical records and confidentiality, patients' rights, terminal care decision-making, medical staff membership and clinical privileges, corporate practice of medicine restrictions, and Medicare and Medicaid regulations. Our facilities are subject to numerous other laws in addition to these health care regulations.

We will comply with all applicable laws and regulations. All employees, medical staff members, privileged practitioners, and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations; and should immediately report violations of suspected violations to a supervisor or member of management, the facility Compliance Officer, the Compliance Hot Line, the Board of Directors or to the CEOs, or their designee.

Our hospitals will be forthright in dealing with any billing inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with, and be courteous to all government inspectors, and provide them with the information to which they are entitled to during an inspection.

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

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

The hospitals will strive to provide our employees with the information and education they need to comply fully with all applicable laws and regulations.

## **DEALING WITH ACCREDITING BODIES**

Based on our mission and values, our hospitals will deal with all accrediting and regulatory bodies in a direct, open, and honest manner. No action should ever be taken in relationships with these bodies that would mislead their agents, either directly or indirectly.

The scope of matters related to accreditation of various bodies is extremely significant and broader than the scope of this Code of Conduct and Ethical Behavior. The purpose of our Code of Conduct and Ethical Behavior is to reflect our faith-based values and to provide general guidance on subjects of wide interest within the organization. Accrediting bodies may be focused on issues of wide and somewhat more focused interest. In any case, where the corporations or their facilities determine to seek any form of accreditation, obviously all standards of the accrediting group are important and must be followed.

# **BUSINESS INFORMATION AND INFORMATION SYSTEMS**

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

Financial, clinical and caregiver records must be accurate, timely, reliable and properly stored. Each employee is responsible for the integrity and the accuracy of our organizations' documents and records, not only to comply with regulatory and legal requirements and with generally accepted accounting principles, but also to ensure that records are available to explain and/or defend our business practices and actions. A system of internal controls is maintained to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain the accountability of the organizations' assets.

The need for honesty, accuracy and integrity is emphasized in all transactions. Therefore, no caregiver may alter or falsify information on any record or document.

Medical and business documents and records are retained in accordance with the law and our record retention policy. No one may tamper with records, nor remove or destroy them prior to a specified date.

## **Confidential Information**

Confidential information about our organizations' strategies and operations is a valuable asset. Although an employee may use confidential information to perform his or her job, it must not be shared with others outside of the hospital or the employee's department unless the individual has a legitimate need to know this information and have agreed to maintain the confidentiality of the information.

Confidential information includes personnel data maintained by the organizations, patient lists and clinical information, pricing and cost data, information pertaining to acquisitions, divestitures, affiliations and mergers, financial data, research data, strategic plans, marketing strategies, techniques, employee lists and data maintained by the organizations, suppliers and subcontractors information, proprietary computer software, and other information deemed confidential according to state and Federal laws and regulations. We will adhere to all regulatory requirements pertaining to the use and disclosure of patient identifiable information.

## **Electronic Media**

All communications systems, electronic mail, Intranet, Internet, voice mail, or pager messages are the property of the organizations and are to be primarily used for business purposes. Highly limited reasonable personal use of the hospitals' communications systems is permitted; however, the employee should assume that these communications are not private. Patient or confidential information should not be sent through Intranet or the Internet until such time that its confidentiality could be assured.

The hospitals reserve the right to periodically access and monitor e-mail messages, and voice messages. Access and disclosure of individual employee messages may only be done with the approval of authorized or designated personnel.

Employees may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening, knowingly reckless, maliciously false, or obscene materials including anything constituting or encouraging a

criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction; nor are they to be used to conduct a job search or open misaddressed mail.

Employees who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action. Our facilities maintain a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.



# **WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES**

The continuation of our ministry is dependent upon the presence of competent, committed, and caring people. Therefore, we believe we must promise and support programs, which adequately address the personal, professional, and material needs of our employees, encourage their development, growth and productivity, and which deepen their commitment to our institutional health ministry. Respect for the inherent dignity of each person provides the underlying principle for policies developed for their protection as well as the protection of the hospitals.

## **Conflicts of Interest**

A conflict of interest may occur if our outside activities or personal interest influence or appear to influence our ability to make objective decisions in the course of our job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract us from the performance of our job or cause us to use the corporations' resources for other than corporation purposes. It is our obligation to ensure that we remain free of conflicts of interest in the performance of our responsibilities at the corporations. Individuals in leadership positions will be required to review and sign a Conflict of Interest statement, identifying potential conflicts. Individuals in positions that have responsibility/authority for purchasing or vendor contracts will also be asked to sign a Conflict of Interest statement. If we have any question about whether an outside activity might constitute a conflict of interest, we must obtain the approval of our Compliance Officer before pursuing the activity.

## **Controlled Substances**

Some of our employees have access to prescription drugs, controlled substances, and other medical supplies. It is extremely important that these items be handled properly and by authorized individuals to minimize risks to us and to patients.

## **Copyrights**

Employees may only make copies of copyrighted materials pursuant to our policy on such matters.

## **Diversity and Equal Employment Opportunity**

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

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

## **Harassment and Workplace Violence**

We respect the rights and dignity of each caregiver. Therefore, each employee has the right to work in an environment free of harassment. Harassment based on race, color,

religion, national origin, gender, sexual preference, age, disability or other classification protected by law, will not be sanctioned or tolerated. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

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

As part of our commitment to a safe workplace, we prohibit employees other than safety forces, from possessing firearms, other weapons, explosive devices, or other dangerous materials on the hospitals' premises. Verbal attacks and/or physical contact, including fighting, in and of itself, may fall under the guidelines of harassment and may be grounds for disciplinary action. Employees who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resources Department, a member of management, the facility Compliance Officer or the Ethics Line.

### **Health and Safety**

All of our facilities must comply with all government regulations and rules, and with our policies or required facility practices that promote the protection of workplace health and safety. We should become familiar with and understand how these policies apply to our specific job responsibilities. We should seek advice from our supervisor whenever we have a question or concern. It is important for us to advise our supervisor of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

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

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

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

### **License or Certificate Renewal**

Employees and individuals retained as independent contractors in positions which require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and state requirements applicable to their respective disciplines. To assure compliance, our hospitals require evidence of the individual having a current license or credential status. We will not allow any employee or independent contractor to work without valid, current licenses or credentials.

### **Personal Use of Organization Resources**

It is the responsibility of each employee to be a responsible steward and to preserve our assets including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business-related purposes. Any community or charitable use of organization resources must be approved in advance by the employee's supervisor. As a rule, the personal use of any of our hospitals' assets, by an employee, without the prior approval of the employee's supervisor is prohibited. The occasional use of items where the cost to the hospital is insignificant is permissible. Any use of organization resources for personal financial gain unrelated to the organization's business is prohibited.

### **Relationships Among Employees**

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

### **Relationships with Subcontractors and Suppliers**

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, and vendors will be made based on objective criteria including quality, technical excellence, price, delivery, and adherence to schedules, service, and maintenance of adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. We will not communicate to a third party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties and we will not enter into any business relationship with any subcontractor, suppliers, vendors who are named on any exclusion list for Federal health care programs. (The subject of business courtesies, which might be offered by subcontractors or suppliers, is considered discussed on pages 23-25 of this Code.)

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

### **Research**

Any participation in research by a hospital must comply with the Ethical and Religious Directives for Catholic Health Care Services, the teachings of the Catholic Church, and the mission and values of the hospitals. All research is to be monitored by the Institutional Review Boards.

We follow high ethical standards in any research conducted by our physicians and professional staff. We do not tolerate intentional research misconduct. Research misconduct includes making up or changing results or copying results from other studies

without performing the research.

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

All personnel applying for or performing research of any type are responsible for maintaining the highest ethical standards in any written or oral communications regarding their research projects as well as following appropriate research guidelines. As in all accounting and financial record keeping, our policy is to submit only true, accurate, and complete costs related to research grants.

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

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

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

# MARKETING PRACTICES

Competitive forces and a maturing market have tended to advance the view of health care as a commodity differentiated largely based on price. Therefore, we believe we must continually strive to distinguish our institutions and services based on caring, concern, compassion, and competence, as well as cost. Mission and ministry are the driving forces behind all our healthcare services and practices.

## **Antitrust**

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

At trade association meetings, be alert to potential situations where it may not be appropriate for you to participate in discussions regarding prohibited subjects with our competitors. Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notify your immediate supervisor or the legal counsel of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers, unless we are proceeding with the advice of legal counsel. We must also not provide any information in response to oral or written inquiry concerning an antitrust matter without first consulting the legal counsel.

## **Gathering Information about Competitors**

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

## **Marketing and Advertising**

Marketing and advertising activities may be used to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative, and non-deceptive information about our organization and services. Our marketing practices and materials should always be reflective of the mission and values of the organizations and their facilities.

## **ENVIRONMENTAL COMPLIANCE**

Recognizing our responsibility to promote the common good, we desire to renew social institutions and structures in such a way that they are affordable and sustainable into the future. This means we acknowledge the needs of the world community, our local communities, and have a concern for the environment in which we operate. Health care is a social institution, which has a major impact on the realization of the common good in any society, especially in the geographic area contiguous to each of our corporation's facilities.

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

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

# **BUSINESS COURTESIES**

## **General**

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

## **Receiving Business Courtesies**

We recognize that there will be times when the employee may wish to accept from a current or potential business associate an invitation to attend a social event in order to further develop their business relationship. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host company) or overnight lodging. The cost associated with such an event must be reasonable and appropriate.

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

Although the hospitals discourage the practice of accepting gifts from vendors or other business associates, as an employee, we may accept gifts with a total value of \$200 or less in any one year from any individual or organization who has a business relationship with the hospital. For purposes of this paragraph, physicians practicing in our facilities are considered to have such a relationship. Perishable or consumable gifts given to a department or group are not subject to any specific limitation. We may never accept cash or cash equivalents, such as gift certificates. Finally, under no circumstances may we solicit a personal gift.

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

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

There may be times when we may wish to extend to a current or potential business associate (other than someone who may be in a position to make a patient referral) an invitation to attend a social event in order to further or develop your business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must be discussed and the host must be present. These events must not include paid expenses for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$200 per person. Moreover, such business entertainment with respect to any particular individual must be infrequent. As a general rule, infrequent means not more than quarterly and preferably less often.

With regard to the \$200 guideline, if we anticipate an event will exceed the \$200 guideline we must obtain advance approval as required by our policy. That policy requires a showing as to the business necessity and appropriateness of the proposed entertainment. The organization will under no circumstances sanction participation in any business entertainment that might be considered lavish. Departures from the \$200 guideline are highly discouraged.

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

It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with the hospitals. We will never use gifts or other incentives to improperly influence relationships or business. We may never give cash or cash equivalents, such as gift certificates. Our policy on business courtesies may from time to time provide modest flexibility in order to permit appropriate recognition of the efforts of those who have spent meaningful amounts of volunteer time on behalf of the hospitals.

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

Any entertainment or gifts involving physicians or other persons who are in a position to refer patients to our health care facilities must be undertaken in accordance with policies. We will comply with all Federal laws, regulations and rules regarding these practices. As of August 2009, there is a \$330 limit on these gifts and business courtesies. The Director of Physician Relations will track these expenditures.



## **POLITICAL ACTIVITIES AND CONTRIBUTIONS**

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

It is important to separate personal and the organizations' political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. We may, of course, participate in the political process on our own time and at our own expense. While we are doing so, it is important not to give the impression that we are speaking on behalf of or representing our hospitals in these activities. We cannot seek to be reimbursed by or for any personal contributions for such purposes or to take an advocacy role on behalf of the poor or disenfranchised of society.

In addition, it is a part of the role of management to interface on a regular basis with government officials. If the employee is making these communications on behalf of the organization, be certain that they are familiar with any regulatory constraints and observe them. Because our hospitals are church-related organizations and because lobbying rules for churches are more restrictive than corporations, our hospitals will adhere to the more restrictive rules.

# THE COMPLIANCE PROGRAM

## **Program Structure**

Our Compliance Program is intended to demonstrate the clearest possible terms the absolute commitment of the organization to the highest standards of compliance and to faithfully reflect the Catholic mission and values of the hospitals. This commitment permeates all levels of the organizations.

The Compliance Officer reports to the President and CEO of each hospital and the Board of Directors.

The Compliance Officer can be reached through the facility's Administrative Offices.

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

To obtain guidance on a compliance issue or to report a suspected violation, we may choose from several options. We encourage the resolution of issues at a local level whenever possible. It is an expected good practice, when we are comfortable with it and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with another member of management in our organizations. We are always free to contact the:

**Compliance Hot Line Phone Numbers**  
**Mercy Medical Center = 1-888-511-4103**  
**Providence Hospitals = 1-800-346-1883**  
**St. Vincent Charity Medical Center = 1-800-507-6291**

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

## **Personal Obligation to Report & Whistleblower Policy**

We strive to serve our patients through acceptable, ethical, and legal practices. All employees, medical staff members, agents and contractors are responsible for promptly reporting actual or potential infringements of law, regulation, policy, or procedure related to federal or state fraud and abuse provisions, including any false claims provisions.

Any possible fraudulent or dishonest use or misuse of resources or property by management, staff or members will be investigated. Anyone found to have engaged in fraudulent or dishonest conduct in conjunction with operations is subject to disciplinary action up to and including civil or criminal prosecution when warranted.

All patients and employees are encouraged to report possible fraudulent or dishonest conduct. Such employee or patient ("whistleblower") should report their concern to the Compliance Officer, who will report the incident and resolution of it to the CEO in a timely manner. If for any reason the whistleblower finds it difficult to report their concern to the Compliance Officer, the whistleblower can report it to the CEO or Chairman of the Board of Directors. A call may also be made to the respective Compliance Hotline.

Anyone making a report or providing information alleging fraudulent or dishonest

conduct shall not be subjected to reprisal, retaliation, or retribution. This policy does not excuse knowingly providing false information.

Any person, who in good faith believes they are experiencing or observing noncompliance with this whistleblower policy, shall report the allegation to the Compliance Officer, CEO or Chairman of the Board of Directors.

### **Internal Investigations of Violations**

We are committed to investigate all reported violations promptly and confidentially to the extent possible. The respective facility Compliance Officer will coordinate any findings from the investigations and immediately implement corrective action or changes that need to be made. We expect all employees to cooperate with investigation efforts for the well being of the organization.

### **Corrective Action**

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

### **Discipline**

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

- Verbal warning
- Written warning
- Suspension
- Termination
- Restitution

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

Our hospitals are committed to the aggressive monitoring of compliance with its policies. Much of this monitoring effort is provided by the internal audit function, in collaboration with the facilities' Compliance Officers, who routinely conduct internal audits of issues that have regulatory or compliance implications. The hospitals also routinely seek other means of ensuring and demonstrating compliance with laws, regulations, and organization policy.

In addition, each facility will undertake an annual Mission and Ministry Audit to ensure the implementation of the Ethical and Religious Directive for Catholic Health Care Services as well as other practices. This audit should provide a context for the practice of ethical behavior and compliance.

### **Acknowledgment Process**

The hospitals require all employees to sign an acknowledgment confirming they have received the Code and understand it represents mandatory policies of the hospitals. New employees will be required to sign this acknowledgment as a condition of employment.

Adherence to and support of the Code of Conduct and Ethical Behavior and participation in related activities and training will be considered in decisions regarding hiring, promotion, and compensation for all candidates and employees.

# NOTES