# Hays Medical Center
## Code of Conduct

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INTRODUCTION

The Hays Medical Center Corporate Ethics and Compliance Program is comprised of policies, procedures, and processes that put into practice the Board of Directors’ commitment to conduct all operations in a manner consistent with all applicable legal requirements and the highest ethical standards.

As part of this Program, the Board of Directors has adopted this Code of Conduct to provide standards by which Associates\(^1\) shall conduct themselves to protect and promote organization-wide integrity and enhance Hays Medical Center’s ability to achieve its mission. Every Associate is required to adhere to this Code of Conduct as a condition of his or her continued relationship with Hays Medical Center (employment or otherwise).

Various departments within Hays Medical Center, including Administration and the Compliance Department, have developed policies and procedures implementing the principles and standards contained in this Code of Conduct, and Associates are expected to be knowledgeable of and comply with those policies and procedures. To the extent that any policy or procedure is inconsistent with the principles and standards contained herein, that policy or procedure is superseded by this Code of Conduct.

Those Associates who also are members of Hays Medical Center's Medical Staff are obligated to adhere to the Medical Staff Bylaws and related policies and procedures, which have been reviewed and approved by the members of the Medical Staff and the Board of Directors. To the extent any provision of this Code of Conduct is inconsistent with the Medical Staff Bylaws and/or related policies and procedures, such provision is superseded by the relevant provisions of the Medical Staff Bylaws and/or related policies and procedures.

The activities of the Hays Medical Center, and of each Associate with regard to the Hays Medical Center’s affairs, are conducted in a complex world of laws and regulations. It is the responsibility of each Associate to ensure that his/her behavior complies with all applicable laws, regulations, this Code of Conduct, and related policies and procedures. If an individual encounters a situation that is not clearly defined in this Code of Conduct, that individual should review the particular circumstances with his/her supervisor, the Compliance Officer, or an appropriate member of Hays Medical Center’s management team. All Associates should review this Code of Conduct from time to time to make sure that these policies and procedures guide their actions on behalf of Hays Medical Center.

Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to any Associate or other person.

\(^1\) “Associate” includes Hays Medical Center directors, officers, employees, volunteers, students, trainees, independent contractors, and others who perform work for Hays Medical Center regardless of the location at which they work, whether or not they are compensated for such services.
ASSOCIATES’ COMPLIANCE RESPONSIBILITIES

Every Associate shall take an active role in preventing, detecting, and correcting any conduct or activity that potentially violates applicable laws and regulations, ethical standards, or internal policies and procedures.

LEARN

First, every Associate shall participate fully in all educational programs concerning compliance-related issues. This includes active attendance at in-service and departmental meetings at which such issues are addressed, as well as thoughtful review of written materials made available to Associates.

ASK

Second, an Associate who has a question concerning a compliance-related issue shall seek assistance from an appropriate member of Hays Medical Center’s management team. An Associate should pursue such inquiry until he or she receives an adequate response. An Associate who is asked a compliance-related question shall make sure the person posing the question receives an adequate response.

REPORT

Third, an Associate who suspects inappropriate conduct shall report such activities to an appropriate member of Hays Medical Center’s management team. An Associate should make such report even if his or her supervisor has directed otherwise. An Associate to whom such a report is made shall be responsible for directing the matter to the appropriate person for investigation and resolution.

COOPERATE

Fourth, every Associate shall cooperate fully with any internal or external investigation concerning alleged non-compliance. An Associate shall actively participate in identifying, implementing, and refining appropriate remedial measures to correct non-compliance and proactive strategies to prevent or detect any future non-compliance.

An Associate shall be evaluated for compliance with these obligations. Failure to perform these job responsibilities shall be a basis for discipline up to and including termination.
Hays Medical Center shall not tolerate any form of retaliation against an Associate who, in good faith, raises questions concerning legal or ethical duties and/or reports any suspected incident of non-compliance, either internally or to any government entity. All such information reported by an Associate internally shall be kept confidential to the extent confidentiality is possible throughout any resulting investigation.

An Associate seeking an answer to a compliance-related question or wanting to report a suspected incident of non-compliance should contact one of the following:

- Hays Medical Center’s Corporate Compliance Officer – (785) 650-2759
- Hays Medical Center’s Compliance Hotline – (785) 623-6311
- Hays Medical Center’s Compliance Voice Mail Box – (785) 623-6310
- Hays Medical Center’s Compliance Department Internal E-Mail Address – HMC Compliance Report Line
- Hays Medical Center’s Compliance Department Internet Address – compliance@haysmed.com
- Writing the Compliance Officer at P.O. Box 8100, Hays, Kansas 67601

An Associate wishing to report anonymously to any of the listed telephone numbers must dial a “9” to access an outside line (if calling from any Hays Medical Center-owned facility), then dial the number indicated above. Any reports sent to the internet e-mail address will show the address of the transmitting computer. An Associate should not report a known or suspected violation by internet e-mail if complete anonymity is desired. Hays Medical Center shall make reasonable efforts to protect the anonymity of the person making such a report.
PRINCIPLE 1 - PATIENT CARE AND TREATMENT

Hays Medical Center is committed to providing the highest quality patient care and protecting patient safety. Associates shall treat patients in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care.

Standard 1.1 – Quality of Care and Patient Safety

Hays Medical Center’s mission is to provide the best in compassionate care. A commitment to quality of care and patient safety is an obligation shared by all Associates. Hays Medical Center shall strive for compliance with various standards relating to quality of care and patient safety, including the Medicare Conditions of Participation, the standards and surveys of DNV Healthcare, Inc., the consensus measures of the National Quality Forum, the Agency for Healthcare Research and Quality indicators, and the initiatives of the Institute for Healthcare Improvement.

Standard 1.2 – Medical Decision Making

Hays Medical Center shall use standard clinical criteria to determine whether to treat an individual with specific interventions. Clinical decisions, including tests, treatments, and other interventions, shall be based on identified patient needs, and shall not in any way be based on the manner in which Hays Medical Center compensates or shares financial risk with its leaders, managers, clinical staff, or licensed practitioners. The medical necessity of all treatments and procedures recommended by Associates will be adequately documented in the patient record.

Standard 1.3 – Patient Rights

Upon admission, all Hays Medical Center patients shall receive a copy of Hays Medical Center’s Statement of Patient Rights and Responsibilities. Associates shall respect patient rights in the performance of their job duties. Patients have the right to make informed decisions regarding their medical care and the right to refuse or accept treatment.

Hays Medical Center shall provide care and treatment to patients without regard to the race, color, national origin, age (unless age is a factor necessary to normal operations or the achievement of any statutory objective), or disability of such person, or any other classification prohibited by law. Associates shall respect each patient’s cultural heritage and needs. Hays Medical Center shall make available appropriate resources for its patients with limited English proficiency.

Patients and their representatives shall be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, pastoral counseling, and visitation rights. Hays Medical Center shall maintain appropriate processes for prompt resolution of patient grievances.

No Associate shall solicit or encourage monetary tips, personal gratuities, or gifts from patients or their family members, and are prohibited from accepting monetary tips or gratuities. An Associate may accept a personal gift of nominal value (less than $25), but should share any
such gift with co-workers to the fullest extent possible. Hays Medical Center expects its Associates to exercise good judgment and discretion in accepting gifts. If a patient wishes to present a monetary gift, he/she should be referred to the Compliance Officer or the Hays Medical Center Foundation.

**Standard 1.4 – Patient Financial Assistance**

Hays Medical Center shall maintain a written patient financial assistance policy which includes eligibility criteria, the basis for calculating amounts charged to patients, and the method for applying for financial assistance. Hays Medical Center shall employ measures to widely publicize the policy within its service area. Hays Medical Center shall not engage in extraordinary collection actions against an individual until it has determined whether such individual is eligible under its financial assistance policy.
PRINCIPLE 2 – COMPLIANCE WITH HEALTH CARE LAWS

Hays Medical Center shall conduct its operations in compliance with state and federal laws and regulations specific to health care providers. Hays Medical Center shall cooperate with any government inquiry concerning its compliance with such rules.

The health care industry is one of the most highly regulated segments of the U.S. economy. While an Associate is not expected to have expert knowledge of all legal and regulatory requirements that may apply to their work, each Associate shall be sensitive to relevant legal issues. An Associate who is uncertain about how legal requirements apply in a particular situation shall seek guidance from an appropriate member of management.

The following standards summarize some of the important legal requirements applicable to health care providers and the impact of those requirements on Hays Medical Center’s operations. An Associate shall comply with all laws and regulations in the performance of his/her job duties, regardless of whether they are specifically addressed here.

Standard 2.1 – Submission of Claims to Federally Funded Health Care Programs

There are multiple federal and state laws controlling how providers submit claims to government payors and are reimbursed for services provided to beneficiaries of government health care programs (e.g., Medicare, Medicaid, TriCare). It is important that Hays Medical Center and its Associates comply with these requirements. If they do not, then Hays Medical Center may not receive reimbursement for services rendered to patients; or, if it receives reimbursement, it may be asked to repay the reimbursement with additional penalties assessed for not following the applicable requirements.

The federal False Claims Act (“FCA”) prohibits the submission of false, fraudulent, or misleading claims for payment to any government entity including, but not limited to, the following: (1) claims for services not rendered; (2) claims which characterize the service differently than the service actually rendered; (3) claims for services that were not medically necessary; (4) claims for which there is inadequate documentation in the medical record; and (5) claims which do not otherwise comply with applicable program or contractual requirements.

A provider also violates the FCA if it submits a claim that the provider knows (or should know) is false to obtain payment from a federally funded health care program. Finally, a provider that does not refund any payment received to which the provider is not entitled within sixty days of discovering such overpayment also violates the FCA.

There are stiff penalties assessed against providers for violating these federal and state laws. The provider has to repay the overpayment and may be liable for (1) three times the amount of the claim or overpayment, and (2) a penalty of $5,500 to $11,000 per claim.
Under the FCA, a private party may bring an action on behalf of the United States. These individuals, known as "qui tam relators," may receive between 15 and 30 percent of the proceeds from an FCA action or settlement.

The FCA provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys’ fees.

A similar federal law is the Program Fraud Civil Remedies Act of 1986 (the “PFCRA”). It provides administrative remedies for knowingly submitting false claims and statements. A violation of the PFCRA results in a maximum civil penalty of $5,000 per claim plus an assessment of up to twice the amount of each false or fraudulent claim.

The Kansas False Claims Act authorizes the Kansas Attorney General to initiate civil prosecutions against anyone who submits a false claim or false record for payment to the State of Kansas, including the Medicaid program. Violators A provider can also be subject to liability under the Kansas False Claims Act and the Kansas Medicaid Fraud Control Act for the submission of false, fraudulent, or misleading claims. Under the Kansas FCA, violators are liable for three times the amount of damages in addition to civil penalties of up to $11,000 per violation. The statute also provides protections for whistleblowers, although it does not contain a mechanism for a whistleblower to receive a share of any recovery or settlement.

Violation of the Kansas Medicaid Fraud Control Act that makes it unlawful for a person to submit false and fraudulent claims to the Kansas Medicaid program. Violation of this statute is a criminal offense punishable by substantial fines and imprisonment, and violators may be liable for payment of full restitution to the State plus interest and all reasonable expenses.

An Associate involved in the delivery of patient care shall be responsible for producing and maintaining complete and accurate documentation in the appropriate medical record and submitting complete and accurate charges for all medical goods and services provided to patients. An Associate involved in coding and billing will be trained, qualified, and knowledgeable in coding and billing functions and will submit claims in compliance with all applicable requirements. Associates performing coding and billing functions will remain aware of areas of risk.

An Associate who has any reason to believe Hays Medical Center has submitted improper claims to or received payments to which it is not entitled from any federally funded health care program shall report such information to the Compliance Officer immediately. Hays Medical Center shall promptly and thoroughly investigate such matter, and determine what amount, if any, must be refunded. All refunds shall be made in a timely manner, but in no event more than sixty (60) days following identification of the overpayment. Additionally, Hays Medical Center shall take appropriate action to prevent any improper claims or payments in the future.
Standard 2.2 – Tax-Exempt Status

As a non-profit entity, Hays Medical Center has a legal and ethical obligation to engage in activities to further its charitable purpose and ensure that its resources are used to further the public good rather than the private or personal interests of any individual. Hays Medical Center shall not be involved in political campaigns nor engage in substantial lobbying activities. Hays Medical Center shall not enter into any compensation arrangements in excess of fair market value, shall accurately report payments to appropriate taxing authorities, and file all tax and information returns according to applicable laws and regulations.

Hays Medical Center shall conduct a community health needs assessment on a regular basis and adopt an implementation strategy to meet identified needs; publicize its financial assistance policy; limit charges for patients who qualify for financial assistance to those amounts generally charged to those with insurance; and make a reasonable effort to determine if patients are eligible for financial assistance.

Hays Medical Center shall track and accurately report its activities which provide community benefit including, but not limited to, charity care, community health improvement services, community benefit operations, health professionals education, and research.

Standard 2.3 – Anti-Kickback Statute

The federal Anti-Kickback Statute prohibits offering or making any payment in exchange for the referral of Medicare and Medicaid business. Courts have broadly construed this law to include virtually anything of value given to an individual or entity if one purpose of the remuneration is to influence the recipient’s reason or judgment relating to referrals.

Hays Medical Center does not provide remuneration (in the form of cash payment, discount, gift, contribution, or otherwise) in exchange for referrals or as an inducement for referrals. Hays Medical Center accepts patient referrals and admissions based solely on the patient’s clinical needs and Hays Medical Center’s ability to render necessary services. Hays Medical Center does not pay or offer to pay any health care provider for referral of patients.

Hays Medical Center does not accept payments for referrals that it makes. No Associate shall solicit or receive anything of value, directly or indirectly, in exchange for the referral of a patient. Similarly, when making patient referrals to another health care provider, Hays Medical Center shall not take into account the volume or value of referrals that the provider has made (or may make) to Hays Medical Center.

Any transaction involving another health care provider, whether formal or informal, shall be scrutinized for compliance with the Anti-Kickback Statute. All such transactions shall be based on fair market value for the goods or services provided. For example, rentals of space and equipment must be at fair market value without regard to the volume or value of referrals that
An Associate who has any question or concern about the propriety of Hays Medical Center’s relationship with a physician, another hospital, or any other health care provider shall contact the Compliance Officer immediately.

**Standard 2.4 – The Stark Law**

The federal Stark Law (named after the sponsor of the legislation) prohibits a physician from making referrals for hospital inpatient and outpatient services if the physician has any financial relationship with that hospital entity, unless that financial relationship meets certain limited exceptions. For example, a hospital is permitted to offer certain limited business courtesies to medical staff members. Hays Medical Center shall comply with the Stark Law in all of its financial arrangements with physicians. Any financial arrangement between Hays Medical Center and a referring physician shall be reviewed and approved in advance by the Compliance Officer and shall be monitored to ensure ongoing compliance with the Stark Law.

**Standard 2.5 – Patient Inducements**

Federal law also prohibits Hays Medical Center from offering or transferring anything of value to any person eligible for federally funded health care benefits if Hays Medical Center knows or should know such inducement would cause the eligible person to choose to receive federally reimbursable items or services from Hays Medical Center except as specifically permitted by law.

In light of this prohibition, no Associate acting on behalf of Hays Medical Center shall give anything of value to any patient or prospective patient unless such gift has been reviewed and approved in writing by the Compliance Officer or his/her designee.

Hays Medical Center shall not provide transportation, gifts, and services or waive deductibles, co-payments, or otherwise provide financial benefits to patients in return for business. Hays Medical Center shall not permit professional discounts, and courtesy discounts are permitted only in limited circumstances. Under certain circumstances, Hays Medical Center may provide appropriate financial accommodations to patients (e.g., permitting monthly payments over time) based solely on the financial needs of the patient or offer prompt-pay discounts. All patient account balances shall be resolved using Hays Medical Center documented collection policies and procedures.

**Standard 2.6 – HIPAA Privacy and Security Rules and Kansas Health Information Technology Act (K.S.A. 65-6821, et seq.)**

Hays Medical Center shall devote necessary resources to ensure compliance with the federal regulations and state law concerning the security and privacy of protected health information. An Associate shall actively participate in appropriate training to enable the Associate to perform his/her job duties in compliance with these legal requirements. Hays Medical Center will strive to utilize electronic health information in a secure and reliable manner.
An Associate who becomes aware of any unauthorized use or disclosure of protected health information shall report the matter to the Privacy Officer immediately. Any Associate who becomes aware of any information security incident shall report the matter to the Information Security Officer immediately.

Standard 2.7 – Licensing Requirements

Hays Medical Center shall remain in compliance with all state and federal licensing requirements for health care facilities, including, but not limited to, the applicable Medicare Conditions of Participation. An Associate who is licensed by a state agency (e.g., registered nurse, physical therapist) shall be personally responsible for maintaining such licensure.

Standard 2.8 – EMTALA

Hays Medical Center shall comply with the requirements of the Emergency Medical Treatment and Labor Act (“EMTALA”) in providing medical screening examinations and care for emergency medical conditions, regardless of an individual’s ability to pay.

When a person presents at a dedicated emergency department for a non-scheduled visit and requests medical examination and/or treatment, Hays Medical Center shall provide such person with an appropriate medical screening examination to determine whether the person has an emergency medical condition, regardless of the person’s ability to pay.

If a patient is diagnosed as having an emergency medical condition, Hays Medical Center shall provide medical treatment within its capabilities to stabilize the medical condition. If Hays Medical Center does not have the capabilities to stabilize the patient, it shall make an appropriate transfer to a facility having such capabilities. Hays Medical Center shall not discharge an unstable patient with an emergency medical condition unless such person refuses medical examination and/or treatment.

Hays Medical Center shall not refuse to accept an appropriate transfer of an individual with an emergency medical condition who requires specialized capabilities or facilities if Hays Medical Center has the capacity to treat the individual.

Standard 2.9 – Controlled Substances

Some Associates have access to prescription drugs, controlled substances, and other medical supplies. Per Hays Medical Center policy, access to controlled substances is limited to Associates who are properly licensed and who have express authority to handle them. The use of these items is governed by government regulations and must be administered pursuant to physician order. It is extremely important that these items be handled properly by authorized individuals to minimize risk to patients and Hays Medical Center. Associates should carefully follow the recordkeeping and documentation procedures established by their departments and the pharmacy. If an Associate suspects the diversion of drugs from Hays Medical Center by another Associate or any other person, the Associate shall report the matter immediately to the Risk Manager.
Standard 2.10 – Safe Medical Devices Act

Hays Medical Center is committed to participation in this governmental program to prevent patient injury from medical devices by reporting appropriate events to the device manufacturer and/or the Food and Drug Administration. Any event in which a patient is injured by a device should be reported to Hays Medical Center’s Risk Manager, and such reports shall be handled pursuant to established policies and procedures.

Standard 2.11 – Mandatory Reporting Obligations

Numerous federal and state laws and regulations require Hays Medical Center and/or Associates to disclose certain information to specified government officials. For example, health care providers must report suspected incidents of child abuse to the Kansas Department of Children and Families. An Associate with a legal obligation to report certain information to a government agency shall follow Hays Medical Center’s policy to report in a timely and complete manner.

Standard 2.12 - Government Inquiries and Investigations

Health care providers often are the subjects of government investigations targeting alleged billing improprieties or violations of the aforementioned laws. The mere fact a government agent makes inquiries concerning Hays Medical Center’s practices does not mean Hays Medical Center has engaged in any wrongdoing. No communication, whether oral or written, submitted to a government entity should ever occur that would mislead the government entity or its agent, either directly or indirectly. An Associate shall be familiar with and comply with Hays Medical Center’s policy and procedure concerning the proper handling of government inquiries and investigations.

Standard 2.13 – Accreditation

In addition to federal and state laws, Hays Medical Center is committed to compliance with accreditation standards adopted by DNV Healthcare, Inc. An Associate shall deal with all accrediting bodies in a direct, open, and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the accreditor or its survey teams, either directly or indirectly.
**PRINCIPLE 3 – COMPLIANCE WITH OTHER LAWS**

Hays Medical Center shall conduct its operations in compliance with state and federal laws and regulations applicable to businesses and employers.

In addition to those laws and regulations applicable to health care providers, Hays Medical Center also shall comply with those legal requirements applicable to most businesses and employers. The following standards summarize some, but not all, of those legal requirements and the impact of those requirements on Hays Medical Center’s operations. An Associate shall comply with all laws and regulations in the performance of their job duties, regardless of whether they are specifically addressed here.

*Standard 3.1 – Health and Safety*

An Associate shall be familiar with all applicable health and safety laws and regulations, and shall act in compliance with the letter and spirit of those requirements at all times. An Associate shall immediately advise his or her supervisor of any serious workplace injury or any situation presenting a danger of injury so timely corrective action may be taken to resolve the issue.

*Standard 3.2 – Environmental Compliance*

Hays Medical Center shall operate its facilities with the necessary permits, approvals, and controls. An Associate shall adhere to all requirements for the proper handling of hazardous materials, and immediately alert supervisors to any situation regarding the discharge of a hazardous substance, improper disposal of hazardous and medical waste, or any other situation which may be potentially damaging to the environment. An Associate shall strive to utilize resources appropriately and efficiently and to recycle where possible and otherwise dispose of all waste in accordance with applicable laws and regulations.

*Standard 3.3 – Discrimination and Inappropriate Conduct in the Workplace*

Hays Medical Center believes that the fair and equitable treatment of patients, Associates, and other persons is critical to fulfilling its vision and goals. It is the policy of Hays Medical Center to recruit, hire, train, promote, assign, transfer, lay off, recall, and terminate Associates based on their own ability, achievement, experience, and conduct without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, or any other classification prohibited by law.

Hays Medical Center shall not tolerate any form of harassment or discrimination on the basis of race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, or any other classification prohibited by law. An Associate shall not engage in inappropriate conduct or disruptive conduct in the workplace. An Associate shall report any harassment, discrimination, inappropriate conduct, or disruptive conduct in the workplace of which they are aware pursuant to the reporting methods outlined above. Allegations of harassment, discrimination, inappropriate conduct, or disruptive conduct shall be investigated promptly pursuant to applicable policies and procedures.
**Standard 3.4 – Weapons, Illegal Drugs, and Alcohol**

No Associate shall bring any weapon of any kind into the workplace. Hays Medical Center prohibits the use, sale, dispensing, or possession of illegal drugs by its Associates, whether on or off the premises of Hays Medical Center. Illegal drugs include prescription drugs used in a manner inconsistent with package directions. No Associate shall report to work under the influence of illegal drugs or alcohol, nor shall any Associate report to work with an impairment resulting from the use of over-the-counter or prescription medications. An Associate may be asked to submit to a drug or alcohol test at any time deemed appropriate by Hays Medical Center and permitted by law.

**Standard 3.5 – Antitrust**

Federal and state antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. Discussions with competitors concerning Hays Medical Center’s business can violate these laws. Prohibited subjects of conversation include any aspect of pricing, terms of supplier relationships, Hays Medical Center’s services in the market, key costs such as labor costs, and marketing plans. No Associate shall discuss with any competitor market allocation or refusals to deal with certain suppliers.

In general, an Associate shall avoid discussing sensitive topics with competitors or suppliers, unless proceeding with the advice of the Compliance Officer. An Associate shall not provide any information in response to oral or written inquiries concerning antitrust matters without first consulting the Compliance Officer.

**Standard 3.6 – Copyright**

Copyrighted materials such as books, magazines, computer software, and recordings are protected by federal law. Unauthorized copying may constitute copyright violation. Copying is allowed for educational and research purposes. An Associate who desires to reproduce copyrighted material should receive permission from his/her supervisor prior to doing so. Use of any computer software without an appropriate license is strictly prohibited.

**Standard 3.7 – Record Retention and Litigation Hold Directives**

Hays Medical Center is required by law to maintain certain types of medical and business records, usually for a specified period of time. Failure to retain such documents for such minimum periods could subject Hays Medical Center to penalties and fines, cause the loss of rights, obstruct justice, place Hays Medical Center in contempt of court, or put Hays Medical Center at a serious disadvantage in litigation. Hays Medical Center has established controls to assure retention for required periods and timely destruction of records. Associates shall comply with the records retention and destruction schedule for the area in which they work.

When litigation is threatened or filed against Hays Medical Center or any of its Associates, the law imposes a duty upon Hays Medical Center to preserve all documents and records that pertain to the issues. As soon as Hays Medical Center is made aware of pending or
threatened litigation, a litigation hold directive will be issued. Such directive overrides any
records retention schedule that may have otherwise called for the transfer, disposal, or
destruction of the relevant documents. No Associate who has been made aware of a litigation
hold directive may alter or delete an electronic record (including e-mail messages) that falls
within the scope of that hold. Violation of such directive may subject an Associate to
disciplinary action, up to and including dismissal, as well as personal liability for civil and/or
criminal sanctions by the courts or law enforcement agencies.

**Standard 3.8 – Identity Theft**

As a creditor, Hays Medical Center has access to consumers’ confidential financial
information. The misuse or diversion of this information can cause devastating financial loss for
such individual and expose Hays Medical Center to significant liability. Hays Medical Center
shall develop and implement appropriate procedures to detect, prevent, and mitigate identity
theft. Violation of such procedures may subject an Associate to disciplinary action, up to and
including dismissal.
PRINCIPLE 4 - CONFIDENTIALITY

An Associate shall execute and abide by the Hays Medical Center Confidentiality Agreement. A copy of the Confidentiality Agreement is attached hereto as Exhibit A and incorporated herein by reference.
PRINCIPLE 5 - BUSINESS ETHICS

In furtherance of Hays Medical Center’s commitment to the highest standards of business ethics and integrity, an Associate shall accurately and honestly represent Hays Medical Center and shall not engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

Standard 5.1 - Honest Communication

Hays Medical Center requires candor and honesty from Associates in the performance of their responsibilities. No Associate shall make false or misleading statements to any person or entity, including other Associates, concerning any aspect of Hays Medical Center’s operations.

Standard 5.2 – Business Transactions

Business transactions with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction or even the appearance of any such impropriety. An Associate shall be familiar with and comply with Hays Medical Center’s policy and procedure concerning interactions with vendor representatives, which is attached hereto as Exhibit B and incorporated herein by reference.

Standard 5.3 – Advertising and Marketing

Hays Medical Center shall market and advertise its services fairly, honestly, and in a non-deceptive manner, stressing their value and merits. An Associate shall not use tactics that misrepresent Hays Medical Center or that unfairly undermine the products and services of a competitor. This includes the use of disparaging comments or innuendoes.

Standard 5.4 - Patient Billings

The importance of submitting proper claims to federally funded health care programs is addressed in Standard 2.1. The same standards of conduct apply with respect to claims for services provided to persons with private insurance and self-pay patients.

Services shall be billed using billing codes that accurately describe the services that were provided and will be based upon appropriate documentation. Hays Medical Center shall strive to comply with all contractual requirements for all payers. Hays Medical Center shall provide complete and accurate responses to all reasonable inquiries concerning patient bills. Hays Medical Center shall utilize established policies and procedures to resolve any dispute concerning such bills.

Hays Medical Center shall cooperate fully with any duly authorized third-party audit of patient accounts. Hays Medical Center shall respond promptly to any reasonable request for information from any such auditor in compliance with established policies and procedures.
Hays Medical Center will strive to submit accurate claims and information. All documentation, including medical records, will be organized in a legible form so that they can be audited and reviewed. Associates will determine the applicable ICD-10 code (or successor version) to support a procedure or service. Hays Medical Center will provide each patient with the appropriate level of treatment regardless of the payment source or level of reimbursement Hays Medical Center receives.

**Standard 5.5 – Conflict Resolution**

Conflicts among Associates regarding job responsibilities, accountabilities, policies, practices, and procedures that are not managed effectively by the organization have the potential to threaten health care safety and quality. An Associate shall promptly address and resolve internal conflicts which undermine a productive workplace using established procedures and mechanisms.

**Standard 5.6 – Relationships Among Associates**

No Associate should be made to feel compelled to give a gift to any co-worker, and gifts offered and received should be appropriate to the circumstances. For example, an Associate should not give a lavish gift to his or her supervisor. No Associate should be made to feel compelled to participate in any fundraising activity or contribute to any charitable organization.

**Standard 5.7 – Social Media**

An Associate is personally and legally responsible for the content of information they post on social networking sites. Even when using privacy protection settings, an Associate should treat all postings as potentially public information.

An Associate shall adhere to all provisions of the Confidentiality Agreement when posting on any social networking site. An Associate shall not post to any social networking site during work hours, unless an Associate’s job description requires such posts to be made as part of maintaining a Hays Medical Center sponsored social networking page.

No Associate shall make any reference to or post any information relating to a Hays Medical Center patient, even if the patient is not identified by name or otherwise. An Associate may post information regarding a family member or friend only if the Associate’s knowledge of such person’s condition is based solely on personal experience, and not the Associate’s employment or affiliation with Hays Medical Center.

An Associate shall not blog or post comments, messages, or other content anonymously when commenting on Hays Medical Center. When blogging or posting comments, messages, or other content regarding Hays Medical Center, an Associate shall affirmatively state that his/her views are not those of Hays Medical Center.

**Standard 5.8 - Legal Representation**

As appropriate, Hays Medical Center shall retain and rely upon the advice of qualified...
legal counsel with regard to specific legal matters. An Associate from whom information is requested by an attorney representing Hays Medical Center shall provide complete and accurate responses to each such request. An Associate shall maintain the confidentiality of any and all communications with legal counsel to preserve evidentiary privileges.

**Standard 5.9 – Fundraising**

In furtherance of its charitable purposes, Hays Medical Center conducts fundraising activities through the Hays Medical Center Foundation. Hays Medical Center complies with Kansas registration, recordkeeping, and reporting requirements with respect to its fundraising activities. Hays Medical Center requires that all solicitations of charitable contributions for Hays Medical Center or its affiliates be accomplished under the supervision of the Board of Directors. No Associate may utilize Hays Medical Center’s name for any fundraising purposes unless approved in advance by the Board of Directors.
PRINCIPLE 6 - PROTECTION OF ASSETS

An Associate shall strive to preserve and protect the Hays Medical Center’s assets by making prudent and effective use of Hays Medical Center’s resources and properly and accurately reporting its financial condition.

Standard 6.1 – Accuracy of Records

An Associate is responsible for the integrity and accuracy of Hays Medical Center’s documents and records (including paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, the electronic health record (EHR), and any other medium that contains information about Hays Medical Center or its activities), not only to comply with regulatory and legal requirements but also to ensure that records are available to defend business practices and actions. No Associate shall alter, falsify, or purposefully omit information on any record or document. Corrections to any record or document shall be made pursuant to established policies and procedures.

Standard 6.2 – Contracts

An Associate shall comply with the requirements of Hays Medical Center's policy on the review, preparation, and administration of contracts. No Associate shall purport to enter into a contract on behalf of Hays Medical Center with any person or entity or modify an existing contract unless the Associate has been specifically authorized to do so.

Standard 6.3 – Internal Controls and Financial Reporting

Hays Medical Center shall 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. Associates shall comply with these controls. All financial information shall reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets shall be established. Any Associate who has concerns regarding compliance with internal controls or the accuracy of Hays Medical Center’s financial reports shall report such concerns to the Compliance Officer.

Standard 6.4 – Business Expenses

If an Associate is authorized to incur business expenses on behalf of Hays Medical Center, such Associate is responsible for the accurate and timely reporting of such expenses. All expenditures shall be in accordance with applicable policies.

Standard 6.5 - Personal Use of Corporate Assets

An Associate shall refrain from using Hays Medical Center’s assets for personal use. All operations of the organization shall be conducted in the manner designed to further Hays Medical Center’s interests rather than the personal interests of an individual Associate or any
other person. An Associate is prohibited from the unauthorized use or taking of Hays Medical Center’s equipment, supplies, materials, or services. Prior to engaging in any activity on company time which may result in remuneration to the Associate or the use of Hays Medical Center’s equipment, supplies, materials or services for personal or non-work related purposes, an Associate shall obtain specific approval from an appropriate member of management.

**Standard 6.6 – Intellectual Property Rights and Obligations**

Any work of authorship or invention created by an Associate during the scope of his or her employment or affiliation with Hays Medical Center shall be considered the property of Hays Medical Center, including any patent, trademark, copyright, trade secret, or other intellectual property right in such work of authorship or invention. An Associate shall assist Hays Medical Center in obtaining and enforcing intellectual property rights in their works of authorship and inventions, while associated with Hays Medical Center and thereafter.

**Standard 6.7 – Use of Computers, Communications Systems, and Related Equipment**

Hays Medical Center has implemented and maintains a number of safeguards to protect the confidentiality, integrity, and availability of information created, maintained, or received in electronic form. An Associate shall be aware of and adhere to such safeguards in performing their job duties. An Associate shall report any suspected breach of such security measures.

E-mail and voice-mail messages reflect the image of Hays Medical Center. An Associate should compose and deliver such messages in a professional manner that is similar to messages sent on Hays Medical Center letterhead. An Associate should keep in mind that electronic files and even voice mail may be subject to discovery and may subsequently be used in litigation or investigations involving Hays Medical Center or an Associate.

All computers, communications systems, and related equipment (including, but not limited to, computer files and drives, electronic mail, intranet service, internet access, and voice mail) are the property of Hays Medical Center and are to be primarily used for business purposes. Highly limited reasonable personal use of computers, communications systems, and related equipment is permitted; however, an Associate should assume that such communications are not private.

Hays Medical Center reserves the right to periodically access, monitor, print, copy, and disclose the contents of computer files and drives and e-mail and voice mail messages. Such action taken may only be done with the prior approval of the Compliance Officer.

An Associate shall not use Hays Medical Center computers, communication systems, or related equipment to send or receive any message or download or retrieve any materials (video or audio) that could be considered inappropriate or illegal under state or federal law. Hays Medical Center computers, communication systems, or related equipment shall not be used to store, transmit, or receive messages or materials (video or audio) having language or images that may reasonably be considered offensive, harassing, demeaning, or disruptive to any Associate. Such prohibited conduct includes, but is not limited to, sexually explicit or derogatory comments
or images, gender-specific comments, racial epithets and slurs, or any comments, jokes, or images that would offend someone or create a hostile work environment based on his/her race, color, sex, religion, national origin, age, or disability.

It is further prohibited to send or receive messages or materials on Hays Medical Center computers, communication systems, or related equipment in a way which includes the use of profane or offensive language or, in the judgment of management, is determined to be profane, demeaning, insulting, disruptive, threatening, intimidating, violent, defamatory, harassing, embarrassing, insubordinate, or otherwise inappropriate or unprofessional. Finally, an Associate shall not use Hays Medical Center computers and communication systems or related equipment to conduct a job search or open misaddressed mail.

Associates who abuse Hays Medical Center’s computers, communications systems, or related equipment or use them excessively for non-business purposes may lose these privileges, and may be subject to disciplinary action up to and including termination.

**Standard 6.8 – Political Activity**

No Associate shall use corporate resources, including e-mail and internet access, for personally engaging in political activity. While an Associate may participate in the political process on his or her own time and at his or her own expense, an Associate shall not give the impression he or she is speaking on behalf of or representing Hays Medical Center in these activities.
PRINCIPLE 7 - CONFLICTS OF INTEREST

An Associate owes a duty of undivided and unqualified loyalty to Hays Medical Center. An Associate shall not use his or her position to profit personally or to assist others in profiting in any way at the expense of the organization.

Hays Medical Center recognizes that there is a potential for conflicts of interest. In conducting its business activities, Associates owe a duty of undivided and unqualified loyalty to Hays Medical Center. A conflict of interest may occur if an Associate’s outside activities, personal financial interests, or other personal interests influence or appear to influence his/her ability to make objective decisions in performing his/her job responsibilities. A conflict of interest may also exist if the demands of any outside activity hinder or distract an Associate from the performance of his/her job responsibilities. Associates shall not use their positions to profit personally or to assist others in profiting in any manner at the expense of the organization. An Associate is obligated to ensure he/she remains free of any such conflict of interest.

Standard 7.1 – Disclosure Statement

Members of the Board of Director, the Chief Executive Officer, and other Associates holding senior management positions shall complete a conflict of interest disclosure statement. Any Associate having a direct or indirect ownership interest in companies doing business with Hays Medical Center or its affiliates must complete a conflict of interest disclosure statement identifying the nature of their business interest.

Standard 7.2 – Outside Financial Interests

While not all-inclusive, the following are examples of the types of activities by an Associate, or members of an Associate’s household, which might cause conflicts of interest. Associates, therefore, shall not engage in these and similar activities.

1. Ownership in or employment by any outside concern that either provides services or supplies equipment to Hays Medical Center, or with which Hays Medical Center competes, or to which Hays Medical Center provides products or services. This does not apply to stock or other investments held in a publicly held corporation, provided the value of the stock or other investments does not exceed 5 percent of the corporation’s stock. Hays Medical Center may, following a review of the relevant facts, permit ownership interests which exceed this amount if management concludes such ownership interests will not adversely impact Hays Medical Center’s business interest or the judgment of the covered person.

2. Involvement on behalf of Hays Medical Center in any transaction in which an Associate or his/her household member has a substantial personal interest.

3. Disclosure or use of confidential, special, or inside information of or about Hays Medical Center, particularly for personal profit or advantage of an Associate or his/her household member.
4. Competition with Hays Medical Center, directly or indirectly, in the purchase, sale, or ownership of property or business investment opportunities.

5. Conduct of any business not on behalf of Hays Medical Center with any vendor, supplier, contractor, or agency, or any of their officers or workforce members.

6. Serving as a director, officer, or trustee of any organization who is in direct competition with Hays Medical Center or its affiliates. Directors, officers, and other Associates must obtain approval from the Chief Executive Officer prior to serving as a director, officer, or trustee of an organization who is in direct competition with Hays Medical Center or its affiliates.

**Standard 7.3 – Services for Competitors/Vendors**

No Associate, nor his/her household members, shall perform work, consult with, or render services for any competitor of Hays Medical Center or for any organization with which Hays Medical Center does business or which seeks to do business with Hays Medical Center outside of the normal course of his/her employment or affiliation with Hays Medical Center without the approval of the Associate’s supervisor. Nor shall any such Associate be a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization. Associates are prohibited from discussing the business affairs of Hays Medical Center during their secondary employment. At no time shall an Associate have secondary employment which interferes in his/her satisfactory performance at Hays Medical Center.

**Standard 7.4 – Former Personnel of Fiscal Intermediary/Medicare Administrative Contractor**

In order for Hays Medical Center to comply with requirements of the Medicare program, every Associate must notify Human Resources or the Compliance Officer if he/she was at any time during the year preceding his/her employment with Hays Medical Center employed by a Medicare intermediary or contractor in a managerial, accounting, auditing, or similar capacity.
Exhibit A

Associate Confidentiality Agreement

Name (Printed)__________________________________________
(referred to herein as “You”)

Department________________________________________________

Definitions

As used herein, the following terms shall have the following meanings:

1. “Confidential Information” includes any information, regardless of the manner in which it is communicated or maintained (e.g., oral, paper, electronic), received by Hays Medical Center (“HaysMed”) or any of its agents that falls into one or more of the following categories:

   Protected Health Information: Information relating to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual. Protected Health Information includes a patient’s demographic information, e.g., address, telephone number, employer, date of birth, religious affiliation, next of kin, identification numbers.

   Personnel Information: Information relating to a person’s status as a HaysMed Associate, including but not limited to compensation, employment records, accommodations, performance reviews, and disciplinary actions.

   Business Operations Information: Information relating to HaysMed’s business operations, including but not limited to financial and statistical records, strategic plans, internal reports, memos, contracts, pricing, staffing levels, supplier information, remote site information, peer review information, communications, proprietary computer programs, source code, and proprietary technology.

   Third-Party Information: Information belonging to a third party utilized by HaysMed for limited purposes pursuant to an agreement with the third party, including but not limited to computer programs, client and vendor proprietary information source code, and proprietary technology.

   Personal Information: Information relating to the personal life of any patient, HaysMed Associate, or member of the HaysMed Medical Staff.

2. "Receive," "Receiving," and "Receipt" means, with respect to Confidential Information, to come into possession, custody, or control; to perceive; to create; to gain the ability to come into possession, custody, or control; or to gain the ability to perceive Confidential Information in whatever form (oral, visual, written, electronic, or otherwise).
3. “Use” means, with respect to Confidential Information, accessing, reviewing, employing, applying, utilizing, examining, or analyzing such information, or sharing or discussing such information with other HaysMed Associates.

4. “Disclose” means, with respect to Confidential Information, release, transfer, provision of access to, or divulging in any other manner such information to a person or entity who is not a HaysMed Associate.

5. “Associate” includes HaysMed directors, officers, employees, volunteers, students, trainees, independent contractors, and others who perform work for HaysMed regardless of the location at which they work, whether or not they are compensated for such services.

6. “HaysMed Computer Systems” includes computer files, computer hard drives, local area network, wide area network, mainframe, electronic mail, internet access, intranet access, electronic medical records, and electronic order entry.

Duties and Obligations

In performing your duties as a HaysMed Associate, you may receive or create Confidential Information. As a condition of and in consideration of your receipt of Confidential Information and your continued employment or affiliation with HaysMed, you acknowledge and agree to the following:

1. You understand that you have no right or ownership interest in any Confidential Information which you may receive. HaysMed may, at any time and for any reason, revoke your password, access code, or any other authorization you have that allows you to receive Confidential Information in any form.

2. You understand that you must respect and maintain the confidentiality of all discussions, deliberations, patient records, and any other information associated with individual patient care, risk management, and/or peer review activities. You must not disclose any discussion, deliberation, patient records, or any other patient care, risk management, or peer review information except to individuals authorized to receive it according to HaysMed’s policies and procedures.

3. You understand that your obligations under this Agreement with respect to Confidential Information shall continue after termination of your relationship (employment or otherwise) with HaysMed. On termination of your employment or affiliation with HaysMed you must return all Confidential Information in your possession or control. You understand that your privileges hereunder are subject to periodic review, revision, and, if appropriate, renewal.

4. The use and disclosure of Confidential Information is governed by Federal and State laws and regulations as well as HaysMed policies and procedures. The purpose of these specific requirements is to guarantee that Confidential Information remains confidential, i.e., such information shall be used and disclosed only as necessary to accomplish HaysMed’s mission. You shall be familiar with and adhere to all applicable laws and regulations and HaysMed policies and procedures concerning the use and disclosure of Confidential Information.

5. You shall actively participate in educational opportunities made available to you concerning proper safeguards for Confidential Information and uses and disclosures of Confidential Information as part of your job duties.
6. If you have any question concerning whether certain information constitutes Confidential Information, you shall bring the matter to your supervisor or HaysMed’s Privacy Officer for direction.

7. You shall appropriately safeguard Confidential Information so as to prevent any inappropriate use or disclosure of such information. You shall be knowledgeable of and adhere to HaysMed policies and procedures regarding safeguarding of Confidential Information. If you have reason to believe the confidentiality of information may have been compromised, you shall report such concerns to HaysMed’s Privacy Officer immediately.

8. You shall use and disclose Confidential Information only to the extent necessary to perform your assigned job duties. Such use and disclosure shall be in a manner consistent with applicable HaysMed policies and procedures. Your use or disclosure of Confidential Information for any reason other than the performance of your assigned job duties or your failure to conform to applicable policies and procedures shall constitute misuse of Confidential Information. You understand that any misuse of Confidential Information may be grounds for discipline (up to and including termination of your employment or other relationship with HaysMed) and/or the initiation of legal action (including criminal charges) against you.

9. If you have any question concerning whether your assigned job duties permit you to use or disclose certain Confidential Information in a particular manner, you shall bring the matter to your supervisor or HaysMed’s Privacy Officer for direction. If you have any question concerning the application of a particular HaysMed policy or procedure to a particular use or disclosure of Confidential Information, you shall bring the matter to your supervisor or HaysMed’s Privacy Officer for direction.

10. In performing your job responsibilities, you shall not knowingly include or cause to be included in any record or report a false, inaccurate, or misleading entry. Nor shall you make or cause to be made any false, inaccurate, or misleading statement to any person. If you become aware of false, inaccurate, or misleading information contained in any record or report, or a false, inaccurate, or misleading statement, you shall report the matter to your supervisor and cooperate in taking all steps necessary to correct the record, report, or statement pursuant to HaysMed policies and procedures.

11. You shall comply with HaysMed policies and procedures concerning the alteration, deletion, or destruction of Confidential Information in any form. If you have any question concerning such policies and procedures, you shall bring the matter to your supervisor or HaysMed’s Privacy Officer for direction. If you have any reason to believe such policies and procedures have been violated, you shall report such concerns to HaysMed’s Privacy officer immediately.

12. You shall not use HaysMed computer systems (including, but not limited to, any electronic medical record) to access any information relating to you, your family members, or any other person for any reason except as necessary to perform your specific job duties.

13. Except as necessary to perform your specific job duties, you shall not discuss or disclose protected health information to any person or engage in conversations (in person, by telephone, or electronically) concerning the fact that a person is or has been a patient of HaysMed or concerning any information relating to such patient (e.g., symptoms, behavior, diagnosis, procedures, outcome) even if you do not identify such person by name or otherwise. Nor shall you post any such information on the internet (e.g., discussion boards, listserves, Facebook, Twitter, LinkedIn).
14. If you become aware through any means (including, but not limited to, personal observation or reports or complaints received from business associates, patients, patients’ family members and other advocates, or other Associates) of a possible unauthorized use or disclosure of protected health information, you shall report such matter to the HaysMed Privacy Officer immediately. You understand that you will be subject to disciplinary action, up to and including termination of your employment or other relationship with HaysMed, if you fail to make a timely report.

15. You shall not download or store protected health information on the hard drive of any computer used by you, regardless of whether such computer is owned by HaysMed or you. You shall not transmit protected health information in electronic form (e.g., via e-mail) unless such information has been properly encrypted. You shall obtain encryption assistance from the Information Technology Department as needed.

16. You understand that HaysMed monitors each and every time HaysMed computer systems are accessed. You understand that any action you take in a HaysMed computer system will be tagged with your unique identifier as established in your user profile, and such actions can be traced back to you including, but not limited to, access to patient status boards or an individual’s electronic medical record, e-mail messages sent and received, and web sites visited. You understand HaysMed conducts regular audits of such access, and that disciplinary action may be taken against you if such an audit indicates you accessed records, sent or received e-mail messages, or visited websites without a legitimate reason for doing so.

17. You shall safeguard and shall not disclose to any person your computer password, access code, or any other authorization you have that allows you to access HaysMed computer systems. You shall be responsible for all activities undertaken using your password, access code, and other authorization, and you shall be responsible for any misuse or wrongful disclosure of Confidential Information resulting from the use of your password, access code, or other authorization. You shall not utilize any other person’s computer password, access code, or any other authentication to access any HaysMed computer system.

18. If you believe the security of your computer password, access code, or any authorization you have that permits you to access HaysMed computer systems has been compromised, or if you believe any computer or mobile device (e.g., flash drive, memory card, Blackberry, PDA, cell phone) used by you to access or store Confidential Information has been misplaced, stolen, or otherwise compromised, you shall immediately report such matter to the HaysMed Privacy Officer.

19. You shall respect the ownership of proprietary software. You shall not make unauthorized copies of any software, even if the software is not physically protected against copying, nor shall you operate any non-licensed software on any computer provided by HaysMed.

By signing this document, you certify that you have reviewed the foregoing Confidentiality Agreement, have been provided with an opportunity to ask questions concerning its terms, and understand the duties and obligations it imposes on you. You hereby agree to the duties and obligations as stated in this Confidentiality Agreement. You understand that this signed and dated document will become part of your permanent personnel record.

__________________________________
Signature
Date
POLICY AND PURPOSE:

Associates shall conduct their interactions with vendors and their representatives so as to avoid or minimize conflicts of interest and the appearance of conflicts of interest. To the extent the rules set forth in this policy do not address a particular situation, an Associate should not assume a particular interaction is permissible. Instead, an Associate, with the assistance of the Compliance Officer, shall determine whether the proposed interaction is consistent with the principles underlying this policy and act accordingly. Under no circumstances shall any Associate rely on any representation from a vendor representative concerning the appropriateness of any interaction.

As used herein, "vendor representative" refers to salespersons, representatives, and Associates of manufacturers, distributors, suppliers, and service organizations whose products or services may be prescribed or utilized by an Associate in treating a patient or may be utilized by HMC in conducting its business operations. This includes, but is not limited to, pharmaceutical company and medical device manufacturer representatives and distributors.

PROCEDURE:

I. Prohibition on Kickbacks

A. No Associate shall solicit or accept, directly or indirectly, any form of remuneration (including cash or cash equivalents, goods, or services) from a vendor representative in exchange for the Associate taking any action (or refraining from taking any action) with respect to the acquisition of any good or service by or on behalf of HMC.

B. No Associate shall solicit or accept, directly or indirectly, any form of remuneration from any person in exchange for any referral including, but not limited to, (1) prescribing or changing a patient’s prescription to a particular pharmaceutical product, (2) ordering particular medical equipment or supplies for a patient, (3) utilizing a particular medical device in providing treatment for a patient, or (4) referring a patient for treatment to any health care facility or other health care provider.

II. Educational Programs

A. An Associate may attend a vendor-sponsored educational program concerning the vendor’s products or services for which there is no registration fee or for which the vendor waives the Associate’s registration fee. An Associate shall not solicit or accept payment of any other expense associated with attendance at such program from a vendor representative (e.g., travel, lodging) without the express approval of the Compliance Officer. The decision

REMINDER: See Policy Tech for the most current version of this policy.
whether to accept such payments shall be based on the program's content, the relevance and importance of the subject matter to the Associate's job duties, and the cost and effectiveness of alternative methods to obtain information from or share information with the vendor. The justification for acceptance of such payments shall be properly documented. Under no circumstances shall an Associate solicit or accept payment for a guest's expenses while attending such program with the Associate, nor shall an Associate solicit or accept any form of compensation for time spent traveling to or attending such program. To the fullest extent possible, the cost of such an educational opportunity for Associates should be incorporated into HMC's written agreement with the vendor.

B. Except as provided in the preceding section, no Associate shall solicit or accept from a vendor representative, either directly or indirectly, payment of registration fees, travel, lodging, or other expenses associated with the Associate's attendance at an educational program or professional meeting. Nor shall an Associate accept any form of compensation from a vendor representative for time spent traveling to or attending any educational program or professional meeting.

C. With respect to an Associate's service as a faculty member, moderator, presenter, or panelist at an educational program or professional meeting (regardless of whether such program or meeting is sponsored by a vendor) see Section VII of this policy and procedure.

III. Charitable Contributions

An Associate may invite a vendor representative to make a charitable contribution (including, but not limited to, donating products to be used by HMC or an Associate in furnishing health care services free of charge), but under no circumstances shall such contribution (or failure to make such a contribution) be taken into consideration by an Associate in making any decision regarding the vendor's products or services.

IV. Educational and Promotional Materials

A. An Associate may accept from a vendor representative the following educational materials free of charge, provided the materials do not have any value to HMC or the Associate beyond the educational purposes they serve:

1. A single or replacement copy of reference materials and scientific research studies and reports concerning the vendor's products or services, provided such publication includes the name of the author(s) and the sponsoring entity, if any.

2. A reasonable number of patient handouts (paper pamphlets, DVDs) prepared by the vendor or vendor representative concerning the vendor's products or services. No such handout shall be furnished to any patient unless and until the handout has been
reviewed by a knowledgeable professional staff member who has determined the handout does not promote off-label use of any drug or medical device.

B. An Associate may accept products from a vendor representative at no charge to permit the Associate to assess the appropriate use and functionality of the product and determine whether and when to use or recommend the product in the future.

1. The terms and conditions on which such products are provided shall be reduced to a writing signed by both parties prior to acceptance of the product by an Associate.

2. The number of a consumable or disposable product furnished free of charge shall not exceed the amount reasonably necessary for the Associate to properly evaluate that product. A multiple use product (e.g., surgical instruments) may be loaned without transfer of title only for so long as necessary to properly evaluate the product.

3. Under no circumstances shall HMC seek payment for a product used in patient care which was received free of charge from a vendor representative.

C. Associates shall use proper discretion to assure the distribution of coupons, certificates, or similar items furnished by vendor representatives are for the benefit of the patient, not for product promotion.

D. A pharmaceutical company's provision of sample medications for distribution to patients is the subject of a separate policy and procedure.

V. Gifts and Entertainment

A. An Associate shall not accept gifts of cash or cash equivalents (e.g., gift certificates) under any circumstances, nor may an Associate solicit non-monetary gifts, gratuities, or any other personal benefit or favor of any kind from a vendor representative. An Associate and members of his/her immediate families may accept unsolicited, non-monetary gifts from a vendor representative only if the gift is of nominal value or the gift is primarily of an advertising or promotional nature.

B. An Associate shall not encourage or solicit a vendor representative to furnish tickets to any sporting or entertainment event or other recreational opportunities including, but not limited to, golf, skiing, hunting, other leisure activities, and vacation trips. From time to time, an Associate may accept such an opportunity, but only if it is reasonable, occurs infrequently, and does not involve lavish expenditures.

C. If an Associate has a personal friendship with a vendor representative outside their business relationship, or if the vendor representative is a family member, the Associate may accept from the representative a personal gift provided that:

REMINDER: See Policy Tech for the most current version of this policy.
• The gift is purchased from the representative's personal funds and not included as a business expense on the representative's individual tax return.
• The value of the gift is commensurate with gifts the representative would give other friends or family members.

VI. Food and Beverages

A. Under no circumstances shall any vendor representative be required (or made to feel s/he is required) to provide food or beverages as a condition of scheduling a presentation or discussion with any Associate. No Associate may solicit any food or beverage from a vendor representative.

B. A department or clinic manager may permit a vendor representative to make a presentation or engage in a discussion concerning the vendor's services or products in an HMC facility, provided such activities do not interfere with the department's or clinic's operations. A vendor representative must schedule in advance with the department or clinic manager any such presentation or discussion, and must adhere to any specific restrictions imposed by the department or clinic manager. In connection with such presentation or discussion, a vendor representative may offer to those in attendance food and/or non-alcoholic beverages, provided that: (1) the presentation or discussion has legitimate educational value for the attendees; (2) the food or beverage is modest as judged by local standards; and (3) the food or beverage is made available in a manner conducive to the parties' communications. Under no circumstances may a vendor representative provide food or beverages to be consumed outside the facility or while the vendor representative is not present at the facility.

C. An Associate may accept a meal furnished by a vendor representative outside an HMC facility only if the following conditions are satisfied:

1. The Associate is a decision-maker with respect to the use or purchase of products or services. For example, an Associate cannot permit the representative to pay for the Associate's spouse's meal if s/he attends with the Associate.

2. The meal, snack, or beverage is served during a meeting whose sole purpose is an informational presentation concerning the vendor's products or services conducted at a location conducive to such discussion.

3. The primary focus of conversation during the meeting is the vendor's products or services, and the vendor representative is present for the duration of the meeting.

4. The cost of the meal, snack, or beverage furnished to the Associate by a vendor's representative in the course of one day does not exceed $125.00. Consumption of alcoholic beverages shall be kept at a minimum.

D. Any vendor representative who refuses or fails to comply with the aforementioned restrictions or requirements imposed by a department or clinic manager shall be banned from future opportunities for interaction with Associates.

**REMEMBER: See Policy Tech for the most current version of this policy.**
E. Notwithstanding the foregoing, an Associate may attend a holiday open house or similar event sponsored by a vendor if (1) Associates comprise only a small number of the guests invited to attend the event; (2) the event is held during the day or early evening hours; (3) only modest refreshments are served; (4) the Associate does not accept any take-away item (e.g., door prize).

VII. Consulting Services

An Associate may provide consulting services for a vendor (including, but not limited to, product evaluation (surveys and questionnaires), research, training, and teaching) only if the arrangement receives prior approval from the Compliance Officer. Any such arrangement must meet the following minimum standards:

A. The vendor must demonstrate a legitimate need for the consulting services the Associate has been asked to provide.

B. The terms on which the Associate shall provide the consulting services must be specified in a written agreement signed by the parties prior to any services being provided. Such written agreement must include:

1. A specific description of the services to be provided.

2. The term of the agreement, which shall not be less than one year. If the agreement is terminated within the first year, the parties cannot enter into a new agreement concerning the same subject matter for one year following termination of the original agreement.

3. Consideration for provision of services, which must:

   a. be set in advance.

   b. be consistent with fair market value.

   c. not take into account the value or volume of referrals or other business generated by the referral source.

   d. describe the documentation the Associate must maintain and submit to demonstrate the services furnished pursuant to the agreement.

C. While a vendor representative may ask a consultant to address certain subjects during training, no Associate shall be required by a vendor representative to make certain statements or express certain opinions during such training. The Associate furnishing such training shall

REMINDER: See Policy Tech for the most current version of this policy.
disclose to all persons participating in the training that s/he is receiving payment from a vendor representative to provide such training.

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