



ST. JOSEPH'S/CANDLER HEALTH SYSTEM, INC. CODE OF CONDUCT

St. Joseph's/Candler Health System, Inc. is committed to caring for the health needs of all persons in need, no matter of their race, color, or creed. Our philosophy, mission, and values reflect the dignity of the human person and respect for life.

In support of SJ/C's vision... "To set the standards of excellence in the delivery of healthcare throughout the regions we serve," the Compliance Program's mission is to hold all its co-workers, medical staff, vendors and contractors accountable to the highest standards of personal, clinical and corporate ethics.

We practice a non-discriminatory policy in admissions to inpatient, outpatient, and emergency care. Admission and transfer policies adhere to regulatory and fair standards of practice by keeping the best interest of the patients as a priority.

We maintain fair business practices in patient billing, charging for services provided, and with any decisions associated with our patient accounts.

We recruit, select, orient, educate, and evaluate each co-worker and volunteer to ensure competency based on identified job descriptions; we support, and empower our co-workers and volunteers in the delivery of care.

We insist on observance of professional standards at all levels of service, and are dedicated to promoting the organization's commitment to human dignity and the common good.

We adhere to principles of fair practices in advertising, publishing and news coverage in marketing.

We respect the rights of other healthcare providers and educators, and we make every effort to honor the intent of our supporters and donors.

Entities to whom this Policy Applies

St. Joseph's/Candler Health System, Inc. ("SJ/C"), all trustees, applicable physicians and their staff providing services at SJ/C or other affiliates; volunteers at SJ/C; students and faculty participating in training at SJ/C; consultants, contractors and vendors of SJ/C and their personnel.

Definitions

Agents - all persons with the authority to act on behalf of the System including but not limited to all trustees, physicians with admitting privileges, vendors, and contractors.

Co-worker - an individual employed or contracted to work or provide a service for the System or a System organization, which the System has the authority to control and direct.

I. INTRODUCTION

A. CODE OF CONDUCT PROVISIONS

1. The Corporate Compliance Committee of the System Board oversees the Corporate Compliance Program and reports to the System Board.
2. Regina Davidson is the Corporate Compliance Officer (“CCO”).
3. The Corporate Compliance Hotline is 912-819-LAWS (912-819-5297).
4. You must know and follow the legal, professional, and ethical standards that apply to your work. In addition, you must avoid conduct that appears or is improper.
5. You must report to your supervisor, the CCO, or the Hotline any activity that you believe, in good faith is not in compliance with legal, professional, or ethical standards.
6. All reports of concerns about compliance will be investigated by the CCO, or by SJ/C’s Legal Counsel. Confidentiality is maintained as the conditions and the law permit.
7. The Administrative Disciplinary Policy will be enforced if you have:
 - failed to comply with legal, professional or Code of Conduct standards,
 - encouraged or helped others to violate these standards,
 - failed to report violations of these standards committed by others, or
 - retaliated against anyone who reports a compliance concern.
8. All of your work is subject to surprise audits by the Corporate Compliance Committee to determine if it is in compliance with legal, professional, and ethical standards.
9. It is the policy of SJ/C that Search Warrants, Subpoenas, or Official Inquires by State and Federal Agencies be directed to and by the Staff Attorney, the Director of Human Resources, or the Compliance Officer. The System’s Legal Services department is here to serve the System and to assist you in the event that you receive an unusual request for information from any governmental agency. If any

governmental agency asks you for unusual information, you have the right to be represented by Legal Counsel and are encouraged to contact the CCO or Legal Services Department for assistance.

10. In most governmental investigations, the System's Legal Services Department will represent both the System and you. However, if you have repeatedly and knowingly violated the System's policies, you may have to hire and pay the cost of your own attorney and defense.
11. The System's administrative policies and the policy manuals of affiliates may contain more detailed standards that are also applicable. Additional information on the laws described in this Code of Conduct is available in the Legal Services office. If you need more detailed information about any legal issue related to your job, you should contact your supervisor, the CCO at 819-5291, or the Legal Services office at 819-5290.
12. To the extent that this Code pertains to patient care, it serves only as a guideline and does not substitute for professional medical judgment consistent with applicable standards of care.
13. Certification

Each System employee must certify that he or she has received and thoroughly reviewed the Code of Conduct, which is part of the Corporate Compliance Program, at the time of employment and annually. This certification includes the following:

- That he or she agrees to comply with the principles and standards for conduct set forth in the Code of Conduct and, if he or she violates any provision of the Code of Conduct, such employee may be subject to disciplinary action up to and including immediate termination.
- That he or she is expected to report any suspected violations of the Code of Conduct or any applicable legal requirement to his or her supervisor, to the Corporate Compliance Hotline, or directly to the CCO.

B. CODE OF CONDUCT

Below is a brief description of each section. Please refer to the **Appendix** for a complete explanation of each section.

1. Patients' Rights

- Safety, Security and Standard of Care: SJ/C complies with laws and regulations regarding patient safety, security and the standard of care. It is your responsibility to be aware and comply with all laws, regulations, and policies related to patient safety, security and providing care which is considered within the Standard of Care.

- Confidentiality of Medical Information: It is the System's policy to protect the confidentiality of patient medical information.
- Emergency Treatment: It is the policy of the System to give an appropriate medical screening to all patients reporting to its hospital emergency departments. Hospitals must not deny treatment to any patient with an emergency medical condition for financial reasons.

2. Antitrust

- Activities that influence the pricing of the System's goods and services, as well as activities that influence what the System pays for goods and services are subject to antitrust laws. Co-workers and agents who are responsible for making such business decisions must become familiar with the requirements of the antitrust laws.

3. Employment

- **Discrimination**

It is the System's policy not to discriminate against any applicant or co-worker based on race, creed, color, religion, sex, national origin, age, handicap, veteran status, or other legally prohibited basis.

- **Harassment**

SJ/C is committed to a work environment that is free from any form of sexual or racial harassment. Unwelcome sexual advances, or conduct of a sexual nature, may not be the basis for any employment decisions. In addition, the System will not tolerate any sexual or racial conduct that interferes with work performance or creates an intimidating, hostile, or offensive work environment.

- **Health and Safety**

The health and safety of co-workers and agents is important to the System. Our policy is to comply with all laws and regulations pertaining to health and safety.

- **Drug Free Workplace**

You are subject to testing for alcohol and/or substance abuse upon employment, on a random basis during employment, and for cause.

- **Conflicts of Interest**

You must avoid all conflicts of interest. A conflict of interest can arise from any situation where your personal interest is not, or might appear not to be, in the best interest of the System. Any opportunity for personal gain (other than normal wages) could present a conflict of interest.

- **Employee Benefits**

Federal law (especially the Employee Retirement Income Security Act of 1974 [ERISA]) imposes criminal penalties for certain conduct related to co-workers' benefit plans. Co-workers and agents whose responsibilities include aspects of ERISA-plan administration are expected to know the specific fiduciary and other duties required of them by ERISA and to adhere to those standards.

4. **Taxation**

- The System is subject to numerous legal requirements due to its non-profit status as an organization. Primary among these is the requirement that none of the net earnings of the System may benefit any private individual and will be used for the benefit of the health system and its mission.

5. **Intellectual Property**

- Intellectual property includes copyrights, trademarks, patents, and trade secrets. You are required to adhere to the standards of intellectual property law. If you have questions concerning these laws please call the Legal Services Department or ask the CCO.

6. **Environmental**

- The System is subject to numerous legal requirements under a variety of environmental laws concerning the handling, release, reporting, transporting and disposal of hazardous materials and wastes. Failure to observe environmental laws can be a criminal act.

7. **Comprehensive Document System**

- The System shall maintain a comprehensive document system with policies and procedures covering the: (a) creation, (b) distribution, (c) retention, (d) storage and retrieval, and (e) destruction of all documents (including information maintained in computer files). You must familiarize yourself with the specific policies and procedures applicable to documents with which you work.

8. **Fraud, Waste and Abuse** (refer to section 8 of the attached **Appendix** for more detailed information)

- SJ/C is committed to full compliance with all Federal health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements. Therefore, SJ/C requires that all of its co-workers and agents shall be expected to comply with all Federal and State health care program requirements and with SJ/C's own Policies and Procedures.
- Co-workers and agents who are responsible for establishing charges, entering charges, coding charges, approving agreements with physicians or other providers, and marketing activity must review the specifics details in this Code of Conduct and OIG Supplement dated January 2005 (summary included in Section 8 (D) of the **Appendix**).
- SJ/C provides information to all co-workers, agents and contractors related to the federal False Claims Act, Federal Program Fraud Civil Remedies Act, Georgia's State False Medicaid Claims Act, and other Georgia State laws related to fraud, waste and abuse, as well as whistleblower protections provided under such federal and state laws.
- There are many additional general laws that apply to the System's operations. You are expected to know and comply with all laws that apply to your work for the System. If you have questions about the law that

applies to your work, ask your supervisor or the CCO.

- SJ/C policies and procedures throughout the organization address ways in which to prevent and detect fraud. You should be aware of all policies and procedures which pertain to your scope of work. Should you identify a process which can enhance our controls, please contact your supervisor and the Compliance Officer.

9. Disclosure Program

- The System shall maintain a Disclosure Program in which co-workers and agents have the right to report suspected acts of wrongdoing. This process is outlined in detail in the Corporate Compliance Program Policy and in Section 9 of the **Appendix**.
- SJ/C is committed to nonretaliation of persons making reports to the Program in good faith. SJ/C is also committed to maintain, as appropriate, the confidentiality and anonymity of such persons making reports to the Program.
- SJ/C's co-workers and agents are expected to report to the Compliance Officer, or other appropriate individual designated by SJ/C, suspected violations of any Federal health care program requirements or of SJ/C's own Policies and Procedures. This allows the System to investigate the suspected violation and correct any identified problems. You also have other rights to report suspected violations that the System has not addressed. These rights are further explained in Section 9 of the attached **Appendix**.

II. Code of Conduct Appendix

A. PATIENT'S RIGHTS

1. Patient Safety, Security and Standard of Care

The System is committed to providing health care services at a level of excellence that makes the System the healthcare provider of choice. The System complies with laws and regulations regarding patient safety, security and comfort. Patient care policies may be contained in various manuals relating to administration, emergency care, confidentiality, infection control, and other topics and in the manuals of specific departments and affiliates.

You must be aware of the legal, professional, and ethical standards and System policies that apply to patient care activities. Supervisory personnel must assure that everyone he or she supervises knows and complies with standards and System policies protecting patients.

Grounds for disciplinary action include but are not limited to the following confirmed acts:

- Any act of rudeness to or in the presence of a patient or a patient's family;

- Any act or omission that unnecessarily endangers a patient;
- Any sexual contact with a patient;
- Any failure to provide appropriately prescribed care for a patient;
- The wrongful taking of any property which belongs to a patient;
- The falsification of any information in a medical record;
- The failure to document or comply with a patient's advance directives; and
- The failure to timely report any failure of medical equipment or any injury to a patient caused by any medical device.

2. Confidentiality of Medical Information

It is the System's policy to protect the confidentiality of patient medical information. Patient medical information is considered confidential under Federal and Georgia law. There are strict protections for information relating to psychiatric and psychological care, mental retardation, mental illness, and AIDS. Federal law prohibits the disclosure of records relating to the identity, diagnosis, prognosis, or treatment of any patient for a drug or alcohol abuse problem. Both federal and state laws protect the confidentiality of information related to peer review and medical review functions performed by a healthcare provider.

Except as authorized by the patient or by the System's policies, you may not –

- Obtain a patient's medical information except to provide care, perform medical quality review, submit claims for reimbursement, or for other authorized and appropriate purposes;
- Discuss or reveal information relating to a patient's identity or medical condition with any other person who does not need to know the patient's medical condition for purposes of providing care, performing medical quality review, submitting claims for reimbursement, or other authorized and appropriate purposes; or
- Discuss a patient's identity or medical condition with an authorized person under such circumstances that the conversation can be heard by an unauthorized person.

You should refer all requests for patient medical information, by subpoena or otherwise, from anyone other than a patient, an authorized physician, or authorized co-workers and agents to the Risk Management department, which shall consult the Legal Services department where appropriate.

3. Emergency Treatment

It is the policy of the System to give an appropriate medical screening to all patients reporting to its hospital emergency departments. System hospitals must not transfer a patient with an emergency medical condition, including active labor, without first stabilizing the patient and completing all applicable transfer forms. Hospitals must not deny treatment to any patient with an emergency medical condition for financial reasons. Noncompliance with this policy can result in substantial fines against the hospital and its physicians and the loss of the ability to treat Medicare and Medicaid patients.

All co-workers and agents involved in the treatment of emergency patients shall know and comply with all hospital policies relating to emergency treatment and the transfer of patients.

B. ANTITRUST

The purposes of the antitrust laws are to eliminate practices that interfere with free competition and to promote fair competition. The goal is to give each business a full opportunity to compete based on quality, service and price. The consequences of antitrust claims are severe for both the System and the individuals involved. There can be prison sentences for individuals and substantial criminal fines and civil damages for the individuals, the System and/or one or more of its affiliates. Even if found not guilty of a violation, litigation costs can be very large.

Activities that influence the pricing of the System's goods and services, as well as activities that influence what the System pays for goods and services are subject to antitrust laws. Co-workers and agents who are responsible for making such business decisions must read the Antitrust Appendix and become familiar with the requirements of the antitrust laws.

C. EMPLOYMENT

1. In General

The System's administrative policy manuals contain extensive policies on employment. All supervisory personnel are expected to know and adhere to these policies.

You must comply with laws that regulate employment. Examples of conduct governed by these laws include wage and hour requirements, state and federal civil rights laws, collective bargaining and union laws, as well as laws protecting co-workers from arbitrary termination of employment. Some employment laws and standards are summarized in the following paragraphs.

2. Discrimination

It is the System's policy not to discriminate against any applicant, or Employee based on race, creed, color, religion, sex, national origin, age, handicap, veteran status, or other legally prohibited basis. Comprehensive nondiscrimination policies are contained in the administrative policy manuals.

3. Harassment

The System is committed to maintaining work environments that are free from any form of sexual or racial harassment. Submission to or rejection of unwelcome sexual advances, or conduct of a sexual nature, may not be the basis for employment decisions. In addition, the System will not tolerate any sexual or racial conduct that interferes with work performance or creates an intimidating, hostile, or offensive work environment.

If you experience sexual or racial harassment on the job, you must report the conduct to your supervisor, the Human Resources department, or the Corporate Compliance Officer or Hotline. Supervisory personnel must be alert to the possibility of noncompliance with this reporting policy and must create an environment in which such conduct is not tolerated.

4. Health and Safety

The health and safety of co-workers and agents is important to the System. Our policy is to comply with all laws and regulations pertaining to health and safety.

There are numerous policies relating to health and safety in manuals relating to infection control, the safety program, and elsewhere. It is your responsibility to know and comply with the policies relating to your work activities. Supervisory personnel must be aware of all health and safety laws and policies applicable to their departments and must assure compliance by all co-workers and agents they supervise.

At a minimum, you must –

- Review and comply with all safety policies contained in the safety manual and administrative or department policies related specifically to your job function and department.
- Review and comply with the instructions, including information contained in material safety data sheets, safety manuals, and relevant System or affiliate policies relating to any hazardous materials, including infectious waste, you must handle.
- Wear required personal protection equipment, including that recommended by the CDC for universal precautions, that recommended by any other agency or System policy for hazardous materials or dangerous activities, and wear seat belts while driving or riding in any System vehicle.
- Report to your immediate supervisor or another manager all hazardous conditions.
- Report to your immediate supervisor or another manager any work related injury or illness as soon as possible and no later than the day such injury or illness occurs.
- Comply with the System's policies relating to a drug-free workplace.

5. Drug Free Workplace

The System's CEO may authorize serving alcoholic beverages at official System functions. Otherwise, you are subject to disciplinary action if you –

- use alcohol at System functions, or
- possess, use, distribute, transfer, manufacture, or sell alcohol, illegal drugs or legal drugs without a valid prescription
- on System property, in a System vehicle,
- as a System representative, or

- on System time.

You are subject to testing for alcohol and/or substance abuse upon employment, on a random basis during employment, and for cause.

6. Conflicts of Interest

You must avoid all conflicts of interest. A conflict of interest can arise from any situation where your personal interest is not, or might appear not to be, in the best interest of the System. Any opportunity for personal gain (other than normal wages) could present a conflict of interest.

Although it is not possible to list every conceivable type of conflict of interest, the following principles are provided for evaluating possible conflicts –

- You may not offer, give, ask for, or receive anything of value in exchange for the sale or purchase by the System of any goods or services.
- Any outside activity, such as a second job or a significant interest in another business, must not involve any personal interest that could affect the independence of your judgment, interfere with System duties, or discredit or embarrass the System.
- You may not engage in any activity that aids a System competitor. Examples are soliciting business for a competitor, sending patients to a competitor for services offered by the System, and giving a competitor confidential business information that belongs to the System. (This does not prohibit providing services to a competitor as an employee or contractor if that can be done without otherwise violating this policy.)
- You may not have any personal interest in the sale or purchase of property by the System without full disclosure and strict compliance with System policies such as the policy on disposal of excess property.
- You may not, without prior approval, convey System property or proprietary information or provide free System services to a member of the public or to an employee or agent of another company. The appropriate System Vice President must approve any exception to this policy. If the individual is a vice president, any exception must be approved by the System CEO.
- You may not use the System's assets, including but not limited to, its equipment, inventory, funds, office supplies, concepts, business strategies and plans, financial data, intellectual property rights or other information, for the benefit of any person or entity except the System.
- You may not solicit or accept personal gifts or benefits of any nature from patients, physicians, suppliers, or anyone doing or seeking to do business with the System, unless the gift is of nominal value or is primarily of an advertising/promotional nature. Any gift with a value of \$100 or more must be reported to the CCO.

- You must disclose all possible conflicts of interest when those interests may affect or be perceived as affecting a decision on a proposed System transaction or arrangement.

The System does not permit bribes or kickbacks. The system will not approve any arrangement when co-workers and agents know or should suspect from the surrounding circumstances (after a reasonable good faith inquiry) that the intent or probable result is to reward improperly, either directly or indirectly –

- Any employee or official or other representative of any government, governmental agency or entity owned or controlled by a government;
- Any officer, director, trustee, employee, shareholder or other representative of a customer, supplier or other institution with which the System has an existing or prospective business relations; or
- Any officer, official, member or other representative of a union.

You may not reward such individuals for taking action favorable to the System or to co-workers and agents. The concept of an improper reward includes the giving of anything of value, not just money. No action that would otherwise be suspect is permissible merely because it appears to be customary in a particular location or particular area of business activity.

Requests for special billing or payment procedures that suggest possible violations of law, such as evasion of income tax, currency exchange controls, or price or profit controls are contrary to policy, and no such billing or payment procedures shall be used. Such practices can also result in false, artificial, or misleading entries in the books or records of the System and they are strictly prohibited.

7. Employee Benefits

Federal law (especially the Employee Retirement Income Security Act of 1974 [ERISA]) imposes criminal penalties for certain conduct related to co-workers' benefit plans. ERISA includes criminal provisions relating to: (1) violations of fiduciary duties or reporting and disclosure requirements; (2) coercive interference with plan and statutory rights; and (3) prohibition of persons convicted of specified crimes from working with plans. In addition, state criminal laws of general applicability may apply to conduct relating to retirement plans.

Co-workers and agents whose responsibilities include aspects of ERISA-plan administration are expected read the ERISA Appendix to the Corporate Compliance Program and to know the specific fiduciary and other duties required of them by ERISA and to adhere scrupulously to those standards. The CCO will assist through ongoing education and by providing specific opinions when requested to do so.

D. TAXATION

The System is subject to numerous legal requirements due to its status as an organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code and similar provisions of Georgia law. Primary among these is the requirement that none of the net earnings of the System may benefit any private individual. Other conditions relate to various reporting and filing requirements of the tax code and to limitations on lobbying and political campaign activities.

Some tax-related standards are addressed in the Code of Conduct sections relating to conflicts of interests and fraud and abuse. In addition, however, the following specific requirements apply to all co-workers and agents.

You may not –

- Except in your capacity as a private individual, engage in lobbying activities (attempts to influence legislation) without the prior written consent of the System CEO, which consent shall be given (or withheld) following consultation with Legal Counsel.
- Except in your capacity as a private individual, participate in any political campaign, publish or distribute political statements, or promote or oppose any candidate for political office.

Co-workers and agents with relevant job responsibilities shall –

- Learn and abide by the rules for reporting by tax-exempt Organizations.
- Timely prepare and file all applicable IRS Forms including, by way of example, Forms 990, 990-PF, 990-T, 1099, and W-2.
- Ensure that income taxes and other withholdings from Co-workers' wages and payments to Agents are properly computed, where applicable.
- Ensure that deposit requirements for withheld taxes and for the System's share of FICA taxes are met.
- Permit public inspection of Form 990 in accordance with the provisions of the Taxpayer Bill of Rights 2.

These listings are not exhaustive of all possible tax law requirements. Co-workers and agents with responsibilities in this area must become familiar with all tax-related standards and ensure that they are met.

E. INTELLECTUAL PROPERTY

1. General

Federal and state laws protect ownership of intellectual property. Intellectual property includes copyrights, trademarks, patents, and trade secrets. Each of these is described in the following sections. You are required to adhere to the standards of intellectual property law.

2. Copyrights

Copyright laws provide protection automatically when an original work of

authorship – a book or an article, a computer software program, a videotaped program, or an audiocassette – is produced in written form or on computer disk, video, or audiotape. These are called protected works. Only the author has the right to reproduce, perform, or display the protected work and to create derivative works from it. The copyright laws protect the way the author expresses ideas but not the author's ideas themselves.

3. Trademarks

Trademark laws protect consumers from confusion about the source and quality of goods or services. Trademarks may become protected either by registration or by actual use that creates an impression in the public's mind that there is an association between the trademark and the product or service. Infringement is the use of a similar mark in a manner likely to cause confusion.

4. Patents

Patent laws give an inventor exclusive rights to make, use and sell the patented invention, which may include a process, a machine, or the manufacture or composition of a tangible thing. Once a patent is issued, the invention is protected.

5. Trade Secrets

Trade secret laws prohibit misappropriation of valuable information that is not generally available and is protected from public disclosure by the owner taking reasonable steps under the circumstances. Generally, this involves secrecy agreements (also known as nondisclosure or confidentiality agreements).

6. Examples of Sensitive Activities

Following are examples of the types of activities that deserve careful consideration in the intellectual property area –

- Installing computer software on more than one computer system.
- Copying an entire issue of a magazine or newsletter.
- Copying articles from journals, newsletters, or magazines for reasons other than limited internal distribution.
- Downloading information from a subscription database for uses beyond temporary reference.

- Creating a new training video or presentation that includes artwork or clips from an existing work by another organization.
- Adopting a new slogan, name, or symbol for goods or services the System will make available to customers or the public.
- Making and using a new process or device developed internally and possibly selling or giving it to others.
- Failing to act upon notice or information that the System may be infringing a patent.
- Disclosing to others outside of the System any information received in

confidence from a supplier or contractor.

- Disclosing to others outside of the System any confidential or proprietary information belonging to the System, such as concepts, business strategies and plans, financial data, or other information relating to how the System does business.

F. ENVIRONMENTAL

The System is subject to numerous legal requirements under a variety of environmental laws concerning the handling, release, reporting, transporting and disposal of hazardous materials and wastes. Failure to observe environmental laws can be a criminal act. Courts have held that ignorance of the law is not an excuse, nor is it a defense that the persons charged did not realize the material was hazardous. If you handle or are responsible for hazardous materials or wastes, you must be knowledgeable about the nature of such materials and the environmental regulations affecting them.

Some requirements that apply to you are as follows:

- You may not knowingly place another person in imminent danger of death or injury.
- You may not destroy, mutilate, erase, dispose of, conceal or otherwise make unavailable a record with respect to the location, title, or condition of a facility, or the identity, amount or characteristics of any hazardous substance within a facility.
- You may not falsify, tamper with, render inaccurate, or fail to install a required monitoring device.
- You may not omit material information from, or make a false statement or representation in, any application, label, manifest, record, report, permit, plan or other document filed, maintained or used for purposes of compliance with environmental regulations.
- You may not treat, store, or dispose of hazardous wastes without a permit.
- Hazardous wastes may only be stored in appropriately labeled containers, in approved areas, and for periods of time permitted by applicable regulations.
- If you transport, dispose of, or causes the transport or disposal, of a hazardous waste, you must provide the appropriate manifests and ensure that the facility has the appropriate permits.
- If you transport hazardous material, you must insure that the package or container identifies the proper class description, packaging, markings and labeling, and otherwise complies with transportation regulations.
- The System must file and maintain copies of applicable records.
- You may not violate any condition or discharge limitation contained in a permit for the discharge of wastewater.
- You may not violate any order or permit relating to the incineration of medical wastes, or otherwise knowingly release into the air hazardous air pollutants or

extremely hazardous substances that place another in imminent danger of death or serious bodily injury.

These are only some of the requirements of the environmental laws. You must become familiar with the specific standards applicable to your area of work.

G. COMPREHENSIVE DOCUMENT SYSTEM

The System shall maintain a comprehensive document system with policies and procedures covering the: (a) creation, (b) distribution, (c) retention, (d) storage and retrieval, and (e) destruction of all documents (including information maintained in computer files).

Because of the wide variety of documents created in an organization the size of the System, it is not possible to provide in this Code of Conduct a comprehensive listing of all applicable standards. You must familiarize yourself with the specific policies and procedures applicable to documents with which you work.

As a general rule, you shall –

- Create only those documents absolutely required by law and necessary to do business;
- Distribute documents to the smallest possible audience (e.g., using a "need to know" standard), with adequate security and retrieval safeguards;
- Destroy documents at the earliest date permitted by law, business necessity and applicable policies and procedures;
- Refrain from copying, distributing or possessing any System documents not required for the proper performance of their duties.

Refer to the policies and procedures of the document system for specific standards relating to each type of document.

H. FRAUD, WASTE AND ABUSE LAWS AND REGULATIONS

Various federal and state fraud and abuse laws apply to the operations of the System. Fraud and abuse laws are very complex. Co-workers and agents who are responsible for decisions that might involve the fraud and abuse laws must obtain sufficient knowledge of these laws to assure compliance.

1. THE FEDERAL FALSE CLAIMS ACT

General Information: The Federal False Claims Act ("FCA") was first enacted during the Civil War to fight fraud in supplying goods to the Union Army. The law has undergone a number of changes since then and now applies to any federally funded contract or program, except tax fraud. The FCA was expanded to include Medicare and Medicaid programs in 1986. Because SJ/C participates in these federal programs, all co-workers, agents and contractors must comply with this Act and various other federal and state fraud and abuse laws.

Summary of Provisions: The FCA prohibits knowingly making a false claim against the government. A claim is any request or demand for money that is submitted to the US Government or its contractors. Knowingly means that a person:

- a) Has actual knowledge of the information.
- b) Acts in deliberate ignorance of the truth or falsity of the information; or
- c) Acts in reckless disregard of the truth or falsity of the information.

Therefore, specific intent to defraud is not required for there to be a violation of the law. Examples of false claims include:

- Overcharging for a product or service
- Delivering less than the promised amount or type of goods or services
- Underpaying money owed to the government
- Charging for one thing while providing another.

Penalties: The FCA imposes civil penalties and is not a criminal statute. Therefore, no proof of specific intent is necessary. Persons and organizations may be fined a civil penalty for each claim of not less than \$5,500 nor more than \$11,000, plus up to three (3) times the amount of damages sustained by the government. The amount of damages in healthcare terms is the amount paid for each false claim that is filed. If a provider or supplier is convicted of a False Claim Act violation, the OIG may seek to exclude the provider or supplier from participation in the federal healthcare program.

***Qui Tam* (Whistleblower) Provisions:** As stated above, SJ/C co-workers and agents are required to report to the Compliance Officer suspected violations of any Federal health care program requirements to allow the System the opportunity to investigate the suspected violation and correct any identified problems. However, if you feel the System has not addressed the suspected violation you have the right to report these to the federal government. Any person may bring an action under this law (called a *qui tam* relator or whistleblower suit) in federal court. The case is initiated by filing the complaint in a federal district court. The case will remain sealed while the government investigates the complaint and decides how to proceed. Any case must be brought within six years of the filing of the false claim.

If the government proceeds with the case, the *qui tam* relator bringing the action will receive between 15 and 25 percent of any proceeds, depending upon the contributions of the individual to the success of the case.

If the government declines to proceed, the person bring the action has the right to conduct the action on their own in federal court. If the *qui tam* relator successfully prosecutes the claim, the relator will be entitled to between 25 and 30 percent of the proceeds of the case, plus reasonable expenses and attorneys' fees and costs.

Awards may be reduced if, for example, the court finds the whistleblower planned and initiated the violation. The FCA also provides that whistleblowers who prosecute clearly frivolous *qui tam* claims can be held liable to a defendant for its attorneys' fees and costs.

Non-Retaliation: Anyone initiating a *qui tam* case may not be discriminated or retaliated against in any manner by their employer for filing an action under the FCA or committing other lawful acts, such as investigating a false claim or providing testimony for, or assistance in, a False Claim Act action. The co-worker is authorized under the FCA to initiate court proceedings to make themselves whole for any job related losses resulting from any such discrimination or retaliation.

2. FEDERAL PROGRAM FRAUD CIVIL REMEDIES ACT

The Program Fraud Civil Remedies Act (PFCRA) creates administrative remedies for making false claims or written statements to certain federal agencies including Department of Health and Human Services. The Act is quite similar to the FCA in many respects, but is somewhat broader and more detailed with differing penalties. The PFCRA was enacted as a means to address lower dollar frauds, and generally applies to claims of \$150,000 or less.

Summary of Provisions: A person violates this Act if they know or have reason to know they have submitted a claim that is:

- False, fictitious or fraudulent.
- Supported by written statements that are false, fictitious or fraudulent.
- Supported by a written statement that omits a material fact; or a statement that is false, fictitious or fraudulent as a result of the omission. The person who submitted the statement has a duty to include the omitted facts.
- For payment for property or services not provided as claimed.
A person also violates this Act if they submit a written statement which they know or should know:
 - Asserts a material fact which is false, fictitious or fraudulent as a result of the omission. In this situation, there must be a duty to include the fact and the statement submitted contains a certification of the accuracy or truthfulness of the statement.

Penalties:

Filed claims: A violation carries a \$5,000 civil penalty for each wrongfully filed claim as well as an assessment of two times the amount of the claim may be made, unless the claim has not actually been paid.

Written statements: Violation for submitted an improper statement carries a civil penalty of up to \$5,000.

3. GEORGIA ANTI-FRAUD LAWS AND TRAINING REQUIREMENTS RELATED TO HEALTHCARE

There are various state laws which address fraud, waste and abuse. SJ/C is committed to compliance with these laws. The following is a summary of certain applicable state laws and statutes, but the list is not intended to be all inclusive.

a. **Georgia's State False Medicaid Claims Act:**

Summary of Provisions:

- 1) This Act is intended to provide specific procedures whereby the state and private citizens may bring civil actions against persons and entities who have obtained state funds through the submission of false or fraudulent claims to state agencies. The Act provides for double and sometimes triple damages which are intended to make the state treasury whole for both the direct and indirect losses caused by the submission of false or fraudulent claims resulting in payments by the State of Georgia or its state agencies.
- 2) Examples of false claims include the following.
 - Knowingly present a false or fraudulent claim to the Georgia Medicaid program ("the Program") for payment or approval;
 - Knowingly make a false record or statement to get a false claim paid or approved by the Program;
 - Conspire to defraud the Program;
 - Has possession or control of property or money to be used by the Program and intends to defraud the program or conceal the property;
 - Intends to defraud the Program by making or delivering a document certifying receipt of property;
 - Knowingly buys or receives a pledge of public property from an officer or employee of the Program, who lawfully may not sell or pledge the property; or
 - Knowingly makes a false record or statement to conceal, avoid, or decrease an obligation to pay, repay or transmit money or property to the State of Georgia.
- 3) Knowingly means that a person:
 - a) Has actual knowledge of the information.
 - b) Acts in deliberate ignorance of the truth or falsity of the information; or
 - c) Acts in reckless disregard of the truth or falsity of the information.

Penalties: Persons and organizations may be fined a civil penalty for each claim of not less than \$5,500 nor more than \$11,000, plus up to three (3) times the amount of damages sustained by the Georgia Medicaid Program. The amount of damages in healthcare terms is the amount paid for each false or fraudulent claim that is filed. They may also be required to repay the State for all costs incurred of the civil action to recover the damages and penalties.

Qui Tam (Whistleblower) Provisions: As stated above, SJ/C co-workers and agents are required to report to the Compliance Officer suspected violations of Medicaid program requirements to allow the System the opportunity to investigate the suspected violation and correct any identified problems. However, if you feel the

System has not addressed the suspected violation you have the right to report these to the Georgia state government. The Act provides for Whistleblower protections and rewards when their initiative results in civil recoveries for the State related to false claims made to the Georgia Medicaid program. The case is initiated by filing the complaint to the Attorney General. The case will remain sealed while the Attorney General investigates the complaint and decides how to proceed. Any case must be filed within six years after the date the violation was committed; or three years after the date when facts material to the right of civil action are known or should have been known, whichever occurs last. In no event shall any civil action be filed more than ten years after the date upon which the violation was committed.

Retaliation – If you feel you are being retaliated against or have been discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in terms of employment because of lawful acts you have done, or for reporting suspected violations, you are required to immediately contact SJ/C’s Compliance Officer. If the System has not addressed your concerns, you may bring a civil action in an appropriate court of the State of Georgia for relief necessary to make you whole (i.e., reinstatement of employment, back pay, interest and compensation for any special damages, including litigation costs and reasonable attorney’s fees).

b. **Georgia’s Medicaid Unlawful Payment Statute:**

- 1) It is unlawful for any person or provider to obtain, attempt to obtain or retain for him/herself or any other person any medical assistance or other benefits or payments under this article, or under a managed care program operated, funded, or reimbursed by the Georgia Medicaid program, to which the person or provider is not entitled or in an amount greater than that to which the person or provider is entitled, when the assistance, benefit or payment is obtained, attempted to be obtained or retained by:
 - a) knowingly and willfully making a false statement or false representation;
 - b) deliberate concealment of any material fact; or
 - c) any fraudulent scheme or device.
- 2) It is unlawful for any person or provider to:
 - a) knowingly and willfully accept medical assistance payment to which he or she is not entitled or
 - b) in an amount greater than that to which he or she is entitled or
 - c) knowingly and willfully falsify any report or document required under this article.
- 3) It is unlawful for a provider to abuse the program. Abuse means that a provider knowingly obtains or attempts to obtain medical assistance or other benefits or payments under this article to which the provider knows he/she is not entitled and the assistance, benefits, or payments directly or indirectly result in unnecessary costs to the medial assistance program. Isolated instances of unintentional errors in billing, coding, and cost reports shall not constitute abuse. Miscoding shall not constitute abuse if

there is a good faith basis that the codes used were appropriate under the department's policies and procedures manual and there was no deceptive intent on the part of the provider.

Penalties:

- For violations of (a) or (b) the person shall be guilty of a felony and, upon conviction shall be punished for each offense by a fine of not more than \$10,000 or by imprisonment for not less than one year nor more than ten years, or by both. The statute is criminal and the State must prove beyond a reasonable doubt that the defendant intentionally committed the acts.
 - Any person committing abuse shall be liable for a civil monetary penalty equal to two times the amount of any excess benefit or payment.
 - In addition to other penalties allowed by law, violation of (c), will be liable for a civil penalty equal to the greater of (1) three times the amount of any such excess benefit or payment or (2) \$1,000 for each excessive claim. In addition, interest will be charged on the penalty.
- c. **Georgia's Hospital Licensing Regulations – Enforcement Provisions** - States that a hospital which fails to comply with these rules and regulations shall be subject to sanctions and/or permit revocation as provided by law.
- d. **Georgia's Hospital Licensing Regulations – Human Resources Management** - States that hospitals are required to train its employees on the hospital's policies and procedures. SJ/C is committed to providing training to new employees through orientation and employee handbooks as well as annual training through various training methods (i.e., computer based learning, in-services, newsletter articles, etc.)

4. OIG SUPPLEMENTAL HOSPITAL COMPLIANCE GUIDANCE, JANUARY 2005

Requires the following of all health care providers: Personnel are required to adhere to this guidance as incorrect procedure coding may lead to overpayments and subject a hospital to liability for the submission of false claims. For additional guidance or clarification, please contact the OIG guidance directly or contact the CCO.

- a. Submission of accurate claims and information
- 1) Outpatient procedure coding
 - i. All claims and requests for reimbursement from federal healthcare programs and the supporting documentation should be complete and accurate, reflect the order of reasonable and necessary services, and, where required, should be ordered by a licensed practitioner.
 - ii. Providers must disclose and return any overpayments that result from mistaken or erroneous claims.
 - iii. Do not bill on an outpatient basis for "inpatient-only" procedures. CMS has identified several procedures for which reimbursement is

typically allowed only if the service is performed in an inpatient setting.

- iv. Do not submit claims for medically unnecessary services by failing to follow the fiscal intermediary's local medical review or local coverage determination policies.
- v. Do not submit duplicate claims or otherwise not follow the National Correct Coding initiative guidelines.
- vi. Do not submit incorrect claims for ancillary services because of outdated or incorrectly update CDM.
- vii. Do not circumvent the multiple procedure discounting rules.
- viii. Be sure to select the proper evaluation and management codes based on documentation of services rendered.
- ix. Ensure billing for Observation services is proper and meets coding requirements.

2) Admission and Discharges

- i. Follow the same day rule – include all the OPPS services provided at the same hospital, to the same patient, on the same day, unless certain conditions are met.
- ii. Review same day discharges and readmissions to determine prudent clinical decision-making and proper coding.
- iii. Ensure proper coding for specific hospital services rendered to behavioral and mental health patients on partial hospitalization payments.
- iv. Adhere to Medicare's post acute care transfer policy.

3) Supplemental payments considerations

- i. Properly report costs of pass through items of new technology and drugs.
- ii. Follow rules related to CMS's DRG outlier payments.
- iii. Properly designate provider-based entities and clinics to ensure appropriate reimbursement.
- iv. Follow rules for submitting claims for clinical trial related items or services or certain investigational devices.
- v. Ensure cardiac rehabilitation services are reasonable and necessary.
- vi. Follow Medicare rules regarding payment for costs related to educational activities.

4) Use of Information Technology

- i. Ensure that information technologies are designed correctly and updated on a timely basis to improve the accuracy of hospital billing and coding and to reduce the risk of submission of false claims.

b. The Referral Statutes: Stark and Anti-Kickback Statute

- 1) The Physician Self Referral Law prohibits hospitals from submitting any claims or retaining any payment for the designated health service (DHS) if the referral of the DHS comes from a physician with whom the hospital has a prohibited financial relationship, or when an immediate family member of the physician has a financial relationship with the hospital. Refer all claims

which may fall under the requirements of this law, to the Legal Services department for additional review.

- 2) The anti-kickback statute prohibits practices in the healthcare industry such as offering gifts to reward or induce referrals. Conditioning privileges on a particular number of referrals, or requiring the performance of a particular number of procedures beyond volumes necessary to ensure clinical proficiency, potentially create risks under the statute. This statute also contains a safe harbor for discounts offered to customers who submit claims to federal healthcare programs, if the discounts are properly disclosed and accurately reported. If you are aware of any potential occurrences under this law, you are required to immediately contact the CCO or Legal Services department.
- 3) The OIG has a long standing concern about Joint Venture arrangements between those in a position to refer or generate federal healthcare program business and those providing items or services reimbursable by federal healthcare programs. All such arrangements must be reviewed by SJ/C's Legal Counsel prior to execution.
- 4) Health systems enter into a variety of compensation arrangements with physician whereby physicians provide items or service to, or on behalf of, the system. In some arrangements, hospitals provide items or services to physicians. All compensation arrangements must be reviewed by SJ/C's Legal Counsel prior to execution.
- 5) Recruitment arrangements pose substantial fraud and abuse risk for health systems. All compensation arrangements must be reviewed by SJ/C's Legal Counsel prior to execution.
- 6) The OIG has established a safe harbor for medical malpractice premium subsidies provided to obstetrical care practitioners in primary healthcare shortage areas.
- 7) The civil monetary penalty provisions prohibit a hospital from knowingly making a payment directly or indirectly to a physician to induce the physician to reduce or limit items or services furnished to Medicare or Medicaid beneficiaries under the physician's direct care. Personnel are required to report to the CCO any suspected incidents of this activity.

5. EXAMPLES OF HEALTHCARE FRAUD

A health system's relationship with federal healthcare beneficiaries may also implicate the fraud and abuse laws. The OIG may impose civil monetary penalties on health systems that provide remuneration to a federal healthcare program, Medicare, or Medicaid beneficiary that the offeror knows, or should know, is likely to influence the beneficiary's choice of provider.

Health systems are obligated to collect cost sharing amounts owed by federal healthcare program beneficiaries (co-pays, deductibles). In the absence of a good faith financial

need on the part of a beneficiary, waiving owed amounts may constitute prohibited remuneration to beneficiaries. The inducement includes the offering of free transportation to Medicare or Medicaid beneficiaries to influence their selection of a particular provider, practitioner, or supplier.

There are many additional general laws that apply to the System's operations. You are expected to know and comply with all laws that apply to your work for the System. If you have questions about the law that applies to your work, ask your supervisor or the CCO.

Examples of Healthcare Fraud (this list is not all inclusive)

- Make or enter any charge for a service that was not provided.
- Record a charge for a service that differs in any way from the actual service provided (includes entering a false, fraudulent, or erroneous CPT code).
- Falsely certify that a service was medically necessary; and billing for services not medically necessary.
- Making, using, or causing someone else to make or use, false records or statements to obtain payment for a false or fraudulent claim.
- Making or using, or causing someone else to make or use, false records or statements to be used in connection with the System's compliance with Medicare or Medicaid Conditions of Participation or with licensure and accreditation standards.
- Failure to report overpayment or credit balances.
- Unlawfully giving healthcare providers, such as physicians, inducements in exchange for referrals for service.
- Billing separately for services that should be a single service.
- Solicit, receive, offer or pay anything of value, with the intent to induce a referral of Medicare or Medicaid business.
- Engage in transactions that provide excessive economic benefits to corporate insiders.
- In the case of physicians, refer Medicare and Medicaid patients for certain health services to entities with which the physician or an immediate family member has a financial relationship.

6. RESOURCES

SJ/C's existing policies and procedures for detecting and preventing fraud, waste and abuse:

- **Administrative Policy #1158-A Corporate Compliance Program**
- **Administrative Policy #1010-A Employee Grievance Procedure**
- **Administrative Policy #1173-A Complaints and Allegations Against the Health System**

For more information on federal healthcare programs: www.cms.hhs.gov/MLNGenInfo

I. DISCLOSURE PROGRAM

If you believe that the application of any principle in this Code of Conduct would be inappropriate (such as being detrimental to a patient, an employee, or to the System), it is your responsibility to ask for clarification by contacting your supervisor prior to

engaging in the questioned activity. You may also request guidance from the CCO.

Healthcare compliance is a proactive practice designed to prevent fraudulent activities. Co-workers and agents are encouraged to report suspected incidents or actions which are in violation of the federal and state regulations listed here or otherwise known. Contact SJ/C's CCO in person or Candler phone #819-5291; St. Joseph's phone #819-3255; e-mail: davidsonr@sjchs.org; the Compliance Hotline 819-LAWS (5297). You may report these incidents anonymously.