



2012 CODE OF CONDUCT

www.capellahealthcare.com/ethics

TABLE OF CONTENTS

FOREWORD	5	MARKETING AND ADVERTISING	21
OUR HIGHEST COMMITMENT TO ETHICS & COMPLIANCE	6	PERSONAL USE OF COMPANY RESOURCES	22
PATIENT SAFETY AND QUALITY	8	MAINTAINING QUALITY RECORDS	22
FIRST AND FOREMOST—CARING FOR PATIENTS	8	COPYRIGHTS AND INTELLECTUAL PROPERTY	23
PATIENT SAFETY ALWAYS COMES FIRST	8	POLITICAL ACTIVITIES	23
WE PROTECT OUR PATIENT’S PRIVACY	9	ENVIRONMENTAL STEWARDSHIP	24
HIPAA QUESTIONS AND ANSWERS	9	LAWS AND REGULATIONS	25
MORE ON HIPAA PRIVACY	11	BILLING FOR SERVICES	25
SOCIAL MEDIA	11	BILLING FOR NEVER EVENTS	26
SECURING ELECTRONIC INFORMATION	12	FALSE CLAIMS ACT	26
IDENTITY THEFT	13	GOVERNMENT AGENCIES, ACCREDITING ORGANIZATIONS AND INSURANCE COMPANIES	26
GENETIC INFORMATION NON-DISCRIMINATION ACT	13	RESPONDING TO SEARCH WARRANTS	27
EMERGENCY MEDICAL TREATMENT AND ACTIVE LABOR ACT (EMTALA)	14	PROFESSIONAL LICENSES	28
WORKPLACE RULES	15	KICKBACKS AND REWARDS FOR REFERRALS	29
DIVERSITY AND EQUAL EMPLOYMENT OPPORTUNITY	15	REPORTING INFRACTIONS AND CONCERNS	29
CONFLICTS OF INTEREST	17	HOW TO REPORT INFRACTIONS OR CONCERNS	30
INFORMATION SYSTEMS	18	THE ETHICS LINE	30
GIFTS FROM VENDORS AND OTHER EMPLOYEES	19	SUGGESTIONS FOR EFFECTIVE REPORTING	31
CONFIDENTIALITY AND TRADE SECRETS	20	ACKNOWLEDGEMENT	31
ANTITRUST	20	2012 CALENDAR YEAR ACKNOWLEDGMENT	33
GATHERING INFORMATION ON COMPETITORS	21	APPENDIX	35–39

FOREWORD

We are privileged to be able to spend our lives in the service of others as we seek to help individuals and communities manage health and illness. Whether it was a childhood dream of yours to become a healthcare professional, or whether you came to this career later in life, you are no doubt aware of how very challenging it has become to manage the business of healthcare.

In fact, the healthcare industry is probably the single most regulated industry in the nation. Almost every healthcare activity, from dispensing drugs to serving meals to billing for services, is covered by laws and regulations at the city, county, state and federal level. In addition, our industry must adhere to standards set forth by numerous licensing and accrediting bodies, such as The Joint Commission (TJC) and the Centers for Medicaid and Medicare Services (CMS).

It is important that you read this booklet in its entirety and understand all the requirements of our Ethics and Compliance program. It is also important that you retain this booklet and keep it in a prominent place, such as on your desk or at your workstation. This booklet will serve as a reference guide for compliance and other related issues that may arise during the year.

This year's booklet contains new information, including:

- A revised *Conflicts of Interest* policy
- Prohibition against texting of Protected Health Information (PHI)
- Affirmation of our non-retaliation policy to protect individuals who raise compliance concerns
- How to respond to search warrants
- More on diversity and equal employment opportunity
- Adding “wage-fixing” discussions with other hospitals to the list of prohibited anti-trust activities
- A revised listing of compliance policies to include new policies for *Physician Coding compliance, Standards of Discipline for HIPAA Violations, Monitoring for Ineligible Persons and Facility Marketing and Advertising Practices Relating to Physicians*

OUR HIGHEST COMMITMENT TO ETHICS & COMPLIANCE

Capella's Ethics & Compliance program is designed around the seven elements of an effective compliance program, as set forth by the HHS Office of Inspector General (OIG) in its model hospital compliance program. These seven elements are also reflected in the federal sentencing guidelines established by the U.S. Department of Justice. The following summarizes the structure of our program and its relevance to the seven elements.

- 1. Governance and Oversight** Our Ethics & Compliance program is governed at the highest levels of Capella. For example, the hospital Ethics & Compliance committees report to the hospital Board of Trustees and the corporate Ethics & Compliance committee. The corporate Ethics & Compliance committee, in turn, reports to the Capella Board of Directors.
- 2. Standard and Procedures** We have adopted almost 200 policies and procedures that aim to address various areas of regulatory risk and compliance. This Code of Conduct booklet is intended to be a high level summary of those policies. The appendix in this booklet contains a list of all of the compliance policies, which are accessible on the local intranets of each hospital. Each workforce member is responsible for fully understanding the compliance policies that affect their particular role in the organization. For example, if you work in the HIM department and perform medical records coding, you must become familiar with the Hospital Coding Compliance (HCC) policies.
- 3. Education Programs** We have established various education modules to ensure our workforce members are properly trained on the requirements of the compliance policies that impact their respective jobs. These training programs are provided through a variety of platforms, including HealthStream, webinars, live training and self study courses.
- 4. Auditing and Monitoring** We routinely audit and monitor adherence to our compliance policies, especially in areas we deem to be at high risk of potential non-compliance.

- 5. Standards of Discipline** To ensure that our compliance policies are followed and that workforce members are treated equally, we have adopted standard levels of disciplinary action for violations of our compliance policies. These standards also state that workforce members who self-report accidental or non-purposeful violations of our compliance policies will not be disciplined but instead, will be provided additional education on the policies in question.
- 6. Reporting Options for Compliance Issues** As set forth in this booklet, we have established various means to report compliance issues, including the operation of a secure, third-party Ethics Line that is staffed 24 hours a day, every day of the year. All workforce members who file a report with the Ethics Line can choose to remain anonymous. We have a strong non-retaliation policy which states there will be no retaliation against any workforce member for contacting the Ethics Line or otherwise reporting a compliance concern. Retaliation against a person who reports a compliance issue will be subject to disciplinary action up to, and including, termination. Civil penalties may also apply.
- 7. Response and Prevention** Our compliance policies state that we will respond to all compliance issues raised by our compliance program, whether it is an Ethics Line call, an audit finding or a referral from an outside agency. We will remediate the issue raised, take steps to mitigate the risk of a future occurrence and, if necessary, pay back any excess payments we may have received as a result of non-compliance.

PATIENT SAFETY AND QUALITY

FIRST AND FOREMOST—CARING FOR OUR PATIENTS

Our Commitment to Care

We will treat all patients with compassion and respect.

We will provide quality healthcare that is necessary and appropriate.

We will not discriminate in the admission or treatment of patients, and we will not make any distinction based on a patient's age, gender, race, genetic background, religion, sexual orientation, national origin or any other legally prohibited basis.

We will admit only those patients who need and will benefit from treatment.

We will respond quickly to patient complaints or concerns.

PATIENT SAFETY ALWAYS COMES FIRST

The safety, comfort and well-being of our patients is our top priority. We will always treat patients with respect and compassion. Any lapses in patient safety or endangerment to patients should be immediately reported to your supervisors or other parties as warranted.

You can also report lapses in patient care to the Joint Commission:

- You can call them at **(800) 994-6610**
- You can send them an email at **complaints@JointCommission.org**.
- Under our accreditation agreement with the Joint Commission, we will not take any retaliatory action against you for reporting to the Joint Commission.
- Patients should be made aware that they can file a formal complaint with the hospital Chief Quality Officer.

For more information, see our Quality Management policies, QM.001 through QM.003.

WE PROTECT OUR PATIENTS' PRIVACY

Federal law (Health Insurance Portability and Accountability Act of 1996) requires that we take comprehensive measures to preserve patient privacy. Capella has a **Notice of Privacy Practices (NPP)** which all employees and business associates must understand and follow.

- We should never discuss a patient's condition or illness with anyone unless it is for treatment or other healthcare purposes.
- We should never discuss private patient matters with anyone outside of the patient's sphere of caring. This includes friends, family members or even hospital personnel who do not have a "need to know".

Breaches of Patient Information

All breaches of patient information must be reported to the Office of Civil Rights for the U.S. Department of Health & Human Services and the patients whose information was breached must be notified by us in writing. Moreover, breaches involving 500 or more patients must be reported to the news media.

For more information, refer to our HIPAA policies, HIPAA.001 through HIPAA.011

HIPAA QUESTIONS & ANSWERS

As an employee, may I look at my own medical record since I have access to it on the computer?

By law you are permitted to view your own medical record; however, you will be required to go through the same process as any patient, by going through the HIM Department who will grant you the appropriate access. You cannot just pick it up or view it on the system without clearance from the HIM department.

May I take pictures of patients?

Generally, the answer is no, unless the patient has signed a consent form to be photographed, or the photograph is part of the patient care process, or the patient or family member gives you their camera and asks you to take a picture. The patient must consent to having their picture taken.

May I use the camera on my phone in patient care areas?

No, picture-taking on camera phones or similar devices is strictly prohibited in the presence of patients.

Do I cooperate with law enforcement investigations that concern patient information?

Yes, HIPAA is written so that law enforcement activities will not be hindered by federal privacy laws. However, you should first ask that the Facility Privacy Officer be involved in the investigation.

May I discuss patient information with a representative of the patient's insurance company?

Yes, insurance is part of the healthcare operations process and you are permitted to discuss patient information with an authorized representative of the patient's insurance company.

May I discuss a specific patient, by name, with my family at dinner?

No, this would be a direct violation of HIPAA and could subject you to fines and possible prosecution. You can say nothing that will give the name or identity of the patient away.

What are some of the common ways patient privacy gets breached?

- Leaving part of a medical record in the copier,
- Accidentally dropping a form on the floor or leaving it in a break room, stairwell or cafeteria,
- Sending a fax containing patient information to the wrong doctor,
- Speaking too loudly, either on the phone or in the hallway or elevator.
- Texting patient information, even to another caregiver. Texting is not a secure (private) form of communication and is prohibited under our policies.
- Posting patient information on social media, such as Facebook or Twitter. Even if the name is not disclosed, it is still considered a HIPAA violation to release patient information into the public domain.

MORE ON HIPAA PRIVACY

Patients' Right to Access

Patients have the right to examine or get a copy of their own medical record by completing an authorization form. Some limitations apply.

Patients' Right to Amend

Patients may request to amend their records. Even if the healthcare provider does not agree, we are still required to add the letter to the record and respond, in writing, to the patient.

Right to Request Privacy Restrictions

Patients have a right to opt out of the hospital directory if they want their visit to be completely confidential.

Notice of Privacy Practices (NPP)

All patients receive a copy of the NPP at the time of admission or registration. This notice explains our privacy policy.

Right to Request Confidential Communications

Patients can stipulate how you contact them, for example, by phone only.

Accounting of Disclosures

We must keep a record of the disclosures of private patient information made to third parties that are not a part of the patient's treatment or related to the patient's bill.

SOCIAL MEDIA

Many of us use Social Media tools, such as Blogs, Facebook, Twitter, LinkedIn, Tumblr and MySpace at home and during our personal time. Although personal participation in Social Media networks is in no way prohibited under our Code of Conduct, there are some rules you must follow so you do not end up violating HIPAA or civil slander laws.

- You should NEVER post any information regarding any patient, past or present, who has been in our hospital or any other affiliated healthcare facility. Even acknowledging that you know someone has been a patient may be an unacceptable disclosure of patient-identifying information under HIPAA.

- You should NEVER post any photographs or other images (such as caricatures or X-rays) of any patient. Whether or not the photo or image has a name on it, it is still considered private protected information under HIPAA.

If you post pictures of any employee or other associate of the hospital, you must have their explicit consent to post any photographs of them and you must take them down if they ask you to.

- You should NEVER post any information that disparages the hospital or any of its employees, physicians or other Workforce members.

Anyone in a supervisory role must thoughtfully consider whether there may be any appearance of impropriety or favoritism if they “friend” a team member via a Social Media site.

For more information, see policies EC.023 *Guidelines for Human Photography*, EC.024 *Use of Social Media by Company Personnel* and HIPAA.011, *Standards of Discipline for HIPAA violations*.

SECURING ELECTRONIC INFORMATION

The recently enacted HI-TECH (Health Information Technology) legislation establishes new and enhanced privacy protections for patients as well as new responsibilities for care providers. Under this new law, hospitals and physicians are required to fully encrypt electronic patient information that is portable, such as the information on a laptop, external hard drive, or thumb (flash) drive. By encrypting this information, we will avoid having to contact each potential patient in case the data is lost or stolen. Encryption prevents the misuse of this data by unauthorized parties.

For more information, see policy IT.SEC.001, *IT Security Program Requirements*

IDENTITY THEFT

We have special procedures to prevent or detect identity theft. If you work with any information that is subject to identity theft, such as social security numbers, birthdates, etc., you must be trained and become familiar with our Identity Theft policies.

We have identified 5 “Red Flags” which may indicate an identity theft. All employees should be aware of these flags.

1. A photo ID that does not match the person;
2. Family members or friends calling the patient by another name than the name provided at registration or admission;
3. A Social Security number that is different than the one used in a previous visit;
4. A person giving personal information that does not match the information on file; or
5. A person presenting an identity that has been flagged in the system as a potential identity theft.

For more information, see policy PA.015 *Identity Theft and Patient Mis-Identification*.

GENETIC INFORMATION NON-DISCRIMINATION ACT

The Genetic Information Non-Discrimination Act of 2008 (GINA) specifically prohibits discrimination against our current or former employees and new applicants on the basis of their genetic information. Further, we are prohibited from collecting or purchasing genetic information about a potential or current employee or their family members. Genetic information is defined as information about

- genetic tests from a potential or current employee,
- the genetic tests of people related to a potential or current employee; or
- a disease or disorder in a person related to a potential or current employee.

EMERGENCY MEDICAL TREATMENT AND ACTIVE LABOR ACT (EMTALA)

ALL patients that present in need of medical assistance must be provided a medical screening without regard to their ability to pay.

- Anyone who expresses a need for medical assistance who comes to us must be provided a medical screening exam promptly to determine the presence and extent of an emergent medical condition. In most cases, this applies even if the patient shows up somewhere other than our Emergency Department. For example, if someone comes into our front lobby and says “I have chest pain” or into our PT Department and says “I need help,” we need to escort them to our ED for a medical screening.
- If an emergency medical condition is present, the patient must be stabilized to the extent possible and to the best of our hospital’s abilities, without regard to their ability to pay.
- A patient may be transferred if we do not have the ability to treat them AND the benefits of the transfer outweighs the risks of the transfer.
- **We must coordinate** the transfer with the receiving facility.
- **We must clearly document** in the medical record that all of these requirements have been performed.
- **Patient-requested transfers** may be granted as long as the physician agrees that it is in the best medical interest of the patient

For more information, refer to Capella’s detailed EMTALA policies, LL.EM.001 through LL.EM.007.

WORKPLACE RULES

Capella workforce members have the right to work in an environment free of harassment, retaliation and violence.

We will not tolerate any form of harassment, sexual or otherwise, from anyone. Sexual harassment may include unwelcome sexual advances, requests for sexual favors in conjunction with employment decisions, and/or verbal or physical conduct that creates an intimidating, hostile or offensive work environment or otherwise interferes with work performance. Degrading or humiliating jokes, slurs or intimidation will not be tolerated.

We will maintain a violence-free work environment. Workplace violence includes robbery, blackmail, violence directed at anyone, stalking, terrorism and hate crimes by current or former employees. No firearms or other weapons such as explosive devices, fireworks, lasers, Tasers or dangerous materials are allowed on the premises, except for law enforcement officers on duty and security personnel.

We will not tolerate retaliation or harassment against any workforce member in response to the member filing a report to the Ethics Line or reporting concerns through other channels.

DIVERSITY AND EQUAL EMPLOYMENT OPPORTUNITY

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

No one may discriminate against any individual with a disability with respect to any offer, term or condition of employment. We will make reasonable

accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

We will not employ or conduct business with an individual who we know or have reason to believe has been excluded from the Medicare or Medicaid programs.

We will perform appropriate background checks on all new employees, contractors, vendors and physicians.

We will perform quarterly OIG background checks on all current employees, contractors, vendors and physicians.

We will not tolerate a hostile workplace. Any workforce member who is actively contributing to workplace hostility through methods such as bullying, embarrassing, sabotaging work product or threatening retaliation, will be subject to disciplinary action up to and including dismissal.

We will not tolerate the use of alcohol or illegal drugs during work hours or being under the influence thereof.

- Capella's drug and alcohol policy is to perform pre-employment testing, random testing and all cases where there is an accident/incident or strong suspicion of violation. If you are taking prescriptions that may influence your motor skills or judgments, advise your supervisor immediately.

► *If you experience or observe any form of harassment or violence in the workplace, or become aware of threats of potential violence, immediately report the incident to a supervisor, the Human Resources Department, the corporate compliance officer or call The Ethics Line.*

For more information, see our *Human Resources* policies, HR.001 through HR.005

CONFLICTS OF INTEREST

A conflict of interest is any activity which involves, or appears to involve, an arrangement that could be detrimental to Capella. You may have a conflict of interest if your outside activities or personal interests influence, or appear to influence, your ability to make objective decisions on behalf of Capella. There is nothing wrong with having a conflict of interest—our objective is to manage conflicts of interest.

Conflicts of interests not only extend to your personal interests, but also the interests of your spouse, your spouse's family, your grandparents, your children and your brothers and sisters. For example, if your sister-in-law owns a catering company and you were in charge of arranging for a catered event at the hospital, you have a conflict of interest with the catering company. What this means is you must remove yourself from the decision to select the caterer; however, it does not mean the hospital cannot use the caterer. In this example, there is a conflict of interest and removing yourself from the catering decision is a way of properly managing that particular conflict of interest.

Because conflicts of interest can include your extended family, most of us will, at one time or another, encounter a situation where there is a conflict of interest. In order to properly manage any potential conflicts, and to protect you from any accusations that you may have improperly acted on a conflict of interest, we have established a policy that encourages all workforce members to annually report any actual or potential conflicts they may have now or might have in the future. This annual disclosure is accomplished by noting the conflicts on the attestation card contained in this booklet. By properly disclosing your conflicts, we will be able to manage the conflicts of interest and ensure our business transactions are fair to all parties involved.

For more information, see policy EC.021 *Conflicts of Interests*.

INFORMATION SYSTEMS

Information systems include computers, databases, handheld devices, email, smartphones, video monitoring systems, scanners, etc.

You must never login to any system with another person's login (user name and password). Violation of this policy will result in a final, written warning.

Information systems are the property of Capella Healthcare. Workforce members using information systems must adhere to certain policies:

- We will keep information confidential.
- We will use email, internet or phone systems primarily for business purposes. Minor personal use of email, internet or phone is permitted. **Emails and Internet are monitored by human and computer surveillance.**
- We will not use company emails or internet to:
 - View or transmit pornographic or offensive material,
 - Threaten, harass or spread rumors,
 - Actively support or oppose a candidate for public office,
 - Send or receive restricted data, or
 - Engage in the purchase or sale of illegal goods or services.

► *Keep in mind that every email or internet view could be looked at by your supervisor.*

It is not permissible for any workforce member to bring a home computer to work, either to access the internet or network or to ask the IT Department to examine or repair it. These repair matters should be referred to an outside repair service.

For more information, see policy IT.SEC.002 *Electronic Communications*

GIFTS FROM VENDORS AND OTHER EMPLOYEES

As a rule, it is never a good idea to accept gifts from vendors or other associates. This can foster an expectation of **"this for that"** and could lead to the appearance of a conflict of interest. However, recognizing that meals and small gifts are part of the American free enterprise system, we have adopted the following policies regarding acceptable gifts:

- You may accept a gift from a vendor with a face value of up to \$100. The \$100 limit applies for the whole year with respect to that vendor.
- You may accompany a vendor to a restaurant or sporting event. If pertinent business is discussed, the \$100 limit does not apply.
- You will need special permission from the facility ECO if you have been offered free lodging or travel by a vendor as part of a vendor promotional event.
- You should never give your direct boss or any persons who directly report to you any gifts in excess of \$50 per year.
- You must never give or offer a gift to, or accept a gift from, an agent of any governmental or accrediting agency. This includes agents from Medicare, Joint Commission, OSHA, building inspectors, etc.

For more information, see policy EC.005, *Entertainment* and policy EC.015, *Limitations on Gifts to Government Employees and Agents*.

CONFIDENTIALITY AND TRADE SECRETS

As a business enterprise, Capella must carefully guard its trade secrets and operating processes from competitors.

Workforce members **may not use or disclose** to others the following without consent or as required by law.

- Information regarding the company's customers, pricing policies, methods of operation and proprietary computer systems;
- Financial data such as revenue, budget projections, profit margins, cost of goods, etc.;
- Acquisition and divestiture data including all data related to practice valuation, marketing plans, management agreements, etc.;
- All regulatory information and communications; and
- All other information related to the Company's business, management team and employees.

ANTITRUST

Capella competes with other companies in an ethical and legitimate manner. Federal and state antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. Antitrust violations include:

- Illegal or deceptive marketing activities;
- Price-fixing or wage-fixing arrangements with competitors;
- Conspiracies to limit employee salaries or benefits; and
- Any activities that limit open business competition.
- Antitrust laws could easily and inadvertently be violated (or appear to be violated) by discussing Company or Hospital business with a Competitor.
- When someone perceives that an antitrust law may have been violated, the injured party can easily file a complaint with the Federal Trade Commission or state Attorney General.
- We must avoid discussing sensitive topics with competitors or suppliers, unless we are proceeding on the advice of the legal counsel.

GATHERING INFORMATION ON COMPETITORS

It is common practice to obtain public information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, web searches, journal and magazine articles, and other published and spoken information. However, we must not seek or receive information about a competitor through other non-public means if they know or have reason to believe the information is proprietary or confidential.

For example:

- **We will not** engage in espionage and spying on other companies,
- **We will not** hire an employee of a competitor for the sole purpose of obtaining trade secrets,
- **We will not** offer gifts, meals or other items to a competitor's employees to obtain secret information,
- **We will not** sift through trash or other refuse to gain information.

MARKETING AND ADVERTISING

All Capella advertising must be truthful, informative and not misleading.

- **We may use** marketing and advertising activities to educate the public, to provide information to the community, to promote our services and to recruit employees, physicians and volunteers.
- **We will not use** advertising or marketing that causes confusion about our services and those of our competitors, and we will not degrade our competitors' business or operations.
- **We will comply** with all state and federal requirements, including those concerning truth in advertising, copyright issues, and the improper inducement of patients or referral sources.
- **We will not** make specific claims about the quality of our services without empirical evidence.

PERSONAL USE OF COMPANY RESOURCES

We are all responsible for using company resources and assets wisely, including time, materials, equipment, supplies and information. These resources are to be maintained and used for business purposes only.

- The **occasional use** of items that are negligible in cost, such as a local phone call and limited amounts of photocopying, is permitted.
- **We cannot** use company assets for personal financial gain.
- All employees must obtain **prior approval** from their supervisor to use company assets for charitable reasons.

MAINTAINING QUALITY RECORDS

As a hospital company, **we must maintain vital records in an effective manner.** Workforce members must take great care not to damage or destroy vital records, whether these are paper, film, digital or imaged. Non-vital records, such as your emails, magazines, task lists, etc. should only be kept for as long as you need them, unless directed otherwise by the corporate Legal Department.

Capella has a **records retention policy** that must be understood by department managers and followed explicitly.

- **We must** follow the retention policy which requires vital records to be properly indexed and stored.
- **We must** include a destruction date on all vital records sent to storage. The destruction date must conform to the published Capella retention policies contained in policy EC.014, [Record Retention](#).
- Department managers **are encouraged** to dispose of non-vital records quickly as a means to control storage costs and maximize storage space.

COPYRIGHTS AND INTELLECTUAL PROPERTY

Print and electronic materials (including photography, audio recordings, video recordings and software) are usually protected by copyright laws.

Capella workforce members are expected to respect and comply with these laws, which ensure those who created these materials receive proper credit and compensation for their work. We will not reproduce articles, pamphlets, software or other electronic materials, without written permission from the writer or publisher.

- **We will** maintain proper licenses (such as BMI, ASCAP or MPAA) to play copyrighted music or video in public areas.
- **We will not** make copies of copyrighted magazines, books or other publications without having prior permission or a blanket license.
- **We will not** use trademarks or logos of other organizations without prior permission.
- **We will not** make copies of licensed software for distribution without having a license.
- **We will not** use photographs of people in our promotional publications without their written consent.

For more information, see policy LL.GEN.002, *Copyrights*

POLITICAL ACTIVITIES

We encourage workforce members to be active in the political process, exercise their right to vote and support candidates of their choice. However, complex laws govern campaign contributions by corporations and businesses. Some definite federal prohibitions of political activity include:

- **We will not** make corporate or PAC contributions without first getting this cleared by the corporate ECO.
- **We will not** conduct campaigns or hand out leaflets on company property.
- **We will not** include campaign contributions on our personal expense reports.
- **We will not** give gifts or other items of value to officeholders and candidates in the name of Capella or our hospital (except for plaques and appetizers, as permissible under federal or state law)
- **We will not** use company resources, such as phones, copiers, email or postage, to support or oppose a candidate for office.

For more information see policy GR.001, *Contributions to Political Campaigns* and GR.002, *Use of Outside Lobbyists*.

ENVIRONMENTAL STEWARDSHIP

It is the policy of Capella to comply with all applicable federal, state and local environmental laws, including (at the hospital level) laws regulating the removal and disposal of medical waste.

Our work requires the handling of hazardous materials including solvents, corrosives, needles, biohazards and human tissue. These hazards require special handling and are subject to strict regulations.

- **We will** commit to the proper handling, storage, use, shipment and disposal of all materials that are regulated under any applicable environmental law, and all workforce members will abide by such requirements.
- **We will** maintain all necessary environmental permits and approvals.
- **We will** always ask where and how to dispose of any waste material.
- **We will not** put hazardous materials in the drain or in general landfills.
- **We will not** deposit biohazards, such as needles, in the trash.
- **We will not** exceed regulatory standards for air, water or soil pollution.

For more information, see policies ENV.001 through ENV.018.

LAWS AND REGULATIONS

BILLING FOR SERVICES

We are committed to accuracy in billing and coding practices and compliance with all governmental and third-party payor requirements.

We will provide employee orientation and training, and maintain accurate billing policies, audit procedures and billing controls to ensure each facility bills accurately for its services and only bills for services rendered.

We will not allow anyone to present or cause to be presented any false, fictitious or fraudulent claims.

We will return overpayments from any source (Medicare, Medicaid, insurance or patients). *See Policy EC.012, Correction of Errors to Federal Programs.*

We will provide Medicare, Medicaid, private insurance companies and patients with truthful and accurate information in both written and oral statements.

We will maintain accurate medical records.

This includes anything that will become part of the medical record, such as lab results, nurses notes, doctors order, etc.

We expect physicians and other healthcare professionals who treat patients in our facilities to provide accurate and complete information in a timely manner. Intentional false statements to a government agency or private insurance company are illegal and could lead to fines or criminal charges.

We will not intentionally enter false information into any medical record, log, bill, statement, computer system, email, lab test, etc.

BILLING FOR NEVER EVENTS

We will not bill for certain instances of sub-standard care, sometimes referred to as “never events.” We have detailed policies about billing for such care and detailed instructions from Medicare, Medicaid and insurance carriers on how to handle these situations. If you are involved in billing or coding, you are responsible for becoming knowledgeable about these practices.

For more information, see policy PA.014, *Billing for Never Events*.

FALSE CLAIMS ACTS

The U.S. False Claims Act allows individuals to sue, on behalf of the U.S. government, to recover amounts related to billing the government (e.g., Medicare and other federal programs) for services not provided or for substandard services.

Many states also have false claims laws for Medicaid programs.

More information about this can be found at www.capellahealthcare.com/ethics

GOVERNMENTAL AGENCIES, ACCREDITING ORGANIZATIONS AND INSURANCE COMPANIES.

Capella routinely deals with governmental agencies, accrediting organizations and insurance companies.

- Some of these include the Center for Medicaid and Medicare Services (CMS), state licensing boards, The Joint Commission (TJC), the Occupational Safety and Health Administration (OSHA), the Office of the Inspector General (OIG) Blue Cross Blue Shield, Aetna, food inspectors, tax assessors, elevator inspectors, Environmental Protection Agency, Federal Communication Commission, child care regulators, etc.

We will deal with all accrediting bodies in a direct, open and transparent manner,

We will not mislead the surveyor or its survey teams, either directly or indirectly,

In all communications with any governmental agencies, accrediting organizations and insurance companies, we will provide complete and accurate information.

We will work with the respective organization to make sure they have all the information they need.

You should always maintain a record, including a signed and dated copy, of any information provided to outside investigators as a means of documenting that we have responded to their request.

For more information, see policy QM.001, *Regulatory Compliance Notifications*.

RESPONDING TO SEARCH WARRANTS

In the event that law enforcement agents present any workforce member with a search warrant seeking to access company material, you should cooperate with the agents and immediately notify the General Counsel’s office at (615) 764-3015 and the facility CEO or the house supervisor on call at the time. If for any reason the General Counsel cannot be reached, immediately contact the Ethics Line and report that your facility has been served. Be sure to provide your name and clearly state to the Ethics Line intake dispatcher that this is our established protocol for reporting search warrants. The contact information for the Ethics Line is provided in this booklet.

You should ask for identification from the agent in charge of executing the warrant, and ask for a copy of both the search warrant and the affidavit submitted to the court in order to obtain the warrant.

It is our policy to cooperate fully with the agents. It is absolutely critical that no workforce member interferes with the agents in any way during their search or prevents them from accessing anything listed in the search warrant. Obstructing or interfering with a lawful search can constitute a serious offense.

When agents attempt to search certain sensitive areas, such as Central Sterile or Pharmacy, the agents should be advised of the safety concerns and the regulations governing safety in these areas.

The agents may ask workforce members questions during the search. Workforce members have the right to either talk to the agents or not to talk to them, except to the extent that it is necessary to talk to them to comply with the warrant.

Agents may take original documents. You should ask for a detailed inventory of the material the agents are taking. They are required to provide a receipt for the articles taken.

For more information, see policy EC.025 *Responding to Search Warrants*.

PROFESSIONAL LICENSES

Capella workforce members must maintain any professional license, certification or other accreditation required by state or federal law.

- Examples include nursing licenses, medical licenses or professional certifications required by your occupation.
- Most licenses and certifications require continuing education. You should work with your supervisor to maintain your continuing education.

You may not work for Capella without a valid license or certification if it is required of your position. To ensure compliance, you are required to show proof of your current license status.

For more information, see policy QM.002, *Licensure and Certification of Practitioners*

KICKBACKS AND REWARDS FOR REFERRALS

The federal Anti-Kickback Statute is very specific that payments made to either induce or reward referrals are illegal and punishable by federal law, up to and including prison time.

We will not pay or receive a kickback or reward for a patient referral to anyone. This includes physicians, nursing homes, ambulance drivers, other hospitals or a relative or guardian of the patient. Because of the strict prohibition against payments for referrals, we must avoid arrangements which might indirectly reward (or appear to reward) potential referral sources. These include items such as

- Discounted rent or services for physicians
- Free or discounted supplies for nursing homes
- Excessive meals or gifts to physicians
- Free gas or supplies to ambulance companies
- Excessive or lavish gifts from pharmaceutical representatives or device manufacturers

For more information, see policy LL.001, *General Statement on Agreements With Referral Sources*.

REPORTING INFRACTIONS AND CONCERNS

Our Code of Conduct requires you to report infractions of our policies if you feel these infractions are going undetected, are the result of collusion, or are being neglected by management. A few examples of infractions or concerns you should report **without delay**, include:

- Patient safety concerns or patient endangerment
- Patient complaints and grievances
- Performance of unnecessary procedures or surgeries
- EMTALA violations
- Billing or coding errors and lack of willingness to correct these
- Harassment or a hostile workplace environment
- Stealing or other criminal acts
- Intentional non-compliance with internal control systems

- Breaches of patient privacy
- Substance abuse or someone who is intoxicated at work
- Failure to safeguard narcotics

HOW TO REPORT INFRACTIONS OR CONCERNS

Always consider reporting infractions first to your **direct supervisor**. If you are not comfortable doing this, the following suggestions will assist you in reporting infractions and concerns in an effective manner.

- Reports of a **human resource** nature, such as sexual harassment or a hostile workplace, should be directed to the facility Human Resources Director.
- Reports involving **breaches of patient privacy** should be directed to the Facility Privacy Officer.
- Reports involving potential identity theft should be directed to the Facility Identity Integrity Officer.
- All other Reports should be directed to the facility or corporate ECO.

THE ETHICS LINE: 1-866-384-4276 or www.capellahealthcare.com/ethics

The **Capella Ethics Line** is your opportunity to report concerns or infractions that you believe are not being handled properly by the facility or in cases where you are uncomfortable discussing these issues with facility personnel.

Your call will be handled by **EthicsPoint**, an outside firm based in Portland, Oregon. This firm is not affiliated with Capella Healthcare Inc. EthicsPoint serves a variety of major organizations and is staffed 24 hours a day, seven days a week. They will discuss your concern with you and provide the corporate ECO with a written synopsis. You will be given a case number which you can use to call back or login on the internet to get an update on your case. You can also report a concern via the internet by going to www.capellahealthcare.com/ethics.

You **DO NOT** have to give your name and contact information, but if you do, it will allow the Ethics & Compliance Department to contact you for follow-up information.

Neither Capella nor any of its affiliates will make any attempt to determine who you are or where you are if you wish to remain anonymous. **If you remain anonymous**, you will have no way of knowing if any follow-up occurs because all investigations, including any disciplinary actions, will be kept strictly confidential.

SUGGESTIONS FOR EFFECTIVE REPORTING

Whether you bring your concern to a person at the facility level, the Capella Ethics Line, or report via the internet, it is a good idea to have all your facts together first.

Gather documentation. This could include:

- Copies of erroneous bills
- Examples of privacy breaches
- Evidence of theft or other illegal acts
- Letters or emails

Organize your account of the situation. Often times, there will be no physical evidence that you can easily obtain to demonstrate a concern. In this case, it is especially important that you organize the details of your concern. Writing out your story often helps you to think through the actual history of your concern. When organizing your facts, be as factual and specific as possible.

ACKNOWLEDGMENT OF THE CODE OF CONDUCT

Every year, Capella requires all employees to sign an acknowledgment confirming they have received the Code of Conduct, understand that it represents mandatory policies of Capella and agree to abide by it. Employees should expect to complete the acknowledgment process annually, as the *Code of Conduct* is a living, changing document. New employees are required to sign this acknowledgment as a condition of employment and must receive *Code of Conduct* training within 30 days of employment.

2012 CALENDAR YEAR ACKNOWLEDGMENT

I have read and understand this Code of Conduct and I agree to follow its policies and practices. I understand I must adhere to the Code of Conduct and the associated Ethics & Compliance policies as a condition of my continued employment. I also understand that it is my responsibility to report any activity or behavior that violates this Code. All potential conflicts of interest are noted below on the disclosure form.

PRINT NAME HERE

SIGNATURE

DATE

DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

The following actual or potential conflicts of interest are being disclosed in accordance with provisions of this Code of Conduct:

(Note: you must disclose actual or potential conflicts each year by means of this form.)

Ethics Line (866) 384-4276
www.CapellaHealthcare.com/ethics

Appendix

LIST OF ETHICS & COMPLIANCE POLICIES

The material in the Code of Conduct is a brief summary of the Ethics & Compliance policies of Capella Healthcare. These policies can be found on the corporate “Z” drive. Please contact your facility Informations Systems Director for access.

ENVIRONMENTAL (ENV)

ENV.001	Environmental - General
ENV.002	Environmental - Polychlorinated Biphenyls (PCBs) Handling
ENV.003	Environmental - Indoor Air Quality
ENV.004	Environmental - Air Pollutant Emission
ENV.005	Environmental - Asbestos Containing Material (ACM) Management
ENV.006	Environmental - Environmental Due Diligence for Property Transfer
ENV.007	Environmental - Emergency Response
ENV.008	Environmental - Biomedical Waste Management
ENV.009	Environmental - Low-Level Radioactive Waste Management
ENV.010	Environmental - Hazardous Waste Management
ENV.011	Environmental - Fuel Storage Tank Management
ENV.012	Environmental - Waste Oil Management
ENV.013	Environmental - Wastewater Discharge
ENV.014	Environmental - Potable (Drinking) Water Supply
ENV.015	Environmental – Infection Control Risk Assessment
ENV.016	Environmental – Universal Waste Management
ENV.017	Environmental – Management of Lead (Pb) Materials
ENV.018	Environmental – Environmental Self Audit of Facilities

ETHICS AND COMPLIANCE (EC)

EC.001	Policy and Procedure Development
EC.002	Internal Handling of Ethics Line Calls
EC.004	Code of Conduct, Effective Date
EC.005	Business Courtesies to Potential Referral Sources
EC.006	Entertainment
EC.008	Approval of tokens of Appreciation in Recognition of Volunteer Efforts from Non-Referral Sources
EC.010	Ethics and Compliance Officer
EC.011	Code of Conduct Distribution and Training
EC.012	Correction of Errors Related to Federal Health Care Program Reimbursement
EC.013	Physician Access to the Internet
EC.014	Records Management
EC.015	Limitations on Gifts to Fiscal Intermediary Employees
EC.016	Ethics and Compliance Program Contracts
EC.017	Notification Regarding Certain Investigations or Legal Proceedings
EC.018	ECO Quarterly Reports

EC.021	Conflict of Interest
EC.022	Education Requirements of the Deficit Reduction Act of 2005
EC.023	Guidelines for Human Photography
EC.024	Use of Social Media by Company Personnel
EC.025	Responding to Search Warrants
EC.026	Monitoring Requirments Regarding Ineligible Persons

GOVERNMENT RELATIONS (GR)

GR.001	Contributions to Political Campaigns
GR.002	Use of Outside Lobbyists

HOSPITAL CODING COMPLIANCE (HCC)

HCC.001	Coding Documentation for Inpatient Services
HCC.002	Coding Documentation for Outpatient Services
HCC.003	Coding References and Tools
HCC.004	Coding Documentation for Inpatient Rehabilitation Facilities and Units
HCC.005	Coding Orientation and Training
HCC.006	Coding Continuing Education Requirements
HCC.007	Reimbursement of Professional Exam Fees for Coding Personnel
HCC.008	Additional Compensation Plans for Coding Personnel
HCC.009	Prohibition of Contingency-Based Coding Arrangements
HCC.011	Certified External Vendors for Coding Reviews and Related Ed.
HCC.001	Outpatient Services and Medicare Three Day Window

HIPAA PRIVACY (HIPAA)

HIPAA.001	Patient Privacy – Program Requirements
HIPAA.002	Privacy Official
HIPAA.003	Patient Privacy – Protection
HIPAA.004	Patient Privacy – Patients’ Right to Access
HIPAA.005	Patient Privacy – Patients’ Right to Amend
HIPAA.006	Patient Privacy – Right to Request Privacy Restrictions
HIPAA.007	Notice of Privacy Practices
HIPAA.008	Patient Privacy – Right to Request Confidential Communications
HIPAA.009	Patient Privacy – Accounting of Disclosures
HIPAA.010	Patient Privacy – Notification of Breaches of Protected Health Information
HIPAA.011	Standards of Discipline for HIPAA Violations

HUMAN RESOURCES (HR)

HR.001	Background Investigations
HR.002	Equal Employment Opportunity
HR.003	Limitations on Employment
HR.004	Performance Management
HR.005	Non-Discrimination and Non-Harrasment

INFORMATION TECHNOLOGY & SECURITY (IT.SEC)

IT.SEC.001	Information Systems Security
IT.SEC.002	Electronic Communication

IT.SEC.003	PC Software License Management
IT.SEC.005	Information Confidentiality and Security Agreements
IT.SEC.006	Information Security – Facility Information Security Official
IT.SEC.008	Information Security – Physician Access to the Facility Information Systems
IT.SEC.009	Information Security – IT Project Request Approval
IT.SEC.010	Information Security – Destruction of Computer Equipment, Media and Data
IT.SEC.011	Information Security – Third-Party Access Procedure
IT.SEC.012	Information Security – IT Security Risk Assessment
IT.SEC.014	Information Security – Global E-Mail Distribution List
IT.SEC.015	Information Security – Network Resources
IT.SEC.017	Information Security – Network Security
IT.SEC.018	Information Security – Data Security (Classification)
IT.SEC.019	Information Security – User Access (Security)
IT.SEC.020	Information Security - Physicians and Physicians Office Staff (Meditech only)
IT.SEC.021	Information Security - CPCS Conformance and Monitoring (Meditech only)

LABORATORY (LAB)

LAB.001	Billing for Hematology Procedures
LAB.002	Billing for Urinalysis Procedures
LAB.003	Organ and Disease Panels
LAB.004	Billing for Outpatient Specimen Collection
LAB.005	Billing for Custom Profiles
LAB.006	Billing for Reference Laboratory Testing
LAB.007	Reflex Tests
LAB.008	Technical Component for Pathology Tests
LAB.009	Billing for Laboratory Services to SNFs
LAB.011	Standard Laboratory Charge Description Master

LEGAL (LL)

LL.001(a)	Physician Relationship Checklist
LL.001	General Statement on Agreements with Referral Sources; Approval Process
LL.002	Professional Services Agreements
LL.003	Physician Recruiting Agreements
LL.004	Physician Equipment or Space Leases
LL.005	Physician Management Services Agreements/Business Office Services
LL.006	Physician Employment
LL.009	Loans and Loan Guaranties
LL.010	Non-Employed Physician Education Expenses
LL.011	Providing Free and/or Discounted Training and Equipment to Referral
LL.012	Physician Access to Vendor Agreements
LL.013	Physician Referral Services
LL.016	Discharge Planning & Referrals of Patients to Post Discharge Providers
LL.018	Professional Courtesy Discounts
LL.020	Physician Relationship Training
LL.021	Physicians Purchasing Items or Services from the Facility
LL.022	Reimbursement of Expenses and Extending Tokens Related to Voluntary
LL.023	Contract Review and Approval Process
LL.029	Facility Marketing and Advertising Practices Relating to Physicians
LL.GEN.001	Waiver of Medicare Copays and Deductibles; Offering of Add. Benefits

LL.GEN.002	Copyright
LL.SEC.001	Securities Trading
LL.SEC.002	Corporate Disclosure Policy

EMTALA

LL.EM.001	EMTALA - Medical Screening
LL.EM.002	EMTALA - Stabilization
LL.EM.003	EMTALA - Transfer
LL.EM.004	EMTALA – Signage
LL.EM.005	EMTALA - Central Log
LL.EM.006	EMTALA - Duty to Accept
LL.EM.007	EMTALA - Provision of On-Call Coverage

MATERIALS MANAGEMENT (MM)

MM.001	Contracting with Ineligible Persons
MM.002	Vendor Relations
MM.003	Prohibition on Resale of Items Purchased Under Group Purchasing Contract
MM.004	Educational Funding From Vendors
MM.005	Research Grant Funding From Vendors
MM.006	Restocking of Third-Party Ambulances

PATIENT ACCOUNTING (PA)

PA.001	Billing Monitoring for Governmental Payors
PA.002	Ensuring Medical Necessary Services to Medicare Patients
PA.003	Advance Beneficiary Notices (ABNs) for Medicare Outpatient Services
PA.004	Orders for Outpatient Tests and Services
PA.005	Continuing Education Requirements for Billing Personnel
PA.006	Physician Certification and Recertification for Post Acute Services
PA.007	Medicare Outpatient Rehabilitation Services
PA.008	Outpatient Services and Medicare Three Day Window
PA.009	Collection of Financial Information under EMTALA
PA.010	Billing for Outpatient Self-Administered Drugs
PA.011	Confirming and Processing Overpayments
PA.012	Stat Fees, Call Back and Standby Charges
PA.013	Medicare Billing for Investigational Devices and Related Services
PA.014	Billing for Never Events
PA.015	Identity Theft and Patient Mis-Identification

PHYSICIAN CODING COMPLIANCE (PCC)

PCC.101	Compliance – Coding Manual for Requirement in Physician Services
PCC.102	Compliance – Forms, Billing Standards, Provider Documentation
PCC.103	Compliance – Confirming and Processing Overpayments
PCC.104	Compliance – Post Audit Correction of Coding and Billing Errors
PCC.105	Compliance – Physician Practices – Using Third-Party Billing Vendors
PCC.201	Documentation Standards – Physician Practice Medical Records
PCC.202	Documentation Requirements for Time Based Codes
PCC.203	Documentation – Discrepancies Correcting Physician/Provider Documentation
PCC.301	Assignment of CPT (Level 1) and HCPCS (Level II) Codes

PCC.302	Assignment of CPT and HCPCS Level II Modifiers
PCC.303	Assignment of ICD-9 Diagnosis Codes
PCC.304	Assignment of Place of Service Codes
PCC.401	Coding Discrepancies – Process for Resolution
PCC.402	Coding Consultation Services, Documentation and Billing
PCC.403	Coding “Incident To” Outpatient Services for Medicare—Documentation and Billing
PCC.404	Coding Concurrent Care Services, Documentation and Billing
PCC.405	Coding Locum Tenens and Reciprocal Billing – Documentation and Billing
PCC.406	Coding/Reporting of Physician Services Without Direct Face-to-Face Patient Contact for Medicare, Medicaid and Governmental Payors
PCC.501	Electronic Medical Record Code Selection and Prompt Functions
PCC.502	Electronic Medical Record Copy and Paste Functions

QUALITY MANAGEMENT (QM)

QM.001	Regulatory Compliance Notification
QM.002	Licensure and Certification
QM.003	Patient Grievance and Complaint Management

QUALITY MANAGEMENT: RESEARCH (QM.RES)

QM.RES.001	IRB Guidance Policy
QM.RES.002	IRB Protocol—Initial and Continuing Review
QM.RES.003	Informed Consent IRB Review
QM.RES.004	Development of Local Standard Operating Procedures for IRB
QM.RES.005	Adverse Event Review
QM.RES.006	Use of Non-Local, Cooperative and Multi-Institutional IRB
QM.RES.007	Recruitment of Vulnerable Subject Populations

REIMBURSEMENT (RB)

RB.001	Reimbursement Manual
RB.002	Standardized Workpaper Package with Instructions
RB.003	Review of Cost Report
RB.004	Identification of Non-Allowable Costs
RB.005	Adequate Documentation
RB.006	Protested Items
RB.007	Submission of the Medicare Cost Report
RB.008	Disclosure Procedure
RB.009	Error in Reporting
RB.010	Fiscal Intermediary, Carrier and MAC Audits
RB.013	Arrangements with External Consultants
RB.014	Education and Training

TREASURY (TRE)

TRE.001	Medical Staff Funds
---------	---------------------

