

# UNION HOSPITAL, INC.

## CORPORATE COMPLIANCE & ETHICS PROGRAM



## CODE OF CONDUCT

April 1, 2010



UNION HOSPITAL, INC.  
CORPORATE COMPLIANCE &  
ETHICS PROGRAM

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## PLAN GOAL/PURPOSE

Union Hospital, Inc. has adopted this plan to identify policies and procedures for preventing and detecting violations of any law or regulation, whether criminal or non-criminal for which the organization is or would be liable and to promote an organizational culture that encourages a commitment to compliance with the law. Throughout this document, reference to Union Hospital, Inc., includes its divisions Union Hospital Terre Haute and Union Hospital Clinton, all in-patient and outpatient departments or areas of the hospitals and any location where services are performed for Union Hospital Inc. Reference to IPACS, Inc., includes its divisions Advanced Recovery Services and Premier Account Management.

This Plan applies to administrative staff, exempt and non-exempt staff, professional staff, contracted personnel, physicians on staff but not employed, volunteers, students and other agents. This Plan is intended to complement, not replace, other Union Hospital, Inc. policies and various State and Federal Laws and Regulations and Medicare/Medicaid Regulations.

## STANDARDIZED COMPLIANCE POLICIES AND PROCEDURES

Union Hospital, Inc. is committed to having written policies and procedures in place throughout the system to ensure that all employees have access to guidance and protocol that should be followed in performing their duties. The contents of this plan will document Union Hospital, Inc.'s policies and procedures related to the Corporate Compliance function, as well as the procedures that the Corporate Compliance Officer ("Officer") will utilize to monitor various aspects of corporate compliance. The program will be communicated to all new and existing employees and medical staff members via Union Hospital, Inc.'s compliance program and/or through a training sessions on corporate compliance.

With respect to specific departmental policies and procedures, Union Hospital, Inc. will periodically conduct reviews of each departments' operations and will amend, when required, individual policy and procedure manuals to include aspects of compliance with the specific laws and regulations applicable to each risk area. Where appropriate, the Officer will be responsible for updating these policies and procedures, with the assistance of specific departments.

## STRUCTURE OF CORPORATE COMPLIANCE PROGRAM AND OVERSIGHT AUTHORITY

The Board of Directors of Union Hospital, Inc. ("Board") has adopted a resolution initiating Union Hospital, Inc.'s Corporate Compliance Program ("Program"). The Board will review and give final approval of any proposed changes or additions to the Program. The Board will designate a committee to monitor and oversee activities and effectiveness of the Program.

Effective corporate compliance programs require an organization to assign a specific high level individual(s) overall responsibility for overseeing the Program. Union Hospital, Inc. has structured the Program to provide the Officer a direct reporting line to the Chief Executive Officer of Union Hospital, Inc.; however, the Officer shall also report directly to the Board of Directors. Additionally, in designing the Corporate Compliance Structure, Union Hospital, Inc. is very cognizant of the role that each division or entity serves in effectively monitoring and enforcing compliance in all aspects of corporate operations. Accordingly, each division or entity will have a representative appointed to the Management Committee as identified below (hereinafter "Management Liaison Committee"). The Management Liaison Committee is a critical link to the Program, it will be critical in the monitoring and auditing of the Program, as well as serving as a vehicle for communication between the Corporate Compliance Department and the divisions and entities.

The Officer will have as a primary responsibility the oversight of compliance for all services of Union

Hospital, Inc.'s employees. The job description is located in Human Resources and the Corporate Compliance Department.

## ROLE OF OUTSIDE LEGAL COUNSEL

Outside Legal Counsel shall assist the Officer to see that the Program addresses, all applicable federal and state statutes and regulations. Additionally, Outside Legal Counsel shall serve as an advisor to Union Hospital, Inc. in relation to all changes in rules and regulations and will assist the Officer in maintaining the Program in a manner that will ensure compliance with current laws and regulations.

Outside Legal Counsel shall be notified, at the discretion of the Officer, of incidents that have a reasonable possibility of supporting an assertion of non-compliance. The Officer will be responsible to authorize an investigation of the facts of such a reported incident and should an extended investigation be required, the Officer is responsible for managing the investigation as outlined in the formal "Internal Investigation Policy" (Policy No. AD 1-10).

The Officer shall review the corporate compliance policies and procedures on an annual basis to assure that they adhere to all federal and state statutes as well as third party regulations and requirements. This review may require the utilization of Outside Legal Counsel or other experts.

## ROLE OF BOARD CORPORATE COMPLIANCE COMMITTEE & COMPLIANCE MANAGEMENT LIAISON COMMITTEE

The Board of Directors will be knowledgeable about the content and operation of the Program and will exercise reasonable oversight of the effectiveness of the Program. The Board has established the Board Corporate Compliance Committee ("Board Committee"). The Board Committee is responsible for monitoring and overseeing the Program and its activities and effectiveness and for making any required recommendations and reports to the full Board to carry out the intent of the Program. The Board Committee's responsibilities include, but are not limited to, review of training and education activities called for under the Program, review of non-compliant issues and actions being taken and review of new initiatives being undertaken by regulatory authorities and Union Hospital, Inc.

All decisions and actions taken by the Board Committee shall be reported to the Board on a regular basis (at a minimum of four times per year).

In addition to monitoring the Program, the Board Committee is responsible for reviewing disciplinary action against those who have violated Union Hospital, Inc.'s compliance policies and procedures. To ensure consistent application of disciplinary measures, the Board Committee shall document the specific violation, reference historical disciplinary action for a similar offense, and evaluate the violator's work history. The Officer is responsible for documenting the facts of the violation and the corrective action taken.

The Compliance Management Liaison Committee, as appointed by the President, is established to provide support for the Officer by senior management of Union Hospital, Inc. in all lines of business, all divisions and all services. The Compliance Management Liaison Committee will review the status of the Program, discuss issues and non-compliant activity, and recommend changes to the Program. The following is a summary of the roles of the Compliance Management Liaison Committee:

- Monitor the organization's compliance activities to ensure process, policy and procedures exist to detect and mitigate noncompliance with federal and state laws and regulations and to deter any criminal activity;

- Recommend for approval to the Board of Directors, changes or updates of the compliance program;
- Revise, review and approve procedures for compliance policy and procedure distribution including the dissemination of regulatory updates;
- Review compliance program training activity to be certain that regular and continued training is undertaken for the Board, management and employees, including monitoring of continuing education for Corporate Compliance matters;
- Review the results of monitoring and auditing activity regarding the compliance program's effectiveness including Compliance Line activity;
- Serve as a committee to share information throughout Union Hospital, Inc. and facilitate implementation of necessary changes to policies, controls or processes;
- Members of the committee will serve as the liaison for their division, department or entity.
- Review Clinical Trials conducted at Union Hospital's facilities.
- Review alleged privacy and Red Flag issues.

## AUTHORITY TO DELEGATE DUTIES RELATING TO IMPLEMENTATION AND MONITORING OF THE CORPORATE COMPLIANCE PROGRAM

To ensure that important duties under Union Hospital, Inc.'s Program are properly delegated, the Officer and the Management Liaison Committee shall maintain, review and approve all significant requests for work in relation to the Program. Requests by the Management Liaison Committee shall be reviewed and approved in advance by the Officer. For requests which are recurring in nature, i.e. periodic monitoring or audits, the documentation may be in the form of an annual compliance work plan. Where specific activity has been delegated to departmental personnel, such as monitoring, job descriptions should be updated to include delegated responsibilities.

Any special request involving a potential violation must be documented before any actions are taken by Union Hospital, Inc.

## APPROVAL OF CONTRACTS BY CEO AND CORPORATE COMPLIANCE OFFICER

Union Hospital, Inc. is committed to doing all that it can to ensure all organizations acting as agents for Union Hospital, Inc., such as consultants and independent contractors, will comply with the Program. All consultants and independent contractors must agree to abide by all applicable policies of Union Hospital, Inc. and applicable provisions of the Program.

All contracts, written agreements, letters of understanding, grants, leases or documents which obligate Union Hospital, Inc. to outside individuals, entities or organizations must have proper review and authorization by Union Hospital, Inc.'s President/CEO or Vice President/COO, or Senior Vice President of Finance/CFO, or other appropriate Vice President prior to entering such agreements. Contracts exceeding Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) must be reviewed and

approved by Union Hospital, Inc.'s President/CEO or Vice President/COO or the Senior Vice President of Finance/CFO. Contracts exceeding Twenty-Five Thousand and No/100 Dollars (\$25,000.00) must be reviewed and approved by the President/CEO, Vice President/COO or the Senior Vice President of Finance/CFO, or the appropriate Vice President of Union Hospital, Inc. prior to its effective date. All contracts, written agreements, letters of understanding, grants or leases, must be recorded in the master listing of Contracts and Agreements maintained by the Corporate Compliance Department. Each individual's review of a contract should focus on the compliance requirements of the Program. Outside Legal Counsel is available to all members of management, should they believe that a legal opinion is required prior to approving any contract.

The Officer will retain a listing of all agents that have been utilized by Union Hospital, Inc. in the past, as well as a listing of agents that Union Hospital, Inc. has determined they will not utilize for any reason. This listing must be updated each time a contract is signed to ensure that Union Hospital, Inc. is not contracting with parties that Union Hospital, Inc. has determined have a potential to violate the Program. Additionally, the Department of Health and Human Services Office of Inspector General List of Excluded Individuals/Entities (<http://exclusions.oig.hhs.gov>) and the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs (<http://www.epls.gov>) shall be reviewed to ensure Union Hospital, Inc. will not contract with excluded entities.

## HUMAN RESOURCES

Union Hospital, Inc. shall maintain interview requirements and job descriptions for all levels of staff. Union Hospital, Inc. shall also retain a copy of the application, resume and testing results, as applicable, for each applicant hired as established under the Union Hospital, Inc. document retention policy for tracking applicants through the hiring process.

The Human Resources Department shall have on file a standardized form for researching a candidate's background for criminal activity, including conviction of a crime or charges pending. Criminal history checks shall be done for all applicants hired. Criminal history checks shall also be done on any candidate for promotion within Union Hospital, Inc. to a position of Director or above. The employment status of the applicant, any current employee, or any current employee proposed for advancement who has been arrested, charged or convicted of a felony or a misdemeanor (excluding traffic infractions for which the maximum penalty is a money fine) shall be evaluated and job offer or status determined by the Corporate Compliance Officer, the head of the Human Resources Department or his/her representative, and the hospital's Outside Legal Counsel in consultation with the President or the applicable supervising Vice President. The Board Committee will review all exceptions.

Union Hospital, Inc. shall also have in place policies and procedures to assure that criminal background checks are conducted for employees, volunteers, students and non-employed individuals as deemed appropriate.

As part of Union Hospital, Inc.'s responsibility in conducting due diligence with regard to physician candidates, Union Hospital, Inc. shall research Medicare and Medicaid databases for any documented prior fraud and abuse offenses, including probationary status by any federal or state regulatory agency. All prior or pending malpractice claims shall be documented and reviewed. Union Hospital, Inc. shall have on file a standardized form and process for documenting applicants found to have violated a federal or state regulation. The Department of Health and Human Services Office of Inspector General's List of Excluded Individuals/ Entities and the General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs shall be checked to ensure that any proposed employee, current employee or entity which Union proposes to enter into a contract with or has a contract with is not shown on these lists as an excluded party. Such checks shall be made monthly.

Union Hospital, Inc. shall ensure applicants for positions requiring credentials have proof of certification prior to their hiring or providing service to Union Hospital, Inc. Union Hospital, Inc. shall review the original certificate and maintain on file a copy of each employee's current certification. Each division is responsible for implementing appropriate procedures to ensure that current certifications are maintained and updated.

Union Hospital, Inc. shall maintain current job descriptions for each position. Each department shall, with coordination of the Human Resources Department, list the education, experience, and special requirements for each position within the department, as well as the title, reporting relationship, duties and functions of each position. Department heads shall review job descriptions with the Human Resource Department, per the Healthcare Facilities Accreditation Program (HFAP) and any other applicable accrediting organizations standards, to ensure each job description is current. All job descriptions will include appropriate references to compliance with laws and regulations.

All employees of Union Hospital, Inc. shall have a section of their performance review dedicated to compliance with laws and regulations. Their immediate supervisor shall complete the evaluation; however, Human Resources Department shall report any issues noted in the compliance section to the Officer who shall take necessary actions.

Union Hospital, Inc. will offer exit interviews or will mail an exit questionnaire to all employees upon their termination (voluntary or involuntary) from Union Hospital, Inc. Employees in the position of a manager or above will be contacted by the Corporate Compliance Officer for an exit interview. The purpose of the interview is to inquire about the knowledge of any activities within Union Hospital, Inc. in violation of the Program.

## TRAINING AND EDUCATION

Union Hospital, Inc. shall integrate the corporate compliance policies and procedures into the existing orientation program for all Union Hospital, Inc. board members, employees and medical staff members. Compliance training shall encompass laws and regulations, specific responsibilities of each department, methods to report violations, disciplinary measures for violating Union Hospital, Inc.'s policies and procedures, and proper procedures to be followed to respond to Third Parties requests to interview employees and/or receive information. This orientation will be supplemented by specific training geared toward the employees' and medical staff's responsibilities when deemed applicable.

The Officer shall oversee the monitoring, evaluation, and auditing of the corporate compliance training program. This includes taking steps to ensure educational videos and manuals are current, attendance records are kept, new employees complete training by a specific time, and new employees and medical staff acknowledge in writing that adherence to Union Hospital, Inc.'s compliance policies and procedures is a condition of employment and medical staff privileges. In addition, the organization will retain a copy of any training material and a brief description of the subject matter of any education program.

The Officer shall oversee the review of training procedures, including feedback from employees and trainers.

## CONTINUING EDUCATION

All employees will receive compliance training on an annual basis. Where applicable, the training shall incorporate compliance concepts and updates of regulatory information needed to ensure that employees are current in their knowledge. Finance, Billing, Cost Reporting, Medical Records and other departments' employees may be provided additional focused hours of training per year as determined appropriate by

the Officer and the Management Liaison Committee.

The Officer shall be responsible for ensuring that a process exists for disseminating updates about changes in federal or state regulations or changes in Union Hospital, Inc.'s Program.

It is the responsibility of all line management to monitor the records related to continuing corporate compliance education such as attendance, agendas, etc.

## MONITORING AND PERIODIC AUDITING

It is critical to Union Hospital, Inc.'s Program to conduct regular auditing and monitoring activities of Union Hospital, Inc. in order to detect any compliance violations and/or criminal conduct and to promptly rectify any potential compliance issues.

The Officer will oversee monitoring of the Program. This shall include periodic audits and spot checks to ensure billing, claims processing and reimbursement procedures and practices adhere to federal and state laws and regulations. Any adjustments shall be verified and overpayments immediately remitted to the appropriate party. This shall also include periodic audits and spot checks to ensure that non-billing procedures and practices, such as patient care, privacy, EMTALA, and Red Flag rules and regulations adhere to federal and state laws and regulations. Monitoring procedures shall be defined by the Officer, in collaboration with the department managers, and implemented as part of Union Hospital, Inc.'s departmental policies and procedures. It is a requirement of the Program that records be retained of all meetings held by operations personnel since these records will serve as the documentation of the existence of the compliance program throughout Union Hospital, Inc. The Officer has the authority at any time to request these records and to review them for completeness and content. For monitoring controls and audits which are conducted externally, or conducted independently by the Officer, a record shall be maintained of the work plan utilized, as well as a report of the findings based on the procedures and any necessary corrective action that will be taken by Union Hospital, Inc. The Officer is responsible for retaining all such records.

The Officer shall conduct or arrange for various periodic audit procedures throughout the year. These audits will be conducted more frequently in areas that have potential billing compliance risks. For areas that do not revolve around billing or maintenance of formal corporate compliance program requirements, such as training and education, the audits will be conducted as necessary. For each audit, the Officer shall determine if Union Hospital, Inc. has the requisite skill set to complete the review. If the Officer determines that the skill set is not available or that it is in the interest of Union Hospital, Inc., it is best to engage external consultants, the Officer shall engage such consultant. All reports of audits shall be reviewed by the Officer who shall act upon the results, including recommending and implementing corrective action, where required, and shall be reviewed with the Board Compliance Committee.

## RECORDS RETENTION POLICY

The Officer shall oversee a records retention policy that requires Union Hospital, Inc. to retain records the minimum time required by federal and state regulations, to segregate records documenting its compliance related obligations, to retain records substantially affecting obligations of Union Hospital, Inc., to determine consistent standards for destruction of records to avoid allegations Union Hospital, Inc. deliberately destroyed relevant documents, to create a mechanism for halting record destruction in the event of litigation, to institute policies regarding magnetic or electronic record storage, and to enforce policies for ensuring confidentiality of both personnel and patient records. All records and reports created in conjunction with Union Hospital, Inc.'s adherence to the Program are confidential.

## REPORTING SYSTEMS

The Officer shall oversee a policy to ensure that employees may report violations to his/her supervisor and/or seek guidance pertaining to Union Hospital, Inc.'s compliance policies and procedures from his/her supervisor. Procedures shall be established to ensure alleged violations are reported to the appropriate Management Committee Liaison member and/or to the Officer. The steps for documenting, investigating, determining resolution, and keeping confidential an alleged violation are the same whether reporting via the Compliance Line or other means.

### COMPLIANCE LINE POLICY – 1-800-549-4623

Union Hospital, Inc. has a reporting system known as the “Compliance Line” that has been publicized to Union Hospital, Inc.'s employees and agents. Annually, the Officer shall be responsible for updating the communications to all employees and agents related to the Compliance Line. The Officer is responsible for monitoring the Compliance Line. The Compliance Line shall be available 24 hours a day for employees and agents to report violations and/or seek guidance pertaining to Union Hospital, Inc.'s compliance policies and procedures or other issues which they wish to bring to management's attention. Each call shall be answered by a trained operator who will document the nature of the violation, division or department where the violation occurred, and the date and time the violation occurred and was reported. The operator will assign a case number to each call as a method to track the reported violation and as a reference for the caller to update the report. The operator shall not make promises regarding liability or in what manner Union Hospital, Inc. will respond to a specific reported violation.

The Officer shall publicize the Compliance Line via newsletters, posters, a mailer, the employee handbook and/or a training class. The Officer shall communicate why employees and agents must report violations, what the components of the reporting system are, what will become of the information employees and agents report, and what punishment employees and agents will face for not reporting violations. The Officer shall also advise employee and agents of Union Hospital, Inc. that violations may be reported without fear of retribution, retaliation, or discrimination.

Policies and procedures shall be in place to ensure reasonable privacy, given that complete confidentiality cannot be guaranteed in cases requiring investigation, discipline or self-disclosure.

## REPORTING PROCEDURES

The Officer shall design procedures to ensure that the investigation, follow-up, and corrective action of the reported violation maximizes Union Hospital, Inc.'s duty to maintain confidentiality. All records related to reported violations will be preserved to ensure maximum protection for Union Hospital, Inc. A summary of each violation shall also be presented to the Board on a routine basis, unless an emergency dictates immediate reporting to the Board.

## DISCIPLINE

The Officer has a disciplinary mechanism to consistently enforce Union Hospital, Inc.'s compliance policies and procedures. Specifically, Union Hospital, Inc. shall discipline employees for 1) failure to detect conduct by an employee that a reasonable person should know is criminal and could be expected to detect; 2) failure to report conduct by an employee that a reasonable person should know is criminal; 3) failure to report an employee's violation of Union Hospital, Inc.'s compliance program; 4) negligently providing incorrect information to Union Hospital, Inc. and/or an authorized representative of Union Hospital, Inc. and/or any governmental or regulatory body reviewing matters involving Union Hospital, Inc. (hereinafter “Third Party”); 5) willfully providing false information to Union Hospital, Inc. and/or a third party; 6) intentionally reporting a false violation.

## SELF-REPORTING VIOLATIONS

The Board Committee shall establish policies to follow in the event that an issue requires self disclosure to a governmental or regulatory body or other similar third party. The Board Committee shall determine situations that require notification to the appropriate third party, steps to follow for contacting any such party and identifying those responsible for contacting such parties. In addition, the Board Committee shall include policies for educating and training employees after any violation is identified and reported.

## THIRD PARTY IDENTIFIED VIOLATIONS

The Board Committee shall establish procedures to follow when a third party contacts Union Hospital, Inc. Based on the content of the communication, these policies shall include steps to be followed in cases of a third party questioning employees, submitting a subpoena, or seizing documents. The Board Committee is responsible for reviewing the merits of an accusation and for establishing a course of action with assistance from Outside Legal Counsel. In addition, the Board Committee shall ensure that the Officer initiates procedures for investigating an alleged violation of any federal or state regulation.

## COMPLIANCE WITH CERTIFICATION OF COMPLIANCE AGREEMENTS AND SETTLEMENT AGREEMENTS WITH INTEGRITY PROVISIONS

Union Hospital, Inc. shall fully comply with all settlement agreements entered into with the government or any other Third Party and will implement policies and procedures to satisfy all reporting requirements under such settlement agreements. Annually, the Officer will review all previous settlement agreements and complete required reporting to the appropriate body.

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The following sections of this Program discuss Union Hospital, Inc.'s policies and procedures related to specific billing, financial, and other regulatory matters that are operational in nature. Each of these policies and procedures will be implemented by the individual departments throughout Union Hospital, Inc. and will be monitored, under the Program, by the Compliance Officer.

## CODING & BILLING COMPLIANCE

Union Hospital, Inc. is committed to ensuring that its coding and billing practices comply with all federal and state laws, regulations, guidelines and policies. Union Hospital, Inc. is also committed to developing and maintaining policies and procedures that ensure both accurate coding and billing and submission of claims only for services that are actually provided and medically necessary and that any cost reports filed accurately reflect costs incurred for furnishing health care services. Furthermore, Union Hospital, Inc. desires to develop policies and procedures for ensuring that Union Hospital, Inc.'s policies reflect current changes in payment methodologies for particular services. Since coding and billing are areas governed by complex laws and regulations, and as coding and billing practices could result in legal liability, this policy sets forth specific coding and billing procedures with which all coding and billing, reimbursement and claims processing personnel must comply.

- Designated coding and billing personnel will be required to attend a scheduled training session devoted specifically to issues involving claims processing and submission, billing, coding and reimbursement matters;

- All reimbursement and coding and billing manuals and materials must be kept up-to-date and reflect current rules, regulations and practices;
- All policies and procedures are regularly reviewed in order to verify that all policies reflect any changes in coverage determination or payment alerts;
- Coding and billing, claims processing and reimbursement procedures and practices will be audited internally in conjunction with the Corporate Compliance Audit Plan under the direction of the Officer. These internal audits shall consist of review of internal coding and billing, claims processing and reimbursement matters and confirm that policies are being administered appropriately. The Officer, as appropriate, will engage independent third parties to perform an external evaluation of coding or billing practices;
- Any coding and billing, reimbursement and claims processing personnel who identifies potential coding or billing or reimbursement discrepancies with respect to claims already submitted to government or private payors, is required to report those discrepancies immediately to his or her supervisor or to the Officer;
- Coding and billing, reimbursement and claims processing personnel shall report immediately to their supervisor any instruction received from payors, either verbally or in writing, which is inconsistent with current procedures. The supervisor shall bring such reports promptly to the attention of the Management Committee Liaison and the Officer;
- It is expected that any and all third party agencies utilized by Union Hospital, Inc. to perform any coding and billing, claims processing, collection, and other tasks will be required to acknowledge their acceptance of and agree to conduct business in accordance with Union Hospital, Inc.'s corporate compliance policies and procedures.
- Coding and billing, reimbursement and claims processing personnel may encounter additional uncertainties not outlined here. In such circumstances, coding or billing personnel should bring the issue to the attention of their supervisor, the Management Committee Liaison, the Officer or call the Compliance Line.

## ACCOUNTING FOR FINANCIAL TRANSACTIONS

Union Hospital, Inc. has established and maintains a high standard of accuracy and completeness in its financial records. These records serve as the basis for managing the business, for measuring and fulfilling Union Hospital, Inc.'s obligations to patients, employees, suppliers and others, and for compliance with tax and financial reporting requirements.

It is the policy of Union Hospital, Inc. to comply with the recording requirements of applicable law and established financial standards and generally accepted accounting principles. In particular, the practices of Union Hospital, Inc. shall comply with the following requirements:

- All employees, whether they are filling out a time card, preparing a purchase requisition or are responsible for completion of budgets and financial statements, must follow the accounting, reporting and control procedures that Union Hospital, Inc. has put into place;
- All items of income and all assets and liabilities are entered on the financial records of Union Hospital, Inc. and are accurately and adequately described as appropriate for legitimate business purposes and as required by law, and in accordance with general accepted accounting principles;
- All employees will hold all financial information confidential. Release of financial information will only be made after consideration of the interests of Union Hospital, Inc. and with the express consent and authorization of the Senior Vice President of Finance/CFO;

- Reports submitted to Third Parties, including governmental authorities, are accurately made in all respects. In addition, Union Hospital, Inc. will make available to authorized agencies, the information necessary for such agencies to make appropriate determinations with respect to matters under their jurisdiction;
- Under no circumstances will records be falsified, back-dated, intentionally destroyed or otherwise tampered with for any reason. However, nothing is intended to prevent the purging of unnecessary documents or the preservation of accurate records which support the reasons for certain actions that might subsequently be questioned;
- All employees will provide full access and cooperation to the Officer, or his/her designees to all records, supporting documents and files requested.

The standards and procedures outlined above do not cover every conceivable situation. However, they provide a framework for defining appropriate standards of conduct. If there are specific questions, employees should contact their immediate supervisor, their respective Management Committee Liaison, the Officer or the Compliance Line.

## REGULATORY ISSUES

Union Hospital, Inc. provides health care services pursuant to appropriate federal, state and local certificates of need, licenses, permits and accreditation and is subject to numerous laws, rules and regulations, including access to treatment, consent to treatment, medical record retention, access and confidentiality, patient's rights, terminal care decision-making, medical staff membership and clinical privileges and Medicare and Medicaid regulations.

Like other businesses, Union Hospital, Inc. is subject to federal and state labor laws, discrimination laws, consumer protection laws, tax regulations and general and professional liability laws.

It is the policy of Union Hospital, Inc. that every employee should be familiar with the legal and regulatory requirements applicable to such employee's area of responsibility. Employees are not expected to become experts in every legal and regulatory requirement and whenever they face an issue raising possible legal or regulatory concerns, should consult with their supervisor or the Officer, who has direct access to Outside Legal Counsel.

## REFERRALS AND KICKBACKS

There are a number of laws governing Medicare and Medicaid and other federal health programs. These laws prohibit the payment of remuneration in return for the referral of Medicare or Medicaid patients, or to induce the purchase of goods or services to be paid for by Medicare or Medicaid.

The Federal Health Care Program Anti-Kickback Statute imposes criminal penalties on individuals and entities that knowingly and willfully solicit or receive remuneration in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or services or in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part under a Federal Health Care Program. The types of remuneration prohibited by the Statute include, but are not limited to, kickbacks, bribes and rebates.

The Federal Self-Referral Laws and Regulations and/or the Stark Laws and Regulations prohibit a physician from making a referral for the furnishing of designated health services for which payment may be made under the Medicare and Medicaid programs to an entity with whom the physician or physician's

family member has a financial relationship, unless the relationship or service qualifies under Stark Law statutory exception. The Stark Law prohibits any entity from billing the Medicare or Medicaid programs for items and services ordered by a physician who has a financial relationship with that entity.

Union Hospital, Inc. has instituted certain policies and procedures to ensure that:

- No employee, physician, officer, agent or representative shall solicit, receive, offer to pay, or pay remuneration of any kind (including rebates, kickbacks, or bribes) in exchange for referring or recommending the referral of any individual to another person, hospital or medical facility of Union Hospital, Inc. for services or in return for the purchase of goods or services to be paid for by Medicare or Medicaid;
- No employee, physician, officer, agent or representative shall offer or grant any benefit to a referring physician or other referral source on the condition that such physician or referral source refer or agree to refer any patients to a person or medical facility;
- No physician shall make referrals for designated health services or entities in which the physician or physician family member has a financial interest either through ownership or a compensation arrangement;
- No physician, nor any member of Union Hospital, Inc., shall bill for services rendered as a result of an illegal referral.

If an employee believes that an illegal arrangement has been, or may be entered into involving Union Hospital, Inc. and a referral source or a vendor of goods or services, he/she shall discuss the situation with his/her immediate supervisor, the employee's respective Management Committee Liaison or the Officer.

Every agreement involving compensation or cross referrals with a physician or other referral source for Union Hospital, Inc. shall be subject to Union Hospital, Inc.'s contracting policies.

## DEFICIT REDUCTION ACT OF 2005 MANDATORY FALSE CLAIMS EDUCATION REQUIREMENTS

Union Hospital, Inc. will disclose information about the False Claims Act, administrative remedies for false claims, Indiana law addressing false claims, and Union Hospital, Inc.'s procedures for detecting and preventing fraud and abuse in accordance with the Deficit Reduction Act of 2005.

### FEDERAL FALSE CLAIMS ACT

Union Hospital, Inc.'s participation in federally funded health care programs involves filing claims for reimbursement with the federal government or its designees. The Federal False Claims Act, established by Sections 3729 through 3733 (Title 31 of the United States Code), applies to those claims. The Act provides that:

Any person who –

- (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval;
- (2) knowingly makes, uses or causes to be made or used a false record or statement to get a false or fraudulent claim paid or approved by the Government;
- (3) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid;

- (4) has possession, custody, or control of property or money used, or to be used, by the Government and, intending to defraud the Government or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;
- (5) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
- (6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge the property; or
- (7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government, is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person .

## FEDERAL QUI TAM “WHISTLEBLOWERS” ACTIONS AND EMPLOYEES PROTECTION

The Act charges the Attorney General of the United States of America with investigating its violations and authorizes the Attorney General to bring civil actions against violators. The Act also allows private persons referred to as “Qui Tam Realtors” or “Whistleblowers” to bring actions for its violations and, if the actions are successful, awards them a share of any recovery. Employers may not discharge, suspend, threaten, harass, or otherwise discriminate against employees who do lawful acts in pursuit of a private civil action for violations of the Act. Employees who are subject to unlawful discrimination are entitled to “all relief necessary to make the employee whole,” including “reinstatement with the same seniority status such employee would have had but for the discrimination, [two] times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination.”

## FEDERAL STATUTORY AND ADMINISTRATIVE REMEDIES

In addition to the False Claims Act provisions enforced in the courts by the Attorney General of the United States or private persons, federal authorities (executive departments, military departments, the United States Postal Service, and certain other establishments) may pursue civil penalties for the filing of false claims and the making of false statements by internal hearing. Section 3802 of Title 31 of the United States Code indicates that:

- (1) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know –
  - (A) is false, fictitious, or fraudulent;
  - (B) includes or is supported by any written statement which asserts a material fact which is false, fictitious, or fraudulent;
  - (C) includes or is supported by any written statement that –
    - (i) omits a material fact;
    - (ii) is false, fictitious, or fraudulent as a result of such omission; and
    - (iii) is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; or
  - (D) is for payment for the provision of property or services which the person has not provided as claimed, shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than \$5,000 for each such claim. Except as provided in paragraph (3) of this subsection, such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such claim of not more than twice the amount of such claim, or the portion of such claim, which is determined under this chapter to be in violation of the preceding sentence.

- (2) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a written statement that –
- (A) the person knows or has reason to know –
- (i) asserts a material fact which is false, fictitious, or fraudulent; or
  - (ii)
    - (I) omits a material fact; and
    - (II) is false, fictitious, or fraudulent as a result of such omission;
- (B) in the case of a statement described in clause (ii) of subparagraph (A), is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; and
- (C) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than \$5,000 for each such statement. The Attorney General of the United States is responsible for collecting, by judicial process, assessed civil penalties. Collection may also be effected by the administrative offset.

## INDIANA STATE LAW FALSE CLAIMS PROVISIONS

In addition to the prohibitions and penalties imposed by federal law, Indiana law forbids the submission of false claims and statements to the State (see I.C. §5-11-5.5-1, et seq). Indiana's false claims law provides that a person who knowingly or intentionally:

- (1) presents a false claim to the state for payment or approval;
- (2) makes or uses a false record or statement to obtain payment or approval of a false claim from the state;
- (3) with intent to defraud the state, delivers less money or property to the state than the amount recorded on the certificate or receipt the person receives from the state;
- (4) with intent to defraud the state, authorizes issuance of a receipt without knowing that the information on the receipt is true;
- (5) receives public property as a pledge of an obligation on a debt from an employee who is not lawfully authorized to sell or pledge the property;
- (6) makes or uses a false record or statement to avoid an obligation to pay or transmit property to the state;
- (7) conspires with another person to perform an act described in subdivisions (1) through (6); or
- (8) causes or induces another person to perform an act described in subdivisions (1) through (6); is expected as provided in subsection (c), liable to the state for a civil penalty of at least five thousand dollars (\$5,000) and for up to three (3) times the amount of damages sustained by the state. In addition, a person who violates this section is liable to the state for the costs of a civil action brought to recover a penalty or damages.

## STATE QUI TAM "WHISTLEBLOWERS" ACTIONS & EMPLOYEE PROTECTION

Indiana law gives the Indiana Attorney General and Inspector General concurrent jurisdiction to investigate the false claims statement and outlines the condition under which each may bring a civil action under the false claims provisions. Indiana law also authorizes a private person ("Qui Tam Realtor" or "Whistleblower") to bring a civil action to enforce the false claims provisions (with certain limitation with respect to State employees; incarcerated offenders; actions against the State, its officers, judges, justices, and employees, members of the Indiana General Assembly, and employees of political subdivisions; acts already subject to civil suit, criminal prosecution, or administrative proceeding; and actions based on information contained in a transcript of a criminal, civil, or administrative hearing, any public report, hearing, audit, or investigation, or a news media report) and, if the action is successful, to share in any recovery. Finally, Indiana law provides that, if an employer discharges, demotes, suspends, threatens, harasses, or otherwise discriminates against an employee because the employee objected

to an act or omission prohibited by the false claims law, or "initiated, testified, assisted, or participated in an investigation, an action, or a hearing under" the false claims law, the employee is entitled to all relief necessary to make the employee whole. Such relief may include "(1) reinstatement with the same seniority status the employee would have had but for the [discrimination]; (2) two (2) times the amount of back pay owed the employee; (3) interest on the back pay owed the employee; and (4) compensation for any special damages sustained as a result of the discrimination."

## UNION HOSPITAL'S PROCEDURES FOR DETECTING FRAUD AND ABUSE

Union Hospital, Inc. has implemented a Corporate Compliance Program to detect and prevent fraud and abuse and to provide reasonable assurance of compliance with all applicable laws, rules and regulations.

This Program includes:

- (1) the establishment of written policies and procedures;
- (2) the involvement of senior leadership in compliance activities;
- (3) the implementation of training programs to inform Union Hospital, Inc. personnel of their responsibility to comply with laws, rules and regulations, including those prohibiting fraud and abuse;
- (4) the maintenance of a confidential telephone hotline ("Compliance Line") which personnel can use to report fraud and abuse;
- (5) the establishment of a system of progressive discipline action;
- (6) the execution of an ongoing plan of auditing and monitoring to detect activity not in compliance with laws, rules and regulations, including those addressing fraud and abuse;
- (7) the completion of background investigations to avoid hiring persons who have engaged in illegal or unethical behavior;

Detailed documentation of the Corporate Compliance Program, including a list of Union Hospital, Inc.'s policies addressing specific compliance issues, is available from the Corporate Compliance Department or the Corporate Compliance page of Union Hospital, Inc.'s intranet site.

Pursuant to its policies, Union Hospital, Inc., shall discipline employees/contractors for (1) failure to detect conduct by an employee/contractor that a reasonable person should know is criminal and could be expected to detect; (2) failure to report conduct by an employee that a reasonable person should know is criminal; (3) failure to report an employee's/contractor's violation of Union Hospital, Inc.'s Compliance Program; (4) negligently providing incorrect information to Union Hospital, Inc. and/or a Third Party; (5) willfully providing false information to Union Hospital, Inc. and/or a Third Party; (6) intentionally reporting a false violation.

## REPORTING

Pursuant to Union Hospital's policies, including its Corporate Compliance Program, if you think someone has committed fraud or abuse or taken a wrong action, violated patient confidentiality or information security you are required to report it immediately to your supervisor or to the Corporate Compliance Officer:

Lori Moon  
Professional Office Building  
3<sup>rd</sup> Floor  
(812) 238-7533  
Compliance Line: 1-800-549-4623

Employees making reports, in person, in writing, or on the Compliance Line will be protected from any retaliation.

It is your right to report issues directly to the applicable governmental departments, including:

United States Attorney for the Southern District of Indiana  
10 West Market Street, Suite 2100  
Indianapolis, IN 46204

Office of the Indiana Attorney General  
Indiana Government Center South  
302 West Washington Street  
Indianapolis, IN 46204

Office of the Indiana Inspector General  
150 West Market Street, Room 414  
Indianapolis, IN 46204

## CONFLICTS OF INTEREST

It is a policy of Union Hospital, Inc. that employees may not participate in any activities which conflict or appear to conflict with their responsibilities to Union Hospital, Inc. Employees may not realize any profit or gain as a result of their position with Union Hospital, Inc. apart from the normal compensation/benefit programs.

Conflicts of interest are considered to exist in situations where employees actions or activities involve:

- The obtaining of an improper personal gain or advantage by reason of an employee's position with Union Hospital, Inc.;
- An adverse effect upon the interest of Union Hospital, Inc.;
- The obtaining by a Third Party of an improper gain, or of an advantage to the detriment of Union Hospital, Inc.; and
- The appearance of any of the above.

Any related issues to a conflict of interest shall be disclosed to the appropriate supervisor, Management Committee Liaison, the Officer or the Compliance Line.

## HIPAA REGULATIONS

Union Hospital, Inc. is committed to protecting the confidentiality and integrity of confidential protected health information as required by Federal and State laws and regulations, including the Health Insurance Portability and Accountability Act Privacy Standards and Security Standards. The Compliance Officer shall also be the Privacy Officer and as such will be responsible for maintaining and monitoring the Privacy Program. The Security Officer shall be appointed by the Vice President of Information Services. The Security Officer will be responsible for maintaining and monitoring the Security Program. Employees who fail to comply with the policies and procedures developed by Union Hospital, Inc. will be subject to disciplinary action up to and including termination.

Information concerning patients, hospital business or personal affairs must be held in strict confidence. Information is not to be discussed with others in the hospital who are not directly involved with patient care or with individuals outside the hospital. Misuse of this information will lead to disciplinary action up to and including termination. All employees are required to sign a Confidentiality Agreement upon being hired and annually thereafter. All employees shall protect the confidentiality and integrity of patient and hospital information.

## UNION HOSPITAL, INC. BUSINESS/PROFESSIONAL CODE OF ETHICS

The Board of Directors, staff, and physicians of Union Hospital, Inc. are committed to fundamental ethical standards as defined in the current American Hospital Association Bill of Rights and to the accommodation of patients served by Union Hospital, Inc. These fundamental standards are based on the principles of autonomy (the right of individuals to choose for themselves), beneficence (the practice of doing good), non-maleficence (the practice of avoiding harm), and justice (the practice of distributing scarce resources in a fair manner) that are in turn grounded in the concept of mutual respect for persons. From these standards, the following policies have evolved which shall be faithfully and consistently observed by Union Hospital, Inc. in all of its dealings with its patients, staff, physicians, and the community served by Union Hospital, Inc.

It is the policy of our organization that business will be conducted in accordance with uncompromising ethical standards. Adherence to such standards should never be traded or compromised for financial, professional, or other business objectives. High ethical standards, which include dignity, respect, and courtesy are necessary to maintain our tradition of excellence and the pride and confidence of all persons who work or provide services to our organization and to provide quality care to its patients.

We expect every person who works for or provides services to our organization, including but not limited to any staff, physician, board member, consultant, or contracted service, to adhere to high ethical standards, to avoid conflict of interest and to promote ethical behavior. Every person's action should be judged by considering whether that action is right, fair, legal, free of the influence of any conflict of interest and whether that action could withstand the scrutiny of outsiders. Union Hospital, Inc. strives to proactively identify any potential conflicts of interest in members of the administrative and leadership team of Union Hospital, Inc. If any potential conflict is identified, action will be taken to eliminate the conflict in a manner satisfactory to both the employee and Union Hospital, Inc.

We recognize that individual differences such as personal background, race, color, ethnic or cultural heritage, national origin, religious/spiritual views, communication needs, sex, age, marital status, veteran status, sexual orientation, handicap, and developmental ability are variables that influence individual perceptions. It is the intent that such variables will be respected in all employment, educational and patient care activities. All patients we serve must be able to expect a high quality of care based on unique healthcare needs, with respect for and regardless of individual differences. Employees, physicians and students should find and are expected to promote a participative work environment which fosters open and honest professional development regardless of such differences.

It is the responsibility of each employee to respect patient rights and to assist patients, their families, and their significant others in understanding and exercising their rights and responsibilities. The Patient Handbook which lists patient rights and responsibilities, is provided to all patients/significant others upon admission.

The patient should be the primary decision-maker respecting his/her own healthcare. The patient or surrogate has the right to share in and approve decisions related to his/her care including the right to request the withdrawal of life-sustaining treatment. The patient has the right to accept, forgo or withdraw from treatment offered. Information regarding diagnosis, treatment and/or research options and prognosis delivered in language which is understood by the patient/surrogate is basic to informed choice. Union Hospital, Inc. is also aware that some patients may not want this information regarding these matters. We will protect the rights of patients whose capacity to act as their own advocate is diminished by virtue of incapacity.

We recognize that conflicts will arise among those who participate in patient care decisions and will seek to resolve all conflicts fairly and objectively and will access the Ethics Committee for assistance in

resolving conflicts according to established policy upon request.

We are committed to the provision of an excellent learning environment for students. A collaborative experience with the care team will provide students with a strong foundation and understanding of patient centered care. Students will be treated with respect by all staff members. As is expected of all employees and staff, students will uphold Union Hospital, Inc.'s Statement of Organizational Ethics.

It is our policy to implement any advertising and marketing efforts with fairness, honesty, accuracy, and sensitivity to the special trust that exists between patients and providers.

A. We utilize Public Relations and Marketing for the following purposes:

1. Public education about available and new services.
2. Public education about healthcare.
3. Public accountability.
4. Maintaining or increasing market share.
5. Public support.
6. Employee recruitment.
7. Medical Staff support.

B. Public Relations and Marketing efforts conducted by our organization are planned with attention to truthfulness, fairness, accuracy, completeness, and sensitivity to the healthcare needs of the public. As with other Union Hospital, Inc. services, advertising is designed and implemented in the spirit of placing the needs of the patient first. The following types of advertising statements or claims are avoided:

1. False or misleading statements, or those that might lead the uninformed to draw false conclusions.
2. Statements that promote the use of excessive, unnecessary or non-medically indicated healthcare services.
3. Statements that encourage a healthcare consumer to take significant risks without disclosing the nature of the risks.
4. Statements or claims that raise unrealistic expectations or imply a guarantee of successful outcome.
5. Statements that imply a low initial cost where there is a reasonable probability of incurring additional costs later.

C. We make every attempt in our Public Relations and Marketing programs to be cost-effective, to achieve measurable results, and to coordinate with other messages and programs produced by Union Hospital, Inc.

We recognize the vital need to maintain patient information in a confidential/controlled manner. Patient information shall not be shared in an unauthorized manner. Employees, physicians, and students are expected to control informal transmission of confidential information of any kind. Sensitive information concerning personnel, management, and medical/dental staff issues shall be maintained in strictest confidence and shall be utilized only by those individuals authorized to review and act upon such information.

We are dedicated to providing high quality, medically necessary emergency/urgent care to the community, regardless of the patient's ability to pay. The Finance Department provides comprehensive financial management to enable Union Hospital, Inc. to deliver high quality healthcare services to the community in a cost-effective manner. The Finance Department conducts financial matters with integrity, honesty, fairness, accuracy, completeness, and sensitivity to the needs of the community.

A. We submit claims to third party payers as a courtesy to patients when benefits are assigned to Union Hospital, Inc. and all required insurance information is presented upon registration.

- B. Union Hospital, Inc. recognizes its responsibility to issue accurate patient account statements in a timely manner. Union Hospital, Inc. sends patient account statement summaries to the patient or guarantor as mandated by law. Statements are released to the patient or guarantor upon request.
- C. We have an established Patient Accounts Services Department to assist patients with counseling as needed in order to make arrangements for fulfilling their financial obligation to Union Hospital, Inc.
- D. Any conflicts which arise in regard to the patient's bill can be addressed with the Director of Patient Accounts.

We will follow generally accepted standards of care tailored to the identified needs of the patient. Union Hospital, Inc. will seek to avoid the provision of services which are unnecessary or ineffective. Every effort will be made to provide high quality care in an economic manner to patients in coordination with other providers. The integrity of clinical decision-making by a patient and the attending physician in matters involving use of Union Hospital, Inc. services or resources for care and treatment shall be respected and never compromised by financial incentives to Union Hospital, Inc. Our policies/protocols are designed to ensure that clinical decisions including, but not limited to, tests, treatments and other interventions are based on identified patient healthcare needs, not on financial incentives.

Admission, transfer and discharge are conducted in an ethical manner and in accordance with applicable local, state and Federal laws and regulations. Patients whose specific condition or disease cannot be safely treated are diverted or transferred to a more appropriate facility that will accept the patient. Patients who are in need of emergency services shall not be refused based on any factor unrelated to patient care.

- A. Patients may request transfer to another facility.
  - 1. Such requests will be facilitated when medically appropriate and legally permissible.
  - 2. The patient will receive a complete explanation of alternatives to and risks associated with such a transfer.
  - 3. The receiving facility must first accept the patient.
  - 4. All such activities will be carried out in a respectful and courteous manner.
  - 5. The request for transfer shall be handled without fear by the patient of recrimination or penalty.
- B. We believe discharge planning is an integral part of the comprehensive healthcare plan.
  - 1. Planning for discharge from the hospital is an interdisciplinary process involving the patient and family.
  - 2. The patient will be informed by care givers of realistic care options when hospital care is no longer appropriate.

We comply with all applicable Federal, state, and local laws and regulations with regard to employee practices. Union Hospital, Inc. recognizes that an employee may request to be relieved from participating in a patient's care or treatment in a situation where the prescribed care or treatment presents a conflict with the employee's deeply held cultural values, sense of ethics or religious beliefs. The Employee Objection to Aspect of Patient Care policy addresses the mechanism for handling these requests.

- A. Union Hospital, Inc. ensures that patient care and treatment are not compromised if such a request is granted.

B. The Ethics Committee will be available for exploration and discussion upon referral.

We recognize our responsibility to accommodate special needs of patients and staff with disabilities.

A. Union Hospital, Inc. will make every effort to comply with all state and Federal regulations which apply to these populations.

B. Accommodations will be made in a manner which is respectful of the dignity of all.

It should be recognized that the chief function of Union Hospital, Inc. at all times is to serve the best interests of this community. Each person that works for our organization should hold paramount the safety, health and welfare of the patients and public in the performance of his or her professional duties. The expectation is that each person should act in a manner to uphold and enhance personal and professional honor, integrity and dignity of the healthcare profession.

We expect that every person who works for our organization conducts himself or herself with positive leadership exemplified by open communication, creativity, dedication and compassion. Union Hospital, Inc.'s mission and vision will be served with respect, concern, courtesy and responsiveness. Each person should strive for personal and professional excellence and encourage the professional development of others. People representing our organization must accept the personal duty of responsibility to keep up to date on emerging issues and to conduct themselves with professional competence, fairness, impartiality, efficiency and effectiveness.

## UNION HOSPITAL, INC. CODE OF CONDUCT

### UNION HOSPITAL, INC. VALUES

The guiding values that support the Union Hospital, Inc. Mission are:

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## CODE OF CONDUCT

As a community, Union Hospital, Inc. has adopted a set of values. Among these values are integrity and fairness among employees, physicians, volunteers and students. This attitude of trust extends to our dealings with people outside the organization including patients and families as well as businesses. We want to maintain the high standards of legal and ethical behavior that each Union Hospital, Inc. partner

has shown for so many years. So, it is up to each of us to do the right thing – the good thing – every time we deal with anyone in our roles as a Union Hospital, Inc. representative. Our values statement and Union Hospital, Inc.'s policy called the Code of Conduct can serve as a map through the sometimes confusing roles and requirements of business ethics. This policy covers the standards and principles that direct our business actions.

Everyone connected with Union Hospital, Inc. needs to know the basic ideas of these principles, and everyone needs to follow them. Lack of knowledge or understanding is not an acceptable reason for breaking the rules.

## WE ARE COMMITTED TO FOLLOWING LAWS, RULES, STANDARDS, AND AGREEMENTS

As Union Hospital, Inc. employees and representatives, we are responsible citizens and will do business in a way that follows local, state and federal laws.

Since much of our business comes through insurance programs, including Medicare and Medicaid, we will pay attention to the rules of these programs. We will train and advise our employees about program rules and we expect each employee to show personal responsibility and accountability for understanding those rules.

We also will live up to the terms of agreements and contracts entered into by Union Hospital, Inc.

## WE ARE COMMITTED TO MAINTAINING HIGH STANDARDS OF INTEGRITY AND QUALITY

To maintain our reputation for honesty, we will do more than merely follow laws and rules. We will conduct Union Hospital, Inc. business with the utmost integrity, accuracy, fairness and respect for others. We won't compromise our values.

## WE ARE COMMITTED TO AVOIDING CONFLICTS OF INTEREST

One of the most important assets of a health care organization is its reputation in the community. Because of this, we will do our best to avoid any direct or indirect conflict between personal interests and our official duties as Union Hospital, Inc. employees. A possible conflict of interest exists whenever someone might reasonably think that a Union Hospital, Inc. employee's actions are not in the best interest of Union Hospital, Inc. or might be perceived as being actions taken for the benefit or advantage of the employee. Conflicts of interest can range from accepting a gift from someone seeking to do business with Union Hospital, Inc. to owning a company that is a Union Hospital, Inc. competitor or supplier. Even though an arrangement may seem proper to us, we must be aware of how those outside Union Hospital, Inc. might perceive it.

Each year board members, administrative staff, system directors, department or area directors, directors, managers, supervisors and professional staff are asked to fill out and sign a Conflict of Interest Questionnaire. It gives information that can help point out an employee's own possible conflict of interest.

Whenever a Union Hospital, Inc. employee knows – or should have known – that a conflict of interest involving another person may exist, the employee must contact the Corporate Compliance Office.

## WE ARE COMMITTED TO MAKING ONLY LAWFUL REFERRALS AND REFUSING GIFTS AND KICKBACKS

Our physicians will not make referrals for Medicare or Medicaid program health services to any business with which they have a financial relationship, unless the referral qualifies under an exception permitted by law.

We will not give, offer or promise anything of value to anyone in order to receive favors for ourselves or Union Hospital, Inc. We will not ask for or accept anything of value from anyone seeking to do business with Union Hospital, Inc. without first getting approval from the Corporate Compliance Office.

## WE ARE COMMITTED TO PREVENTING AND DETECTING FRAUD OR WRONGFUL ACTS

If any of us thinks someone has committed fraud or taken a wrong action, we must report it. Some, but not all examples of fraud or wrongful acts may include:

- billing a patient for a medical procedure, service, or item that was not provided.
- inappropriately changing or destroying a medical or financial record.
- stealing money or property.
- receiving pay for hours not worked.
- profiting from insider knowledge of Union Hospital, Inc.
- any dishonest act.
- viewing patient information that does not relate to your job duties.
- talking about or sharing patient information with people outside of the health care setting.
- using or sharing someone else's password to a computer.

Employees found to have taken part in fraud or other wrongful acts will be disciplined. In serious cases, this discipline could include termination, prosecution or both.

## WE ARE COMMITTED TO A HIGH STANDARD OF ACCURATE AND COMPLETE FINANCIAL RECORDS

Financial records serve as a basis for meeting Medicare and other financial reporting requirements.

We will fill out and date all documents, forms and financial statements accurately and honestly by following Union Hospital, Inc.'s policies and federal guidelines and requirements.

We will provide full access to records, documents and files to Union Hospital, Inc.'s auditors and those chosen by the Corporate Compliance Office. Access to records will be in compliance with the Freedom of Information Act.

We will hold all financial information confidential unless told otherwise by appropriate management staff.

## WE ARE COMMITTED TO UPHOLDING PATIENTS' RIGHTS

We value each patient's total care, including mind, body and spirit. We believe patients should be treated with the utmost dignity and we will not refuse to see patients nor will we discharge patients for strictly financial reasons.

We will comply with all hospital policies, contracts, rules and laws dealing with patient care.

## WE ARE COMMITTED TO REPRESENTING OUR COMPANY HONESTLY

We will support high standards of honesty and accuracy in presenting information about Union Hospital, Inc. services, accreditations, competencies and licenses.

## WE ARE COMMITTED TO THE GOOD USE OF OUR RESOURCES

We will use Union Hospital, Inc. property – such as facilities, equipment, software, and supplies – only for Union Hospital, Inc. business.

## WE ARE COMMITTED TO KNOWING AND FOLLOWING UNION HOSPITAL HEALTH GROUP POLICIES AND PROCEDURES

We will understand and follow all policies and procedures described in the respective agency's Administrative Policy and Procedure Manual as well as department and specialty manuals.

## WHAT DO I DO WHEN A QUESTIONABLE SITUATION ARISES?

Common sense and sound judgment are tools we use everyday and can serve us well when a questionable situation arises. If you are unsure of the right response in a given situation, ask yourself a few simple questions:

- Is it in the best interest of the patient?
- Is this in the best interest of Union Hospital, Inc. and the partners we serve?
- Is this action legal?
- Am I being fair and honest?
- How will I feel about myself afterwards?
- How would it look in the newspaper?
- What would I tell a friend to do?

If you are still in doubt, talk with or put a message in writing to either/or:

- Your supervisor
- Your Corporate Compliance Management Committee Liaison
- The Corporate Compliance Officer
- The Compliance Line (1-800-549-4623)

## HOW DO I REPORT A CONCERN?

If you think someone has committed fraud or taken a wrong action, violated patient confidentiality or information security, you are required to report it immediately to a supervisor, your Corporate Compliance Management Committee Liaison or the Corporate Compliance Office.

### COMPLIANCE LINE 1-800-549-4623

If you don't want anyone to know that you are reporting a concern, you can call the toll-free Compliance Line (1-800-549-4623). The person answering the phone is NOT a Union Hospital, Inc. employee. Call tracing or tracking devices are not used and your phone call will not be tape recorded. The representative will gather your information, give you a code number and tell you when to call back to find out what is being done to look into the situation.

Employees making reports – in person, in writing or on the Compliance Line will be protected from any retaliation. All reports will go directly to the Corporate Compliance Office which will investigate all reports.

Be assured, there is not a penalty for using the Compliance Line. People in positions of authority can't stop you; and if they try, they will be disciplined appropriately.

## IT'S OUR RESPONSIBILITY

Each of us knows that it is always best to do the right thing. But it is more than just a matter of conscience. Failure to follow the commitments in the Union Hospital, Inc. Code of Conduct can result in disciplinary action, including termination, prosecution or both. Let the Union Hospital, Inc. Code of Conduct support you in your daily pursuit of Union Hospital, Inc.'s values. Together, our ethical business decisions help create an internal community of integrity and fairness.

UNION HOSPITAL, INC.  
CORPORATE COMPLIANCE &  
ETHICS PROGRAM  
AND  
CODE OF CONDUCT

***AMENDMENT HISTORY***

Adopted:	July 20, 1998
Revised:	August 23, 1999
Revised Effective:	March 1, 2001
Revised Effective:	March 1, 2002
Revised Effective:	January 1, 2004
Revised Effective:	January 1, 2005
Revised Effective:	January 1, 2006
Revised Effective:	February 12, 2007
Revised Effective:	February 22, 2008
Revised Effective:	January 1, 2009
Revised Effective:	April 1, 2010