

**HAYS MEDICAL CENTER  
CODE OF CONDUCT**

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# INTRODUCTION

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

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

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any policy or procedure is inconsistent with the principles and standards contained herein, that policy or procedure is superseded by this Code of Conduct.

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Code of Conduct is inconsistent with the Medical Staff Bylaws and/or related policies and procedures, such provision is superseded by the relevant provisions of the Medical Staff Bylaws and/or related policies and procedures.

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

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

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<sup>1</sup> "Associate" includes Hays Medical Center directors, officers, employees, volunteers, students, trainees, independent contractors, and others who perform work for Hays Medical Center regardless of the location at which they work, including HaysMed affiliates, whether or not they are compensated for such services.

## **ASSOCIATES' COMPLIANCE RESPONSIBILITIES**

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

### ***LEARN***

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

### ***ASK***

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

### ***REPORT***

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

### ***COOPERATE***

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

An Associate shall be evaluated for compliance with these obligations. Failure to perform these job responsibilities shall be a basis for discipline up to and including termination.

Hays Medical Center shall not tolerate any form of retaliation against an Associate who, in good faith, raises questions concerning legal or ethical duties and/or reports any suspected incident of non-compliance, either internally or to any government entity. All such information reported by an Associate internally shall be kept confidential to the extent confidentiality is possible throughout any resulting investigation.

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

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

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

# **PRINCIPLE 1 - PATIENT CARE AND TREATMENT**

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

## ***Standard 1.1 – Quality of Care and Patient Safety***

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

## ***Standard 1.2 – Medical Decision Making***

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

## ***Standard 1.3 – Patient Rights***

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

Hays Medical Center shall provide care and treatment to patients without regard to the race, color, national origin, religion, age (unless age is a factor necessary to normal operations or the achievement of any statutory objective), sex, sexual orientation, sexual identity, genetic information, communication needs, or disability (including developmental disability) of such person, or any other classification prohibited by law. Associates shall respect each patient's cultural heritage and needs. Hays Medical Center shall make available appropriate resources for its patients with limited English proficiency or who otherwise require auxiliary aids and services.

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

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

***Standard 1.4 – Patient Financial Assistance***

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

## **PRINCIPLE 2 – COMPLIANCE WITH HEALTH CARE LAWS**

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

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

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

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

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

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

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

There are stiff penalties assessed against providers for violating these federal and state laws. The provider has to repay the overpayment and may be liable for (1) three times the amount of the claim or overpayment, and (2) a penalty of \$5,500 to \$11,000 per claim.

Under the FCA, a private party may bring an action on behalf of the United States. These individuals, known as "qui tam relators," may receive between 15 and 30 percent of the proceeds from an FCA action or settlement.

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

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

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

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

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

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

### ***Standard 2.2 – Tax-Exempt Status***

As a non-profit entity, Hays Medical Center has a legal and ethical obligation to engage in activities to further its charitable purpose and ensure that its resources are used to further the

public good rather than the private or personal interests of any individual. Hays Medical Center shall not be involved in political campaigns nor engage in substantial lobbying activities. Hays Medical Center shall not enter into any compensation arrangements in excess of fair market value, shall accurately report payments to appropriate taxing authorities, and file all tax and information returns according to applicable laws and regulations.

Hays Medical Center shall conduct a community health needs assessment and adopt an implementation strategy to meet identified needs on a regular basis (at least once every three years in accordance with IRS Notice 2010-39); establish and publicize its financial assistance policy; limit charges for patients who qualify for financial assistance to those amounts generally charged to those with insurance; and forgo extraordinary collection actions against an individual before Hays Medical Center makes a reasonable effort to determine if a patient is eligible for financial assistance under the financial assistance policy.

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

### ***Standard 2.3 – Anti-Kickback Statute***

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

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

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

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

### ***Standard 2.4 – The Stark Law***

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

### ***Standard 2.5 – Patient Inducements***

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

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

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

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

Hays Medical Center shall devote necessary resources to ensure compliance with the federal regulations and state law concerning the security and privacy of protected health information. An Associate shall actively participate in appropriate training to enable the Associate to perform his/her job duties in compliance with these legal requirements. Hays Medical Center will strive to utilize electronic health information in a secure and reliable manner.

An Associate who becomes aware of any unauthorized use or disclosure of protected health information shall report the matter to the Privacy Officer immediately. Any Associate who becomes aware of any information security incident (including a potential breach of protected health information) shall report the matter to the Information Security Officer immediately.

All Associates must use, access, disclose, and transmit protected health information in accordance with Hays Medical Center's HIPAA Privacy and Security policies and procedures. Associates may access protected health information only as necessary to perform his or her job duties.

### ***Standard 2.7 – Licensing Requirements***

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

### ***Standard 2.8 – EMTALA***

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

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

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

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

### ***Standard 2.9 – Controlled Substances***

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

Associate or any other person, the Associate shall report the matter immediately to the Risk Manager.

#### ***Standard 2.10 – Safe Medical Devices Act***

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

#### ***Standard 2.11 – Mandatory Reporting Obligations***

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

#### ***Standard 2.12 - Government Inquiries and Investigations***

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

#### ***Standard 2.13 – Accreditation***

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

#### ***Standard 2.14 – Nondiscrimination in Health Programs and Activities***

Hays Medical Center will adhere to the requirements of Section 1557 of the Affordable Care Act and will not segregate, delay, or deny services or benefits on the basis of race, color, national origin, religion, age (unless age is a factor necessary to normal operations or the achievement of any statutory objective), sex, sexual orientation, sexual identity, genetic information, communication needs, or disability (including developmental disability) in the delivery of services to its patients, regardless of whether the individual is in the country lawfully

or not. Hays Medical Center will not delay or deny effective language assistance services to individuals with limited English proficiency. All limited English proficiency services will be provided free of charge. Individuals will be treated consistent with their gender identities. Auxiliary aids and services will be provided free of charge and in a timely manner to individuals with disabilities to facilitate access to care and services. Any patient grievance arising from the Section 1557 Nondiscrimination requirements will be promptly investigated by the Compliance Officer.

## **PRINCIPLE 3 – COMPLIANCE WITH OTHER LAWS**

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

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

### ***Standard 3.1 – Health and Safety***

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

### ***Standard 3.2 – Environmental Compliance***

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

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

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

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

### ***Standard 3.4 – Weapons, Illegal Drugs, and Alcohol***

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

### ***Standard 3.5 – Antitrust***

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

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

### ***Standard 3.6 – Copyright***

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

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

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

When litigation is threatened or filed against Hays Medical Center or any of its Associates, the law imposes a duty upon Hays Medical Center to preserve all documents and records that pertain to the issues. This includes retention of electronic records. As soon as Hays

Medical Center is made aware of pending or threatened litigation, a litigation hold directive will be issued. Such directive overrides any records retention schedule that may have otherwise called for the transfer, disposal, or destruction of the relevant documents. No Associate who has been made aware of a litigation hold directive may alter or delete an electronic record (including e-mail messages) or destroy a paper record that falls within the scope of that hold. Violation of such directive may subject an Associate to disciplinary action, up to and including termination (employment or otherwise), as well as personal liability for civil and/or criminal sanctions by the courts or law enforcement agencies.

### ***Standard 3.8 – Identity Theft***

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

## **PRINCIPLE 4 - CONFIDENTIALITY**

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

## **PRINCIPLE 5 - BUSINESS ETHICS**

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

### ***Standard 5.1 - Honest Communication***

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

### ***Standard 5.2 – Business Transactions***

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

### ***Standard 5.3 – Advertising and Marketing***

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

### ***Standard 5.4 - Patient Billings***

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

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

Hays Medical Center shall cooperate fully with any duly authorized third-party audit of patient accounts. Hays Medical Center shall respond promptly to any reasonable request for information from any such auditor in compliance with established policies and procedures.

Hays Medical Center will strive to submit accurate claims and information. All documentation, including medical records, will be organized in a legible form so that they can be audited and reviewed. Associates will determine the applicable ICD-10 code (or successor version) to support a procedure or service. Hays Medical Center will provide each patient with the appropriate level of treatment regardless of the payment source or level of reimbursement Hays Medical Center receives.

Hays Medical Center expects payment of all co-insurance, co-pays, and deductibles from its patients. As previously mentioned in Standard 2.5, these will not be waived. Patients who assert an inability to pay will be required to complete the financial hardship documentation process and demonstrate that their payment for services rendered would place an undue financial hardship on the patient.

The Patient Accounts Department has the responsibility of tracking, recording, reporting, and initiating repayment on accounts owed refunds. The Patient Accounts Department will determine which accounts are owed refunds. The amount of refund will be verified to ensure accuracy. If it is determined that Hays Medical Center owes a refund to a patient or third-party payer, repayment will be initiated immediately. The Patient Accounts Department will provide a credit balance monthly report to the Compliance Officer to verify that refunds are being appropriately returned to payors.

Hays Medical Center shall make a reasonable collection effort on all unpaid accounts unless the patients are determined to be financially indigent. Those accounts that cannot be collected after such efforts have been exhausted shall be presented to the Director of Patient Accounts or the Chief Financial Officer for write-off approval.

#### ***Standard 5.5 – Conflict Resolution***

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

#### ***Standard 5.6 – Relationships Among Associates***

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

#### ***Standard 5.7 – Social Media***

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

An Associate shall adhere to all provisions of the Confidentiality Agreement when posting on any social networking site. The Confidentiality Agreement prohibits the disclosure of Hays Medical Center information that is not available to the general public, such as its marketing and strategic plans, confidential financial information, trade secrets, financial reports, clinical and quality data, vendor information and data. All applicable trademark and other intellectual property laws must be followed when posting on any social networking site. An Associate shall not post to any social networking site during working time, unless an Associate's job description requires such posts to be made as part of maintaining a Hays Medical Center sponsored social networking page.

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

When blogging or posting comments, messages, or other content regarding Hays Medical Center, the postings should not create the impression that the Associate is speaking in any official capacity on behalf of Hays Medical Center.

#### ***Standard 5.8 - Legal Representation***

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

#### ***Standard 5.9 – Fundraising***

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

## **PRINCIPLE 6 - PROTECTION OF ASSETS**

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

### ***Standard 6.1 – Accuracy of Records***

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

### ***Standard 6.2 – Contracts***

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

### ***Standard 6.3 – Internal Controls and Financial Reporting***

Hays Medical Center shall maintain a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets. Associates shall comply with these controls. All financial information shall reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets shall be established. Any Associate who has concerns regarding compliance with internal controls or the accuracy of Hays Medical Center's financial reports shall report such concerns to the Compliance Officer.

### ***Standard 6.4 – Business Expenses***

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

### ***Standard 6.5 - Personal Use of Corporate Assets***

An Associate shall refrain from using Hays Medical Center's assets for personal use. All operations of the organization shall be conducted in the manner designed to further Hays Medical Center's interests rather than the personal interests of an individual Associate or any

other person. An Associate is prohibited from the unauthorized use or taking of Hays Medical Center's equipment, supplies, materials, or services. Prior to engaging in any activity on company time which may result in remuneration to the Associate or the use of Hays Medical Center's equipment, supplies, materials or services for personal or non-work related purposes, an Associate shall obtain specific approval from an appropriate member of management.

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

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

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

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

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

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

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

An Associate shall not use Hays Medical Center computers, communication systems, or related equipment to send or receive any message or download or retrieve any materials (video or audio) that could be considered inappropriate or illegal under state or federal law. Hays Medical Center computers, communication systems, or related equipment shall not be used to store, transmit, or receive messages or materials (video or audio) having language or images that may reasonably be considered offensive, harassing, demeaning, or disruptive to any Associate. Such prohibited conduct includes, but is not limited to, sexually explicit or derogatory comments

or images, gender-specific comments, racial epithets and slurs, or any comments, jokes, or images that would offend someone or create a hostile work environment based on his/her race, color, sex, sexual identity, religion, national origin, age, or disability.

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

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

#### ***Standard 6.8 – Political Activity***

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

## **PRINCIPLE 7 - CONFLICTS OF INTEREST**

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

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

### ***Standard 7.1 – Disclosure Statement***

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

### ***Standard 7.2 -- Outside Financial Interests***

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

1. Ownership in or employment by any outside concern that either provides services or supplies equipment to Hays Medical Center, or with which Hays Medical Center competes, or to which Hays Medical Center provides products or services. This does not apply to stock or other investments held in a publicly held corporation, *provided* the value of the stock or other investments does not exceed 5 percent of the corporation's stock. Hays Medical Center may, following a review of the relevant facts, permit ownership interests which exceed this amount if management concludes such ownership interests will not adversely impact Hays Medical Center's business interest or the judgment of the covered person.
2. Involvement on behalf of Hays Medical Center in any transaction in which an Associate or his/her household member has a substantial personal interest.
3. Disclosure or use of confidential, special, or inside information of or about Hays Medical Center, particularly for personal profit or advantage of an Associate or his/her household member.

4. Competition with Hays Medical Center, directly or indirectly, in the purchase, sale, or ownership of property or business investment opportunities.
5. Conduct of any business not on behalf of Hays Medical Center with any vendor, supplier, contractor, or agency, or any of their officers or workforce members.
6. Serving as a director, officer, or trustee of any organization who is in direct competition with Hays Medical Center or its affiliates. Directors, officers, and other Associates must obtain approval from the Chief Executive Officer prior to serving as a director, officer, or trustee of an organization who is in direct competition with Hays Medical Center or its affiliates.

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

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

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

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