

## **EPHRAIM MCDOWELL HEALTH**

### **CODE OF CONDUCT**

The Board of Directors for Ephraim McDowell Health (EMH) and its associated entities have adopted this Code of Conduct that provides clarification of expectations. By following this code, organization-wide integrity will be protected and the organization's mission will be achieved. While this document is primarily directed toward Associates and their responsibilities -- medical staff, board members of EMH and all of its associated organizations, volunteers and other individuals interacting with the organization are expected to comply with all aspects of this Code as applicable to their role in the organization.

The Code of Conduct is provided as a guideline to ensure that ethical and legal conduct is observed. The Code of Conduct serves as a guide for all Associates, and therefore cannot provide specific instructions for all situations that may be encountered. Associates are encouraged to use other resources to supplement the Code of Conduct, including but not limited to, federal and state regulations, codes of ethics from professional organizations and departmental directives. Associates may also consult the Corporate Compliance Officer when questions regarding this Code arise.

Departments and other organizational entities within EMH shall provide Associates with guidelines, policies, procedures or other directives which give Associates additional detail as to proper behavior and activities within specific areas. Such guidelines, policies or procedures are supplements to the Code of Conduct, and do not reduce the need for Associates to read and follow the Code of Conduct. All directives issued by EMH shall conform to the guidelines contained within this Code of Conduct. If a conflict arises between the Code of Conduct and another directive, then the Code of Conduct is considered to be primary.

#### **ADMINISTRATION AND APPLICATION**

Failure to abide by this Code of Conduct or the guidelines for behavior that the Code of Conduct represents may lead to disciplinary action. Discipline may range from oral coaching to termination consistent with the Associate Disciplinary Guidelines.

EMH will make every effort to communicate changes concurrent with or prior to the implementation of such changes, however the right is reserved to modify, amend, or alter the Code of Conduct without notice.

#### **LEGAL COMPLIANCE**

EMH will strive to ensure all organizational activity is in compliance with applicable laws. If Associates have questions regarding interpretation or application of any law, they should talk with their supervisor, department director, administrative representative or the Corporate Compliance Officer (lines of communication).

The following standards are reference points for important regulations:

**Antitrust, Antikickbacks:** Examples of conduct prohibited by the law include:

- agreements to fix prices, bid rigging, collusion (including price sharing) with competitors
- boycotts, certain exclusive dealing and price discrimination agreements
- unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices.

**Tax:** As a not for profit entity, EMH has a legal and ethical obligation to engage in activities that support its charitable purpose and public good. Consequently, EMH and its Associates will avoid compensation arrangements in excess of fair market value, will accurately report payments to appropriate taxing authorities, and will file all tax information consistent with applicable laws.

**Fraud and Abuse:** Associates will refrain from conduct that may violate any fraud and abuse laws. Examples include:

- direct, indirect or disguised payments in exchange for the referral of patients
- submission of false, fraudulent or misleading claims to any government entity or third party Payor
- making false representations to any person in order to gain or retain participation in a program.

**Discrimination:** EMH believes that the fair and equitable treatment of Associates, patients, and other individuals without regard to race, color, religion, sex, ethnic origin, age or disability is critical to fulfilling its mission and goals. Harassment or discrimination will not be tolerated. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable human resource/personnel guidelines and federal and state laws.

**Environmental:** EMH manages and operates its businesses in a manner that respects our environment and conserves natural resources. Associates strive to recycle where possible and otherwise dispose of waste in accordance with applicable laws and regulations.

## ***BUSINESS ETHICS***

**Honest Communication:** EMH requires sincerity and honesty from individuals in the performance of their responsibilities and in communication.

**Misappropriation of Proprietary Information:** Associates shall not misuse confidential or proprietary information belonging to another person or entity nor utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. All Associates are responsible to ensure they do not improperly copy for their own use or use by others documents or computer programs in violation of applicable copyright laws or licensing agreements. Associates shall not utilize confidential business information obtained

from competitors, including customer lists, price lists, contracts or other information in a manner likely to provide an unfair competitive advantage to EMH.

## **BUSINESS RELATIONSHIPS**

Activities or behaviors within the context of business relationships should be appropriate. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, the Associate should follow the line of communication.

Associates shall not accept gifts, favors, services, entertainment or other things of value to the extent that **decision-making or actions affecting EMH are influenced**. Similarly, the offer or giving of money, services or other things of value with the expectation of **influencing the judgment or decision-making** process of any purchaser, supplier, customer, government official or other person by EMH is absolutely prohibited. Any such conduct must be reported immediately.

**Gifts and Gratuities:** Associates are prohibited from soliciting tips, personal gratuities or gifts from patients, clients or another individual. Associates may accept unsolicited gratuities and gifts of nominal value (\$25.00 or less). If a patient or other individual wishes to present a monetary gift greater than \$25.00, they should be referred to the appropriate department director or administrator. For example, an individual may accept meals or refreshments at a vendor's expense and occasional attendance at a local theater or sporting event or similar entertainment.

**Workshops, seminars and training sessions:** Attendance at local vendor sponsored seminars and training sessions is permitted. Attendance, at vendor expense, at out of town seminars, workshops, and training sessions is permitted with the approval of the Associate's department director.

Associates are encouraged to participate as faculty and speakers at educational programs and functions with the permission of their department director. However, any honoraria in excess of \$25.00 shall be submitted to EMH unless the Associate used paid time off to attend the program or that portion of the program for which honoraria is paid.

**Contracting:** Associates may not utilize "insider" information for any business activity conducted by or on behalf of EMH. Associates must disclose personal relationships and business activities with contract personnel which could influence the Associate's performance of duties and decisions. Associates have a responsibility to obtain clarification from management on questionable issues which may arise and to comply, where applicable, with EMH's Conflict of Interest practice.

In addition, Associates may provide gifts or entertainment of nominal value to EMH customers, current and prospective business partners and other persons when

such activities have a legitimate business purpose, and are not intended to influence decision making, and are reasonable and consistent with all applicable laws.

## **CONFIDENTIALITY**

Associates shall strive to maintain the confidentiality of patients and other confidential information. EMH and its Associates are in possession of and have access to a broad variety of confidential, sensitive and proprietary information, the inappropriate release of which could be injurious to individuals and the organization.

## **CONFLICT OF INTEREST**

Associates owe a duty of undivided and unqualified loyalty to the organization and may not use their positions to profit personally or to assist others in profiting in any way at the expense of the organization.

Examples where Conflict of Interest **may exist** include, but are not limited to:

- An Associate accepts outside employment in an organization that does business with EMH or is a competitor of EMH and the outside position would potentially affect decisions or actions made on behalf of EMH.
- An Associate or an immediate family member (parents, siblings, children and spouses) has a financial interest in an organization that does business with EMH or is a competitor of EMH, where the interest is sufficient to potentially affect decisions or actions.
- An Associate or an immediate family member serves as a director, officer, employee, consultant or agent of an organization that does business with EMH or is a competitor of EMH.
- An Associate or an immediate family member uses for personal gain or the benefit of others any confidential information obtained in the course of employment at EMH.
- An Associate or immediate family member benefits from any EMH business venture that the Associate learns about in the course of employment at EMH.
- An Associate accepts gifts from any person or firm doing business or seeking to do business with EMH under circumstances where it influences the conduct of EMH business with the donor.

## **PROTECTION OF ASSETS**

All Associates will strive to preserve and protect EMH assets by making prudent and effective use of EMH resources, and by properly and accurately reporting its financial condition.

**Internal Control:** EMH has established controls and procedures to ensure that assets are protected and properly used and that financial records and reports are

accurate and reliable. All Associates share the responsibility for maintaining and complying with required internal controls.

**Financial Reporting:** All financial reports, accounting records, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of EMH and may be in violation of applicable laws.

**Travel and Entertainment:** Travel and entertainment expenses should be consistent with the Associate's job responsibility and the organization's needs and resources. It is EMH's belief that Associate should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Associates are expected to exercise reasonable judgment in the use of EMH's assets and to spend the organization's assets carefully. Associates must comply with EMH policies relating to travel and entertainment expense.

**Personal Use of Corporate Assets:** All Associates are expected to refrain from converting assets of the organization to personal use. All property and business of the organization shall be conducted in the manner designed to further EMH's interest rather than the personal interest of an individual Associate. Associates are prohibited from the unauthorized use or taking of EMH's equipment, supplies, materials or services. Prior to engaging in any activity on company time which will result in payment to the Associate or the use of EMH's equipment, supplies, materials or services for personal or non-work related purposes, Associates shall obtain the approval of management of EMH.