

Code of Conduct

Mission Hospital 
ST. JOSEPH
HEALTH SYSTEM

Everything for lifeSM

A Ministry of the
Sisters of St. Joseph
of Orange

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***A Message from the
President and CEO of Mission Hospital***

Dear Mission Hospital Employee,

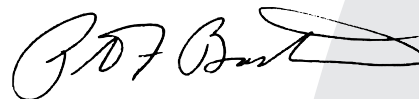
The St. Joseph Health System exists to extend the Catholic health care ministry of the Sisters of St. Joseph of Orange. Mission Hospital seeks to accomplish this mission in a manner consistent with the St. Joseph Health System (SJHS) four core values of Dignity, Excellence, Service and Justice. Compliance with relevant law applicable to health care providers, as well as the formal adoption and implementation of policies and procedures intended to assure such compliance, serves as a foundational minimum for how SJHS entities and staff accomplish their mission and strategic goals.

This ***Code of Conduct*** provides guidance to help ensure that we perform our work in an ethical and legal manner and that it remains true to the mission upon which the St. Joseph Health System was founded.

Our Corporate Responsibility Program charges each employee with the task of ensuring personal compliance and in helping maintain compliance with the entire organization. And while this ***Code of Conduct*** outlines a foundation for related compliance issues, it cannot substitute for our own sense of honesty and integrity.

The success of our Corporate Responsibility Program is critical to achieving our mission, which is why we ask your support in helping us remain true to these standards.

Sincerely,



Peter Bastone
President and CEO
Mission Hospital

A Message from President and CEO of St. Joseph Health System

Dear St. Joseph Health System Employee:

At St. Joseph Health System, we are committed to conducting ourselves according to the highest ethical standards. Our core values of Dignity, Service, Excellence and Justice form the foundation of all that we do.

For the past several years, we have operated a Corporate Responsibility Program to help ensure that we hold ourselves accountable to these standards. The Corporate Responsibility Program promotes education and compliance with ethical business standards and practices, and provides employees with a mechanism for preventing, detecting and reporting violations in a confidential manner.

In keeping with state and federal regulations, we have developed this handbook to help you, as a SJHS employee, understand and fulfill your responsibilities in this important area. We also hope this handbook will serve as a resource to facilitate discussion and dialogue among employees and their supervisors, and most importantly, to help us continuously improve our processes.

I want to particularly emphasize that allegations by employees of ethical violations in our organization are taken very seriously. I also want to assure you that these reports are confidential, and that no employee will be subject to retribution or retaliation for reporting violations – whether real or perceived – that they genuinely believe to be true.

It is my sincere hope that each employee will read this handbook in order to understand his or her role as part of the SJHS Corporate Responsibility Program. I also hope that you find this handbook to be a valuable resource to assist you in contributing personally to the Program, and that it will help deepen your understanding of the high ethical standards that characterize this organization.

Thank you in advance for your support and for all you do for St. Joseph Health System.

Sincerely,

Deborah Proctor
President and CEO

2.0 Commitment to Values

St. Joseph Health System (SJHS) exists to extend the Catholic healthcare ministry of the Sisters of St. Joseph of Orange. Mission Hospital tries to accomplish this in a manner consistent with our values. In addition to this, we also try to comply with laws applicable to healthcare providers. To help us do this, we have formally adopted and implemented some policies and procedures intended to ensure that we comply. This handbook is designed to familiarize Mission Hospital employees with the contents of the Corporate Responsibility Program. It also serves as a tool for educating employees on the conduct that Mission Hospital expects them to demonstrate when doing business with and on behalf of Mission Hospital.

2.1 Commitment to Values

Throughout Mission Hospital, our four core values are central to everything we do. We have the opportunity to demonstrate our values in serving our patients and their families, in creating a quality work environment, in investing in the communities we serve and in planning our future. Because of this, we depend on the consistent and persistent implementation of our values by every person in our System.

Dignity

We respect each person as an inherently valuable member of the human community and as a unique expression of life.

Service

We bring together people who recognize that every interaction is a unique opportunity to serve one another, the community, and society.

Excellence

We foster personal and professional development, accountability, innovation, team work and commitment to quality.

Justice

We advocate for systems and structures that are attuned to the needs of the vulnerable and disadvantaged and that promote a sense of community among all persons.

2.2 What is the Corporate Responsibility Program?

At Mission Hospital, we contribute to a culture of excellence and justice by doing the right thing every time. Our Corporate Responsibility Program (“the program”) is designed to ensure that we comply with federal and state laws. This includes, but does not limit us to, prohibiting unlawful referrals, false billing claims, excess benefit, other fraud and abuse regulations, and violations of the Health Insurance Portability and Accountability Act (HIPAA). Our program seeks to provide all employees of Mission Hospital with education about compliance and to promote compliance through written standards of conduct, the sharing of best practices, and the continual improvement of Mission Hospital operations relating to compliance. As part of the program, we have also established a 24-hour telephone “hotline” where compliance concerns may be reported by employees anonymously.

2.3 What is Corporate Compliance?

Along with adherence to our Mission and Values, we must also remain educated and compliant with Federal and State laws and regulations. These laws cover areas of our jobs such as billing practices, contractual relationships, issues relating to our status as a tax-exempt organization, conflict of interest review and management, and patient privacy. As a values-based organization, we hold ourselves to a standard that demands commitment to quality and compliance with federal and state regulations. It is our standard that demands commitment to quality and compliance with federal and state regulations. It is our intent to help to educate all Mission Hospital employees regarding the importance of these laws and to encourage employees to come forward with any questions regarding any compliance issue.

Our program is one step in educating our employees and is built upon the following seven elements consistent with the Compliance Program Guidance published by the Office of Inspector General of the US Department of Health and Human Services:

- Existing policies and procedures.
- Oversight by the Compliance Officer.

- Education and training tools.
- Maintenance of a hotline to receive complaints and a process to receive complaints anonymously.
- Consistent enforcement and disciplinary action.
- Auditing and monitoring processes that proactively identify risk.
- Processes to immediately investigate and remediate offenses.

2.4 Compliance with Statutes

Mission Hospital tries to conduct all of its business in accordance with all applicable laws and regulations. In order to do this, employees must have a practical, working knowledge of the laws and regulations affecting their specific job responsibilities. To accomplish this, we provide educational opportunities such as training and supplemental materials as appropriate to help employees know and comply with the laws and the policies and procedures that affect their jobs. Such education and training focuses on our program itself; the rationale for its adoption and the importance of compliance; the standards, policies and procedures included in the program; and reporting obligations and options. Because adherence to and compliance with the program is a condition of each employee’s continued employment or association with Mission Hospital, every employee is required to bring to management’s attention suspected violations of applicable laws and regulations. To make sure that this occurs, no individual who reports a concern shall be subject to any retribution or retaliation related to a report which the or she reasonably believes to be true and offered in good faith. Concerns may also be made anonymously by employees and non-employees, via the hotline.

2.5 Fraud and Abuse Regulations

Anyone associated with Mission Hospital must also abide by fraud and abuse laws. These laws prohibit anyone from knowingly and willfully offering, paying, soliciting or receiving any money, gifts, kickbacks, rebates or any other type of value, remuneration or services in return for the referral of patients or to induce the purchase, lease or ordering of any item, good or service for which payment may be made by the federal or state government.

Examples of fraud and abuse include:

- Payment of an incentive each time a patient is referred to a SJHS ministry;
- Provision or receipt of free or significantly discounted billing, nursing care, rent or other staff services;
- Payment for services in excess of their fair market value; and
- Forgiveness of a debt absent a charitable or risk management purpose.

The following actions are prohibited by Mission Hospital:

- Billing for supplies or services not delivered or delivered in less than promised amounts.
- Misrepresenting or overcharging for products or services actually provided.
- Duplicate billing for services actually rendered.
- Falsely certifying that services were medically necessary or failure to perform a service.
- Falsely certifying that an individual meets the Medicare requirements for certain services.
- Seeking to increase reimbursement by improper billing procedures such as “upcoding” (changing a procedure code in order to obtain higher reimbursement for the procedure actually performed), or “unbundling” (dividing a procedure of service into two or more parts to obtain higher reimbursement).
- Offering to or transferring money, gifts, or other items of value to a private party in order to receive that party’s business.
- Accepting money, gifts, or other items of value from a private party.
- Accepting of overpayments from the government.

SJHS ministries strive to maintain honest and accurate records in compliance with all state and federal False Claims Acts (FCA). In order to do this, ministry employees must be aware of the policies and procedures concerning the provision of healthcare services, submitting accurate claims and the referring of patients. The FCA exists to fight fraud committed against the federal government.

Under the FCA, any entity or person who knowingly submits or causes a false claim to be submitted to the government may be liable for damages. Damages can consist of up to three times payment that was made in error, plus additional penalties of \$5,500 to \$11,000 per false claim.

A person who possesses and comes forward with information regarding false claims is authorized to file a case in federal court and sue, on behalf of the government, those entities that engaged in the fraud. These are called “*qui tam*” suits. The person coming forward is called a “*relator/whistleblower*.” Once the suit is filed by the relator/whistleblower, the Department of Justice then decides on behalf of the government whether to join the relator/whistleblower in prosecuting these cases. If the case is successful, the relator may share in the recovery amount. The amount of the relator’s share in the recovery depends on multiple factors.

In addition, the FCA provides a remedy for relators who are discharged, demoted, suspended, or discriminated against by his or her employer in retaliation for filing a FCA case. In order to receive the benefits of the protections of the FCA, the courts generally require the following of the employee:

- The employee must have been engaged in an activity protected by the FCA in furtherance of a *qui tam* suit;
- The employer must have known of the employee’s protected activity; and
- The employer must have retaliated or discriminated against the employee because of those actions.

If a court determines that a relator was terminated or otherwise retaliated against for filing a *qui tam* lawsuit, the employee is entitled to reinstatement at the same level, two times the back pay owed plus interest, litigation costs and reasonable attorneys’ fees and compensation for any “special damages” sustained as a result of the discrimination.

California (and Texas and New Mexico) have statutes similar to the federal FCA which are applicable to SJHS ministries and those associated with any SJHS ministry. For instance, California law

provides that any entity or person who knowingly presents or causes to be presented a false claim for payment shall be liable for a civil monetary penalty of up to \$10,000 for each false claim and the costs of any civil action brought to recover any penalties. Additional penalties of not less than two times and not more than three times the amount of damages may be awarded in certain situations. Criminal penalties can range from imprisonment for one year in the county jail or a fine not exceeding \$1,000, or both such imprisonment and fine, to imprisonment in a state prison for one year or a fine not exceeding \$10,000, or both such imprisonment and fine. In addition to similar federal whistleblower protections, the California FCA also permits punitive damages in appropriate circumstances.

3.1 Business Conduct & Practices

Value Standard: Business is conducted ethically, with Value Standard: Business is conducted ethically, with integrity honesty, and confidentiality and in accordance with applicable laws and regulations.

3.1.1 Accuracy of Business Records

Business records must be prepared accurately, honestly and on time. This includes accurate reporting of time worked, business expenses incurred, research test results, billing and all other business-related activities. The law requires that all books, records and accounts accurately reflect all transactions and disposition of assets.

It is prohibited to knowingly present or cause to be presented claims for payment or approval which are false, fictitious, or fraudulent. All transactions must be conducted in accordance with management's authorization. Errors or potential errors involving claims already submitted to the government or other payers, must be reported to the Local Compliance Officer or the Health System Compliance Officer.

Related Policies and Procedures: Gifts and Gratuities; Time Keeping System; Travel and Seminar Reimbursement.

Examples of Inappropriate Action:

See Appendix CC: Compliance Risk Areas for Hospitals – False Billing Claims and Related Issues.

3.1.2 Record Retention

Medical and business records are retained in accordance with the law and hospital record retention policy. Documents can be in the form of paper (i.e., letters, memos), electronic information (i.e., e-mail, computer files), and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records appropriately, according to hospital policy. You must not tamper with records, nor remove or destroy records prior to the specified date.

Related Policies and Procedures: Record Retention Policies; Preservation of Records; Ownership of Medical Record; Disposition of Records; Retention of Patient and Health Information Records; Retention of Nursing Division Records.

Examples of Inappropriate Action:

- Destroying documents before the specified destruction date;
- Not destroying documents after the specified destruction date has lapsed.

3.1.3 Confidentiality of Information

Information obtained, developed or produced by Mission Hospital, the SJHS and its employees, information supplied by outside consultants or vendors for the benefit of Mission Hospital, and information about Mission Hospital customers is confidential. Confidential information includes, for example: financial data, patient information, proprietary reports, salary and position information, marketing and sales programs.

Confidential information should not be disclosed outside of Mission Hospital the release has been properly authorized by the appropriate authority. Confidential information should not be shared with other Mission Hospital employees except on a “need to know” basis and with the agreement of the recipient to treat the information as confidential.

Related Policies and Procedures: Disciplinary Action; Confidentiality of Patient Information; Computer Network Security; Ethical and Religious Directives for Catholic Health Care Services.

Examples of Inappropriate Action:

- disclosure of information about a former employee’s performance without authorization;

- illegally coding software in violation of the copyright or licensing agreement.

3.1.4 Use of Resources and Information

Employees must protect company property. Mission Hospital's assets, such as office supplies, production equipment, and products must not be used for personal reasons. These assets should not be taken out of Mission Hospital facilities unless necessary to perform company work. All employees should actively help to control costs through identification of practices that create repeat work or waste.

Related Policies and Procedures: Computer Network Security; Code of Ethical Behavior.

Examples of Inappropriate Action:

- taking office supplies home for personal use;
- using the Internet to obtain information for personal use.

3.1.5 Computer Stewardship

Information technology is integrated into the delivery of patient care and business operations throughout Mission Hospital. In order to ensure the integrity and confidentiality of data, employees have a responsibility to practice good stewardship in the use of systems.

Although mechanisms are in place at a system level, employees should always remain vigilant. This means:

- Not opening suspicious email, including email from unknown senders.
- Not downloading from the Internet software, screensavers or games without permission.
- Exercising caution before clicking on an Internet link.
- Complying with patch management processes in order to promote virus protection updates.
- Following policy and procedures implemented at Mission Hospital and located on CareNet, the SJHS/Mission Hospital intranet.

3.2 Employment Practices

Value Standard: Each entity develops a work environment that promotes mutual respect, participation, equitable compensation, growth and effective use of talents.

3.2.1 Fair Treatment of Employees

Mission Hospital has created and strives to maintain a work environment in which employees are treated with respect, diversity is valued and opportunities are provided for development. Mission Hospital is committed to providing a work environment that is free from discrimination. Harassment or abuse of any kind is prohibited in the workplace.

Discrimination in any work-related decision on the basis of race, creed, gender, sexual orientation, age, disability status, national origin, or any other illegal basis is also prohibited.

Related Policies and Procedures: Equal Employment Opportunity; Transfers and Promotions; Disciplinary Action; Employee Grievance Procedure; Harassment in the Workplace.

Examples of Inappropriate Action:

- making derogatory comments or jokes of a sexual nature in the presence of fellow employees;
- failure to promote an otherwise qualified employee based on gender;
- refusal to hire a qualified individual because of a physical disability when the person is able to perform assigned duties with reasonable accommodation.

3.2.2 Workplace Health and Safety

Mission Hospital provides each of its employees with a safe and healthy workplace in which applicable health and safety laws and regulations are observed. Employees are expected to abide by all safety rules and practices and assume responsibility for taking necessary precaution to protect themselves and their co-workers. Employees are also responsible for immediately reporting accidents and unsafe practices or conditions.

Related Policies and Procedures: No Smoking; Fitness for Duty; Workplace Illnesses, MH Safety Manual, MH Haz Mat Manual

Examples of Inappropriate Action:

- failure to dispose of biohazardous or infectious waste in designated containers;

- failure to report defective equipment or unsafe conditions;
- smoking in a non-designated area.

3.2.3 Illegal Drugs and Alcohol

Mission Hospital expects employees to report to work in condition to perform their duties, free from the influence of illicit drugs or alcohol. Reporting to work under the influence of illegal drugs or alcohol, using, possessing or selling illegal drugs while on the job or on Mission Hospital property is forbidden.

Related Policies and Procedures: Fitness for Duty Determination; Fitness for Duty – Testing for Alcohol/Drugs.

Examples of Inappropriate Action:

- consuming alcohol while on call;
- being impaired by drug use while on the job.

3.3 Patient Privacy/HIPAA

3.3.1 Protecting the Privacy of Patient's Health Information

The acronym HIPAA stands for the **H**ealth **I**nsurance **P**ortability and **A**ccountability **A**ct.

The privacy provisions of the federal law, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), apply to health information related to or maintained by healthcare providers such as Mission Hospital. While Mission Hospital's values demand excellent stewardship relating to our patients' privacy, federal law requires compliance.

The component of HIPAA known as Administrative Simplification consists of the following standards:

- Privacy
- Security
- Electronic Data Interchange (EDI)

Under HIPAA, "covered entities" such as Mission Hospital must comply with regulations, which are enforced by the Department of Health and Human Services, Office of Civil Rights (OCR).

3.3.2 What Information is Protected?

Under the HIPAA Privacy Rule, all medical records and any other information that has the potential to identify an individual, in any form, whether electronic, on paper, or oral is considered protected health information ("PHI"). This includes any information that relates to the past, present, or future physical or mental health or condition of an individual (patient); that care has been provided to an individual (such as whether or not the individual is at the hospital receiving treatment or has been in the hospital); or the past, present or future payment for the provision of health care to an individual. Examples include but are not limited to any unique identification numbers, photos, addresses, or birthdates.

Here are some common sense ways that you can protect the patient's privacy:

- Use reasonable efforts to ensure that doors or curtains are closed when discussing treatment and procedures in semi-private rooms.
- Avoid unnecessary discussions about patients outside of treatment rooms, elevators, reception areas or any other room used by the general public.
- Do not leave patient records in unattended areas where others can see them such as common or visitor areas.
- When you are finished accessing patient information, log off the system.
- Ensure that incoming faxes containing PHI are promptly removed from the fax machine.
- When destroying paper information, ensure that it is shredded or destroyed in a secure manner.

3.3.3 Disclosures for Treatment, Payment and Health Care Operations

Mission Hospital employees must make reasonable efforts to use or disclose only the minimum necessary amount of protected health information in order to care for the patient. The "minimum necessary" is the amount of information needed to accomplish the intended purpose of the use, disclosure, or request for PHI. Making minimum

necessary determinations is a balancing act that must be carefully weighed so that the patient's privacy is not violated, while at the same time their quality of care is not compromised.

3.3.4 Security of PHI

Security standards under HIPAA set forth protections for health information that is stored or transmitted electronically. The standards are grouped into four general categories and require Mission Hospital to:

- 1 implement *administrative safeguards* such as policies, procedures, and staff training materials to educate employees on protecting patient privacy;
- 2 implement *physical safeguards* which may include access controls, screen savers, locked filing cabinets, visitor sign-in, and other safeguards to protect patient information;
- 3 implement *technical security* measures such as the use of passwords and may include automatic log off of computers when not in use; and
- 4 implement *technical security mechanisms* such as controls to monitor the access of patient information, and the use of encryption in the transmission of electronic information.

3.3.5 How to Best Protect Electronic Patient Information

If you are authorized to have access to the electronic medical records of patients, the following are common sense ways to protect the privacy of the patient's information.

- Protect a patient's information as if it were your own. One way to prevent unauthorized access is by logging off of your computer before leaving the work area for periods of time as indicated in the policy and procedure.
- Point your monitor away from pedestrian areas, public areas, or any other area where persons walking through a hallway can see the patient's information.
- Use great care when handling and sending PHI to other people in the scope of your job duties. Ensure through your supervisor or

through the IT department that any PHI authorized to be sent over networks is encrypted, including PHI stored on laptops.

- Do not share your password with anyone and ensure that it is changed regularly.
- When using or transporting a laptop computer or files containing sensitive and confidential information, ensure that the use and transport of the devices are in a way that avoids the theft of devices and the information contained to include password protection.

3.3.6 Violations

Violations of Federal and State laws can result in significant criminal and civil penalties for Mission Hospital and Mission Hospital employees individually, including imprisonment, fines, penalties and damages. Additionally, violations have significant adverse effects on our reputation.

Employees who violate the program or any Mission Hospital policies and procedures including but not limited to the areas described in this handbook are subject to discipline up to and including termination of employment with Mission Hospital.

Specifically, employees who violate policies and procedures relating to the HIPAA regulation are subject to discipline up to and including termination. Non-compliance with the HIPAA privacy rule, such as accidental disclosure, can result in a \$100 fine per violation (to the employee/Mission Hospital) to a maximum of \$25,000 per requirement per year. Criminal penalties for "wrongful disclosure" can include imprisonment as well as large monetary fines. For example, selling patient information is considered to be a criminal violation and is more serious than accidentally or inadvertently releasing it. Criminal penalties can be as high as \$250,000 or prison sentences up to ten (10) years.

3.3.7 Reporting Potential or Suspected Violations

All employees have an on-going obligation to report concerns about compliance with program's standards, policies and procedures. In no event shall any individual who reports a concern be subject to any retribution or retaliation related to a report which he or she reasonably

believed to be true and offered in good faith. Confidentiality shall apply to the report and to the person making the report, through investigation of the report may necessitate reasonable disclosure on a “need-to-know” basis. No issue pertaining to the program is too small or unimportant to report. If you have questions or would like to report a potential or suspected violation, you should first speak to your immediate supervisor. If you do not feel as if you can candidly discuss the matter with your supervisor, you may call the local compliance office at your ministry. If you are not comfortable speaking with your local compliance officer then you may contact the SJHS Chief Compliance Officer at (714) 347-7576.

3.4 Patient Care

Value Standard: Each entity develops programs and processes to measure and continually improve quality.

3.4.1 Care Standards

Mission Hospital is committed to the compassionate delivery of appropriate, effective and quality care to its patients. Patients must always be treated with sensitivity, respect and professionalism. Employees are expected to observe all applicable standards of professional practice in all Mission Hospital facilities and programs.

Related Policies and Procedures: No Smoking; Fitness for Duty Determination; Workplace Illnesses; Dress Code; Licenses & Certification.

Examples of Inappropriate Action:

- employee inappropriate dressed for duty;
- employee has allowed to lapse a required license to practice.

3.4.2 Patient Rights

Mission Hospital makes no distinction in the admission, transfer or discharge of patients or in the care we provide based on color, religion, or national origin. Clinical care is based on identified patient healthcare needs, not on patient or organization economics.

Upon admission, each patient is provided with a written statement of patient rights. This statement includes the rights of the patient to make decisions regarding medical care and conforms to all applicable state and federal laws.

In addition, we assure patients’ involvement in all aspects of their care and obtain informed consent for treatment. As applicable, each patient or patient representative is provided with a clear explanation of care and are informed of their right to make advance directives.

Related Policies and Procedures: Patient Rights and Responsibilities;

Admission/Transfer/Discharge; Philosophy of Patient Care.

Examples of Inappropriate Action:

- disregard for a patient’s wishes regarding treatment decisions;
- not providing the patient with the right to decide whether or not to submit to medical treatment or procedure.

3.4.3 Emergency Treatment

Mission Hospital complies with the Emergency Medical Treatment and Active Labor Act (EMTALA) in providing emergency services without regard to ability to pay or insurance status, even if the patient is enrolled in a managed care plan that requires prior authorization. Financial and demographic information may only be obtained after the immediate needs of the patient are met.

Patients will only be transferred to another facility if the patient’s medical needs cannot be met at the Mission Hospital and appropriate care is knowingly available at another facility. Patients may only be transferred after they have been stabilized and are formally accepted by the alternate facility.

3.4.4 Patient Privacy

Under HIPAA, patients have significant rights to understand and control how their health information is used, including the following:

- The patient must be provided with a Notice of Privacy Practices which is a written explanation of how Mission Hospital may use and disclose their health information;
- The patient must be provided the opportunity upon making a request to see and to get copies of their records; to request amendments to their records; and to obtain an accounting of how their information has been used by Mission Hospital;
- The patient must authorize the use and disclosure of their health information for any non-routine disclosures and most non-health

care purposes. (With few exceptions, an individual's health information may only be used for health care purposes including treatment, payment and operations.) Patients have the right to *withhold or revoke* their authorization at any time and to request restrictions on the uses and disclosures of their information; and

- The patient has the right to file a formal complaint with Mission Hospital, or with the Department of Health and Human Services, Office of Civil Rights, when they believe that Mission Hospital has violated the HIPAA Privacy Rule or Mission Hospital policies and procedures.

Related Policies and Procedures: Admission/Transfer/Discharge; Interfacility Transfer of Patients; Obstetric Patients Presenting to Hospital; Insurance Authorization for Emergency Care.

Examples of Inappropriate Action:

- asking a patient in the emergency department for insurance information before providing a medical screening;
- transferring a patient to another facility because of their inability to pay.

Value Standard: SJHS values and their key role in shaping organizational life are clear and explicit.

3.5 Conflicts of Interest

3.5.1 Conflict of Interest

Employees may not participate in any activities that could conflict with their responsibilities at Mission Hospital without satisfying the requirements of the conflict of interest policy. A conflict of interest arises when the personal interests or activities of an employee appear to or may influence that employee's ability to act in the best interests of Mission Hospital.

Related Policies and Procedures: Conflicts of Interest; Gifts and Gratuities; Employment of Relatives.

Examples of Inappropriate Action:

- conducting business on behalf of Mission Hospital with family members without disclosure to and approval of management;
- owning a significant financial interest in a business that competes with SJHS;

- sharing confidential information regarding future Mission Hospital business plans for personal gain.

3.5.2 Inappropriate Conflicts of Interest

Mission Hospital employees and physicians have a responsibility to make full disclosure of interests that might result in or have the appearance of a conflict. A conflict of interest arises when the personal interests or activities of an employee or physician appear to or may influence that individual's ability to act in the best interests of Mission Hospital. Because they are expected to be loyal and faithful to Mission Hospital, employees and physicians may not use their positions to profit personally or to assist others in profiting in any way at the expense of Mission Hospital or by using information not available to the general public. The failure of an employee or physician to uphold his or her fiduciary duty Mission Hospital can result in penalties to the employee or physician including personal liability, fines levied by the Internal Revenue Service and the loss of Mission Hospital's tax-exempt status.

Examples of inappropriate activities include:

- Conducting business on behalf of Mission Hospital with family members without disclosure to and approval of management;
- Having an interest in a business that competes with Mission Hospital
- Accepting a tip from a patient or vendor; and
- Sharing confidential information regarding future Mission Hospital business plans for personal gain.

3.5.3 Gifts, Gratuities, and Business Courtesies

Employees are not permitted to accept gratuities from patients or visitors. In addition, no employee or any member of his/her family may accept any gift or gratuity from a supplier, prospective supplier, contractor, or prospective contractor due to such gift or gratuity possibly being construed as being offered because of a Mission Hospital business relationship between the donor and the employee.

If a business associate extends training and/or educational opportunities that include travel and overnight accommodations at no cost to you or Mission Hospital, you must receive approval to do so

consistent with corporate policy on this subject. This also applies to circumstances where you are invited to an event at a vendor's expense to receive information about new products or services.

Related Policies and Procedures: Conflicts of Interest; Gifts and Gratuities.

Examples of Inappropriate Action:

- accepting a tip from a patient;
- accepting a free vacation from a vendor.

3.5.4 Anti-Kickback Laws

The federal anti-kickback laws are broadly written to prohibit Mission Hospital personnel and representatives from knowingly and willfully offering, paying, asking for, or receiving money or other benefit, directly or indirectly from third parties in connection with items or services billed to federal programs.

Related Policies and Procedures: Conflicts of Interest; Gifts and Gratuities; Business Development Projects.

Examples of Inappropriate Action:

- receiving a gift in return for purchasing a product from a vendor;
- rental of space or equipment at below fair market value.

3.5.5 Physician Referrals

Mission Hospital does not pay for referrals. We accept patient referrals and admissions based solely on the patient's clinical needs and our ability to render the needed services. We do not accept payment for referrals that we make. No Mission Hospital colleague or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients.

Related Policies and Procedures: Conflicts of Interest; Gifts and Gratuities; Physician Recruitment Contracts.

Examples of Inappropriate Action:

- taking into consideration the volume or value of referrals receives when making patient referrals to another provider;
- offering a discount to a physician in exchange for referrals to our facility.

3.6 Special Legal Responsibilities

Value Standard: Business is conducted ethically, honestly and in accordance with applicable laws and regulations.

3.6.1 Marketing Practices and Antitrust

Mission Hospital products and services must be marketed and sold fairly and honestly solely on the basis of quality, capability, price, service level, and other legitimate attributes. Mission Hospital and its employees are expected to compete fairly and in compliance with all antitrust laws. Employees should seek advice from their managers before taking any action that may compromise fair competition or compliance with antitrust laws.

Antitrust laws prohibit competitors from agreeing on prices or rates. More specifically, it is illegal for providers within the system to discuss services, rates, or proposals with competitors. In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice of Counsel.

Related Policies and Procedures: Performance Appraisal; Disciplinary Action.

Examples of Inappropriate Action:

- sharing pricing information with competitors;
- failure to exercise caution in marketing new medical procedures.

3.6.2 Gathering Information about Competitors

It is not acceptable for you to obtain proprietary or confidential information about a competitor through illegal means.

Related Policies and Procedures: Business Development Projects.

Examples of Inappropriate Action:

- providing confidential information illegally removed from a former employer's facility;
- seeking information that would require someone to violate a confidentiality agreement with a prior employer.

3.6.3 Excess Benefit/Tax-Exempt Status Issues

As a nonprofit organization, Mission Hospital has a legal and ethical obligation to comply with applicable laws, to engage in activities to further its charitable purpose, and to ensure that its resources are used

to further our charitable mission rather than the private or personal interest of any one private individual. The requirements for organizations exempt under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state law must be followed.

Excess benefit transactions include any non-fair market value transaction and certain percentage compensation arrangements occurring between an organization that is exempt from paying taxes under the Internal Revenue Code section 501(c)(3) status such as Mission Hospital and a “disqualified person.” (A disqualified person is any person in a position to exert substantial influence over the operations of Mission Hospital.) Excess benefit transactions are punishable the IRS. The IRS may impose an excise tax on a disqualified person or Mission Hospital for participating in, or knowingly approving a transaction that is defined as an excess benefit. The excess benefit involved in a transaction is the amount by which the amount received by the disqualified person exceeds what would have been paid to such person in a fair market value, arm’s-length transaction occurring under similar circumstances.

Employees shall not use Mission Hospital resources or property for private use or benefit. Transactions must be in the best interest of Mission Hospital and negotiated at “arm’s length” for fair market value. Mission Hospital employees must avoid compensation arrangements in excess of fair market value. Employees unsure of how to proceed with sensitive situations should consult with management for guidance.

Examples of inappropriate activities include:

- Payment of medical director fees at above-market value.
- Leasing property to a medical group for their private practice at below-market value prices.
- Contributing money to political action activities beyond advocacy, education and contributions to legally organized Political Action Committees without the approval Mission Hospital Executive Management.

Related Policies and Procedures: Performance Appraisal.

Examples of Inappropriate Actions:

- payment of medical director fees above market value;
- leasing property to a medical group for their private practice at below market value prices;
- contributing money to political action activities beyond advocacy, education and contributions to legally organized PACs without the approval of Corporate Counsel.

3.6.4 Government Investigations

Employees shall cooperate with legitimate government investigations. If an employee is approached by any person who identifies him or herself as a government investigator or receives a subpoena or other written request for information, the employee should contact Corporate Counsel.

During a government inspection, you must never conceal, destroy, or alter documents, lie, or make misleading statements. You should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

Examples of Inappropriate Action:

- destruction of company documents or records in anticipation of a request for the document or record by a government agency or court;
- making false statements to a government investigator;
- attempting to persuade another employee not to cooperate in a government investigation.

3.7 Procedures/Implementation of the Code of Conduct

3.7.1 Disciplinary Actions

Employees shall conduct themselves in a manner that upholds Mission Hospital values and complies with the **Code of Conduct**. Candidates for employment shall be subject to inquiry about past compliance violations. Continued employment shall be conditioned upon compliance with the Corporate Responsibility Program. Violations of the **Code of Conduct** and/or failure to adhere to the requirements of

the Corporate Responsibility Program will result in disciplinary action, up to and including termination.

3.7.2 Reporting

Concerns regarding compliance with the Corporate Responsibility Program and possible violations of the Code or related policies and procedures are to be promptly reported to your Compliance Officer or to the system-wide SJHS Compliance Officer at our corporate offices in Orange. In addition, a special toll free resource line that permits anonymous reports of non-compliance or possible violations has been established. Phone numbers are listed on the back cover of this booklet. Employees are expected to fully cooperate in any investigation of business conduct that may violate the Code. Making a false report intentionally for personal gain is a violation of the Code and will result in appropriate disciplinary action.

3.7.3 No Retaliation for Good Faith Reporting

The success of the Corporate Responsibility Program depends on prompt, accurate reporting of violations and suspected violations without fear of retaliation. Employees will not be subject to reprisals for reporting, in good faith, actions that they believe violate the law or do not comply with the Corporate Responsibility Program or conform to the **Code of Conduct**.

3.7.4 Role of the Manager/Supervisor

Managers and supervisors have a special responsibility to act and communicate consistently with the **Code of Conduct** and to comply with the requirements of the Corporate Responsibility Program. Managers and supervisors shall create and maintain a work environment that encourages ethical behavior and promotes adherence to the elements of the Corporate Responsibility Program. As part of the Mission Hospital Human Resources Management Systems program, managers and supervisors will be evaluated based on their ability to meet the above expectations.

4.0 Conclusion

The Employee Compliance Handbook sets forth Mission Hospital's expectations of its employees regarding compliance with federal state regulations and the Corporate Responsibility Program. The program is intended to help employees recognize, understand and fulfill their responsibilities and to prevent and detect violations. Employees are still expected, however, to take the initiative of asking questions and obtaining answers to those questions.

Employees shall be required as a condition of working with St. Joseph Health System and Mission Hospital to avail themselves of compliance education and training on a regular and periodic basis (at least annually) of which documentation will be maintained by Mission Hospital.

Help us be outstanding corporate citizens and contribute to the success of the Corporate Responsibility Program by adhering to the standards of the program and by reporting any questionable compliance issues. In order to ensure that all employees have read this handbook, and have had a chance to ask questions relating to the information contained herein, all employees are required to sign the statement contained at the back of this handbook, and sign the separate Acknowledgement and Confidentiality Form, which will be maintained by Mission Hospital.

Questions Regarding the Code

Questions regarding the Code of Conduct or the Corporate Responsibility Program should be directed to your manager, MH Compliance Officer, or SJHS Compliance Officer. Continuing education regarding the Corporate Compliance Program and the Code will be provided to employees.

Dynamic Document

This **Code of Conduct** will be changed as needed to better accomplish Mission Hospital's mission, values, goals and legal compliance.

5.0 Appendices

5.1 Appendix A

7 Elements of an Effective Compliance Program

1. Policies, Procedures, and Standards of Conduct
2. Compliance Officer and Compliance Committee
3. Training and Education
4. Effective Lines of Communication
5. Disciplinary Standards
6. Monitoring and Audits
7. Prompt Response to Offenses

5.2 Appendix B

Compliance Risk Areas for Hospitals

False Billing Claims and Related Issues:

Billing for services not rendered
Up-coding/DRG Creep
Unbundling
Double-billing
Billing for physician services not rendered by a physician
Billing for services not medically necessary
Misrepresenting a diagnosis to justify services
Billing for a non-covered service as if covered
Outpatient services rendered in connection with inpatient stays
Credit balances not refunded

Excess Benefit

Payment for services at greater than market value

Patient Dumping (EMTALA)

Patient Information Confidentiality (HIPAA)

Kickbacks

Human Resources Issues:

Discrimination
Sexual Harassment

SJHS Compliance Phone Numbers

Mission Hospital Compliance Officer:

Michael Beck (949) 364-1400 x7403

System Wide Compliance Officer:

Tracey Calver (714) 347-7576

Toll Free Helpline (877) 808-8133

Compliance Code of Conduct

Acknowledgement and Certification

By signing below:

1. I certify that I have attended the Compliance employee-training program held on _____; and
2. I acknowledge that I received a copy of the Mission Hospital Code of Conduct Booklet.
3. I certify that I have read and understand the Code of Conduct contained in above handbook; and
4. I hereby accept the responsibilities and obligations outlined in Mission Hospital Code of Conduct Booklet and the related policies which it references; and
5. I understand that this Acknowledgement and Certification will be maintained in my personnel file.
6. I understand that all employees shall have an on-going obligation to report concerns about compliance. In no event shall any individual who reports a concern be subject to any retribution or retaliation related to a report which he or she reasonably believed

to be true and offered in good faith. Confidentiality shall apply to the report and to the person making the report, though investigation of the report may necessitate reasonable disclosure on a “need-to-know” basis.

Month: _____ Day: _____ Year: _____

Signature of Employee

Printed Name of Employee

