

# Code of Conduct

Updated March 2016





**TABLE OF CONTENTS**

PURPOSE OF THE CODE OF CONDUCT ..... 3

MISSION, VISION AND VALUES STATEMENT ..... 4

    Mission..... 4

    Vision ..... 4

    Core Values..... 4

LEADERSHIP RESPONSIBILITIES..... 5

OUR FUNDAMENTAL COMMITMENT TO OUR COMMUNITY ..... 6

QUALITY OF CARE ..... 7

    Patient Care ..... 7

    Patient Rights..... 7

    Emergency Medical Treatment and Active Labor Act..... 8

    Confidentiality ..... 8

PERSONAL CONDUCT ..... 8

ACCEPTABLE, DISRUPTIVE AND INAPPROPRIATE BEHAVIORS..... 9

PHYSICIAN AND PROVIDER RELATIONSHIPS .....10

    We Do Not Pay for Referrals.....10

    We Do Not Accept Payments for Referrals That We Make.....10

    We Do Not Allow Personal Interests to Influence Referrals .....10

    We Do Not Pay Patients .....10

MEDICAL RECORDS, BILLING AND RECORD RETENTION .....11

    Patient Medical Records .....11

    Claims Development and Submission .....11

    Guidance for the Coding of Patient Records .....11

    Record Maintenance and Retention .....11

    False Claims Act Compliance.....12

COMPLIANCE FOR ALL EMPLOYEES .....13

    Conflict of Interest.....13

    Business Courtesies.....13

    Political Activities and Contributions .....15

    Excluded Persons and Entities .....15

USING THE COMPLIANCE PROGRAM .....16

    Our Code of Conduct .....16

    Duty to Know and Understand .....16

**TABLE OF CONTENTS (CONTINUED)**

Duty to Comply .....16

Duty to Report Actual or Suspected Violations.....16

Duty to Respond to Government Investigations, Inquiries, or Subpoenas .....16

Resources for Guidance and Reporting Concerns.....16

ACKNOWLEDGEMENT PROCESS .....17

RECEIPT AND ACKNOWLEDGEMENT .....17

NOTES .....19

NOTES .....20

## PURPOSE OF THE CODE OF CONDUCT

Our Code of Conduct (“Code”) provides guidance to all of us who work at Hoag Memorial Hospital Presbyterian (“Hoag”) and assists us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with patients, physicians, third-party payers, subcontractors, independent contractors, vendors, consultants and one another. The Code is a critical component of our overall Compliance Program. Our Code, which is built upon our Core Values, has been developed to ensure that we will meet ethical standards and comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject discussed has so much complexity that additional guidance is necessary for those directly involved with the particular area to have sufficient direction, and thus we direct employees to the departmental policies and procedures specific to work in that department.

The standards set forth in the Code are mandatory for Hoag employees, independent contractors, volunteers, officers and directors and must be followed. Any conduct that violates the law or regulations is expressly prohibited by Hoag and violates this Code. Any employee who violates this Code is acting outside of the scope of their employment and could be subject to discipline, including termination of their employment.

## MISSION, VISION AND VALUES STATEMENT

### **Mission**

Our mission as a not-for-profit, faith based hospital is to provide the highest quality health care services to the communities we serve.

### **Vision**

Hoag is a trusted and nationally recognized healthcare leader.

### **Core Values**

Excellence

Respect

Integrity

Patient Centeredness

Community Benefit

## LEADERSHIP RESPONSIBILITIES

While all Hoag employees are obligated to follow our Code of Conduct, we expect our leaders to set the example, to be in every respect a model. We expect everyone in the organization with supervisory responsibility to exercise that responsibility in a manner that is kind, sensitive, thoughtful, and respectful.

We expect each supervisor to create an environment where all team members feel free to raise concerns and propose ideas. We also expect that they will ensure those on their team have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas. They must help to create a culture within Hoag which promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise.

We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

Leaders at all levels of the organization should use this Code to most effectively incorporate ethics and compliance into all aspects of our organization.

## OUR FUNDAMENTAL COMMITMENT TO OUR COMMUNITY

We affirm the following commitments:

- *To our patients:* We are committed to providing a superior level of care that is sensitive, compassionate, promptly delivered, and cost-effective, with an unwavering commitment to constantly improve.
- *To our Hoag employees:* We are committed to providing a work setting which treats all employees with fairness, dignity, and respect, and affords them an opportunity to grow, to develop professionally, and to work in a team environment in which all ideas are considered.
- *To our affiliated physicians:* We are committed to providing a work environment which has excellent facilities, modern equipment, and outstanding professional support.
- *To the communities we serve:* We are committed to understanding the particular needs of the communities we serve and providing these communities with quality, cost-effective healthcare. We realize as an organization that we have a responsibility to help those in need. We proudly support charitable contributions and events in the communities we serve in an effort to promote goodwill and further good causes.
- *To our third-party payers:* We are committed to dealing with our third-party payers in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for quality healthcare and bringing efficiency and cost effectiveness to healthcare. We encourage our private third-party payers to adopt their own set of comparable ethical principles to explicitly recognize their obligations to patients as well as the need for fairness in dealing with providers.
- *To our regulators:* We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We accept the responsibility to aggressively self-govern and monitor adherence to the requirements of law and to our Code of Conduct.
- *To our joint venture partners:* We are committed to fully performing our responsibilities to manage our jointly owned facilities in a manner that reflects the mission and values of each of our organizations.
- *To our suppliers:* We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer. We encourage our suppliers to adopt their own set of comparable ethical principles.
- *To our volunteers:* The concept of voluntary assistance to the needs of patients and their families is an integral part of the fabric of healthcare. We are committed to ensuring that our volunteers feel a sense of meaningfulness from their volunteer work and receive recognition for their volunteer efforts.
- *To our Foundation:* We honor the purposes for which philanthropic funds have been assigned.



## QUALITY OF CARE

### Patient Care

Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. Compassion and care are part of our commitment to the community we serve. We are committed to providing quality healthcare to our patients. We treat our patients with respect and dignity and provide care that is both necessary and appropriate. To the extent of our capabilities, clinical care is based on identified patient healthcare needs, not on patient or organization economics.

### Patient Rights

We make no distinction in the availability of services, in the admission, transfer or discharge of patients, or in the care we provide based on age, gender, disability, race, color, religion, sexual orientation, or national origin. We recognize and respect the diverse backgrounds and cultures of our patients and make every effort to equip our caregivers with the knowledge and resources to respect each patient's cultural heritage and needs. Hoag respects the patient's right to and need for effective communication and for personal values, dignity, beliefs and preferences.

A written statement of patient rights and responsibilities and a notice of privacy practices are made available to each patient. These statements include the rights of a patient to make decisions regarding medical care, to make an advance directive including the designation of a surrogate healthcare decision maker, to refuse or accept treatment including the right to forego or withdraw treatment, to be informed in their decision-making, and to confidential treatment of all communications and records pertaining to their care in compliance with the Health Insurance Portability and Accountability Act of 1996 (hereinafter referred to as "HIPAA".) Patients' advance directives or resuscitative measures are honored within the limits of the law and within our organization's mission, vision, values, and capabilities.

Patients have the right to know the names of healthcare providers and to be involved in the management of their pain. Patients and, when appropriate, their families are informed about their health status, diagnosis, prognosis, course of treatment, the risks, benefits and alternate courses of treatment or non-treatment and the risks involved, and outcomes of care including unanticipated outcomes in terms they can understand. Patients are also involved as clinically appropriate in resolving dilemmas about care decisions. Each patient's personal privacy is respected and the patient is provided a safe and secure environment. Pastoral care or spiritual care and advocacy and protective services are available to each patient.

We maintain processes to support patient rights in a collaborative manner which involves the facility leaders and others. These structures are based on policies and procedures, which make up the framework addressing both patient care and organizational ethics issues. We maintain processes for prompt resolution of patient grievances which include informing patients who to contact regarding grievances and informing patients regarding the grievance resolution. We maintain an ongoing, proactive patient safety effort for the identification of risk to patient safety and the prevention, reporting and reduction of healthcare errors. Hoag employees receive training about patient rights in order to clearly understand their role in supporting them. We strive to provide health education, health promotion, and illness-prevention programs as part of our efforts to improve the quality of life of our patients and our communities. Patients may be informed of pertinent clinical research studies and given the opportunity to participate. All research studies follow Good Clinical Practice (GCP) guidelines and the Code of Federal Regulations (CFR).

## QUALITY OF CARE (CONTINUED)

### Emergency Medical Treatment and Active Labor Act

We follow the Emergency Medical Treatment and Active Labor Act (“EMTALA”) in providing an emergency medical screening examination and necessary stabilization to all patients, regardless of ability to pay. Provided we have the capacity and capability, anyone with an emergency medical condition is treated. In an emergency situation or if the patient is in labor, we will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. We do not admit, discharge, or transfer patients with emergency medical conditions simply based on their ability or inability to pay or any other discriminatory factor. See hospital policy “EMTALA Compliance” for further guidance.

### Confidentiality

Maintaining confidentiality of patient, physician and certain Hoag confidential and/or proprietary information are every individual’s obligation. More details concerning what is considered “Confidential Information” is contained in Hospital confidentiality policies and agreements, including the policy entitled “Confidentiality of Hoag Information Including HIPAA-Protected Health Information.” Access to information is on a need-to-know basis as required to carry out job responsibilities. Federal privacy regulations specifically state healthcare workers must make a reasonable effort to use or disclose only the minimum necessary information they need to do their jobs. A breach of confidentiality is grounds for disciplinary action, which may include immediate termination of employment.

### Responsibility Toward Patient Information

The care of patients is always personal in nature and therefore any information about a patient’s condition, care, treatment and medical data is absolutely confidential. This includes information obtained from the hospital information systems. The confidentiality of patient information is also protected by federal and state laws, including HIPAA regulations. Hoag’s release of information

policies provide guidelines for the release of information to authorized persons. Requests for copies of medical information should be referred to the Health Information Management Department. For further guidance on Hoag’s commitment to confidentiality, Hoag has several policies that address patient privacy and confidentiality and they can be found on Hoag’s WAVE intranet website.

Patient protected health information should never be discussed with anyone, inside or outside of the hospital, other than those who are directly involved in the patient’s care. In addition, this information must never be discussed in public areas of the hospital, such as the cafeteria or elevators.

In order to maintain the security, confidentiality and integrity of information, confidential information should be sent through the internet only in accordance with information technology security policies and procedures and in accordance with HIPAA security standards, which require, among other things, that the individual and/or entity be validated and the information be encrypted.

All news media inquiries regarding patients must be referred immediately to the Corporate Communications Department.

## PERSONAL CONDUCT

We recognize a diverse workforce and safe work environment enriches the life experience of all employees and our community. It is important to foster a culture of respect, honesty and accountability. It is expected that all who use Hoag’s facilities including our employees, patients, visitors, physicians, third-party payers, subcontractors, independent contractors, vendors, and consultants will exhibit these behaviors. Everyone with whom you come in contact is entitled to fair and evenhanded treatment regardless of his or her relationship to Hoag. We should all recognize our actions are the foundation of Hoag’s reputation.

## ACCEPTABLE, DISRUPTIVE AND INAPPROPRIATE BEHAVIORS

Intimidating and disruptive behaviors can foster medical errors, contribute to poor patient satisfaction and to preventable adverse outcomes, increase the cost of care, and cause valuable employees to seek new positions in more professional environments. Safety and quality of patient care is dependent on teamwork, communication, and a collaborative work environment. To assure quality and safety, Hoag is committed to addressing the problem of behaviors that threaten the performance of the healthcare team, which may include employees, physicians, volunteers, independent contractors, vendors and consultants.

Acceptable behavior contributes to an environment of respect, honesty, professional communication and collaboration, and the freedom to do the right thing, in the right way, at all times. Some examples of acceptable behavior would include, but are not limited to:

- Encouraging and/or accepting questions or a “time out for clarification” sought by any member of the healthcare team
- Repeating and/or clarifying orders when asked to do so by any member of the healthcare team
- Seeking to resolve conflicts or concerns regarding care issues in an appropriate forum, away from patients, families, or the general staff areas such as the nursing station
- Seeking to resolve conflicts through professional communication
- Treating each other with respect
- Performing tasks as assigned
- Displaying a cooperative and collaborative attitude
- Responding to questions, calls and pages in a timely manner
- Reporting errors

While it is understood that employees have the right to have, and to share, their concerns about Hoag, its management, or their terms and conditions of employment, employees are always expected to perform their job duties in a responsible manner and to refrain from engaging in insubordinate or threatening behavior towards managers or supervisors.

In addition to expected behaviors towards supervisors and managers, it is understood that employees may have disagreements or differences of opinion with their fellow employees about Hoag, its management or their terms and conditions of employment. Employees may share those disagreements or differences with their fellow employees, but must do so in a manner that does not affect the quality of health care provided to Hoag patients, nor impair the ability of the individual or their fellow employees to perform their job responsibilities effectively. Some examples of disruptive and unprofessional workplace behaviors which may negatively interfere with the job performance of fellow employees or compromise employee responsibilities towards our patients and their family members include, but are not limited to:

- Verbal outbursts/ yelling
- Use of profanity
- Demeaning language (name-calling, racial/ethnic jokes, unnecessary sarcasm, etc.)
- Demeaning nonverbal behavior (eye-rolling, inappropriate gestures, making faces, staring, glaring, etc.)
- Throwing objects
- Slamming doors, instruments or charts
- Intimidating or unprofessional physical or verbal behavior or sexual harassment
- Quietly or overtly exhibiting uncooperative behavior
- Refusal to answer questions, emails, return calls or pages related to the employee’s job duties or the job duties of others.
- Lack of a required response to other employees’ concerns regarding safety or quality of care
- Criticism of fellow employees in front of patients or other professionals
- Gossip or withholding of information aimed at undermining another employee’s ability to perform his/her job responsibilities
- Unauthorized disclosure of “Confidential Information” as defined in Hoag policies. Using others as scapegoats
- Retaliation or threats against anyone who has participated in an investigation into disruptive behavior

## ACCEPTABLE, DISRUPTIVE AND INAPPROPRIATE BEHAVIORS (CONTINUED)

Hoag has zero tolerance for these kinds of disruptive and unprofessional behaviors towards fellow employees, patients or members of the general public while employees are in the course and scope of Hoag employment. Hoag will investigate all allegations and will take the appropriate remedial action. Such action may include administering performance improvement plans, corrective action up to and including termination of employment, and reports to professional licensure bodies. As part of the investigation process, all employees and members of the healthcare team will be expected to cooperate fully when called upon and will be held accountable for failing or refusing to do so. Such cooperation may include participation in the fact-finding process as well as mediation or other conflict resolution methods. Employees are strongly encouraged to report all instances of disruptive and inappropriate behavior which violates this Code of Conduct as quickly as

possible by any of the following means:

- Informing your supervisor or any member of Hoag's management team
- Informing Human Resources
- Informing the Compliance Office
- Submitting a report through the MIDAS system
- Calling the ComplianceLine at **800-441-1727**
- Submitting a report through the We Care Hotline (through the WAVE intranet site)

Reports may be made anonymously. Where the report is not made anonymously, the reporter may be kept apprised of any progress in the investigation. In addition, no person who, in good faith, reports an instance of disruptive or inappropriate behavior will be subject to any form of retaliation. Retaliation is a very serious offense and should be reported immediately, at which time the allegation will be investigated and appropriate remedial action will be taken.

## PHYSICIAN AND PROVIDER RELATIONSHIPS

### We Do Not Pay for Referrals

We accept patient referrals/admissions solely based on the patient's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone – employees, physicians, or other persons – for referrals of patients. No employee, or other person acting on behalf of Hoag, is permitted to enter into any agreements (especially with physicians) that are linked directly, or indirectly, to the referral of patients.

### We Do Not Accept Payments for Referrals That We Make

Our physicians and other healthcare providers make patient referrals solely based on the patient's clinical needs and the abilities of the referred provider to render such services. No employee or any other person acting on behalf of Hoag is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient

referrals to another healthcare provider we do not take into account the volume or value of referrals that the provider has made (or may make) to Hoag.

### We Do Not Allow Personal Interests to Influence Referrals

Our policy is to inform patients of their options as to home health, hospice, durable medical equipment, home infusion, and other ancillary healthcare services and to promote patient freedom of choice in selecting any services that the patient may require.

### We Do Not Pay Patients

Under certain circumstances and consistent with state and federal laws, Hoag may provide for financial arrangements to patients based purely on need. However, we do not waive insurance co-payments or otherwise provide financial benefits to patients in return for admission.

## MEDICAL RECORDS, BILLING AND RECORD RETENTION

### Patient Medical Records

Patient medical records are the only source of information upon which Hoag entities can rely for the proper billing of the services and care provided as ordered by the patient's physician. Diagnostic or procedural codes and other pertinent medical information included in the chart must be accurate and complete to adequately support the "medical necessity" for the service and/or care being billed, regardless of whether billed to Medicare, Medicaid or other third party payers. Physicians are to order services and/or care for their patients based on medical necessity. If any employee suspects a physician is admitting patients, ordering services or providing care on a basis other than medical necessity, the employee must report such concern immediately to his or her supervisor and/or the Compliance Office. Accurate and timely documentation also depends on the diligence and attention of physicians who treat patients in our facilities, as well as Hoag management. Physicians, department directors and managers must ensure that complete and accurate information is provided in a timely manner.

### Claims Development and Submission

Hoag generates patient medical information, charges, bills and claims that accurately reflect the services the patient is provided. In support of current and future federal and state statutes and regulations and existing contractual agreements regarding submission of claims for services rendered, Hoag entities do the following:

- Follow policies and procedures to ensure a patient encounter is recorded properly;
- Comply with applicable laws, rules, regulations and program requirements for coding and billing;
- Physicians and other care providers document information in an accurate and timely manner. Late entries and marginal notes in medical records will be explained, dated and signed, and verbal orders will be signed by the ordering physician. Documentation includes length

of time spent conducting the activity (when appropriate) and the identity of the person providing the service;

- Coding is performed by reviewing the visit specific documentation in order to apply appropriate diagnosis/procedure codes, DRG or APC;
- No financial or other type of incentive is given to upcode claims improperly; and
- Claims submission is supported by appropriate documentation. Hoag does not make or present improper, false, fictitious or fraudulent claims or financial reports, including cost reports to any government or private healthcare program, employee, department or agency.

Medical and business documents and records are maintained in a consistent, legible and organized manner to allow for follow-up audit and review.

### Guidance for the Coding of Patient Records

Hoag complies with the coding guidelines as promulgated by the Centers for Medicare and Medicaid Services, the American Hospital Association, the American Health Information Management Association and the American Medical Association. Codes are determined and assigned by utilizing the most current version of the following publications: ICD-9-CM, CPT, HCPCS Level II, and Coding Clinic. Hoag adheres to the assignment of codes based on the effective dates published by the U.S. Department of Health and Human Services.

### Record Maintenance and Retention

Policies and procedures regarding the creation, distribution, retention, storage, retrieval, and destruction of documents have been established. Every individual is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure that records

## MEDICAL RECORDS, BILLING AND RECORD RETENTION (CONTINUED)

are available to defend our business practices and actions. No one may alter or falsify information on any record or document.

Medical and business documents and records are retained in accordance with law and our record retention policy(ies). Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, 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 our policy(ies) and applicable legal requirements. Records will not be tampered with, removed or destroyed prior to the designated time as specified by law or applicable policy(ies).

### False Claims Act Compliance

We work diligently to ensure that our patient bills and the claims we submit to any payer, including Medicare and Medicaid (“Medi-Cal”), commercial insurance or our patients, are accurate. It’s the right thing to do, and federal and state laws require it.

The federal False Claims Act (31 USC 3729-33) prohibits any person or organization from “knowingly” submitting a false claim to the federal government for payment. “Knowingly” can include deliberate ignorance or reckless disregard of facts that make the claim false.

Examples of possible false claims include someone knowingly billing Medicare for services that were not provided, or for services that were not ordered by a physician, or billing for services that are more expensive than the services which were actually provided.

A person who knows a false claim was filed for payment can file a lawsuit in federal court on behalf of the federal government and, in some cases, receive a reward for bringing original information about a violation to the government’s attention. Penalties for violating the federal False Claims Act can be up to three times the value of the false claim, plus from \$5,500 to \$11,000 in fines, per claim. California also has a false claims act that allows a similar lawsuit in state court if a false claim is filed with the state for payment, such as under Medi-Cal.

The False Claims Act protects anyone who files a false claims lawsuit from being fired, demoted, threatened or harassed by their employer for filing the suit. If a court finds that the employer retaliated against the employee for filing such a suit, then the court can order the employer to re-hire the employee and to pay the employee twice the amount of back pay that is owed, plus interest and attorney’s fees.

Our Compliance Program contains policies that help to detect and prevent fraud, waste and abuse and supports compliance with the False Claims Act by:

- Monitoring and auditing to prevent or detect errors in coding or billing.
- Educating employees that they are required to report any concern about a possible false claim at a Hoag facility to their supervisor, or the Compliance Officer, or by calling Hoag’s ComplianceLine hotline at **800-441-1727**.
- Investigating all reported concerns and correcting any billing errors discovered.
- Protecting our employees from adverse action when they do the right thing and report any genuine concern.

## COMPLIANCE FOR ALL EMPLOYEES

### Conflict of Interest

A conflict of interest may occur if outside activities or personal interests influence or appear to influence the ability to make objective decisions in the course of job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job. Here are some ways a conflict of interest could arise:

- Employment by a competitor or potential competitor, regardless of the nature of the employment, while employed by Hoag.
- Acceptance of gifts, payment, or services from those seeking to do business with Hoag.
- Placement of business with a firm owned or controlled by an employee or his/her family.
- Ownership of, or substantial interest in, a company which is a competitor or a supplier of Hoag.
- Acting as a consultant to a competitor, customer or supplier of Hoag.

Hoag has a conflict of interest policy in place to assure that individuals who make decisions on behalf of the hospital and its patients make decisions in an objective manner without undue influence from persons with a private interest. Those individuals who possess the authority to commit the hospital in financial dealings must exercise the utmost good faith. All conflicts of interest and potential conflicts of interest shall be disclosed in accordance with the hospital's policy.

All employees are expected to act with integrity, honesty and fairness in all aspects of their employment responsibilities.

### Vendors, Consultants, Contract Individuals and Other Third Parties

It is important to inform all vendors, consultants, contract individuals and other third parties that compliance with Hoag's Code and all local, state, and federal laws, statutes, rules, and regulations, is a required condition of doing business with Hoag. In choosing vendors, consultants, contract individuals or services and other third parties, everyone should be treated fairly, and any inducements, kickbacks, and/or special treatment in the selection process are strictly prohibited. Whenever possible, materials, supplies, equipment, consulting, and other services should be procured from qualified suppliers at the lowest cost, keeping in mind the requirements for quality, performance, and the vendor's ability to meet delivery schedules. As a representative of Hoag, you are expected always to employ the highest ethical business practices in source selection, negotiation, determination of awards, and the administration of all purchasing activities. Any rebates, discounts and allowances that are customary business practices are acceptable so long as they do not constitute unlawful or unethical payments and are given to Hoag, not to any individual(s). Such payments should be properly documented, of reasonable value, competitively justified, and properly invoiced/credited to the entity originating the agreement. Any such payments to individual employees of the hospital are strictly prohibited. Payments made to vendors will be made only for goods and services acquired in accordance with established Supply Chain Management policies and procedures.

### Business Courtesies

It is critical to avoid the appearance of wrongdoing when giving or accepting gifts to or from individuals who do business or are seeking to do business with Hoag. It is not acceptable to use gifts or other incentives, including donations or sponsorships, to improperly influence relationships or business outcomes.

## COMPLIANCE FOR ALL EMPLOYEES (CONTINUED)

Any entertainment or gift involving physicians or other persons who are in a position to refer patients to Hoag's facilities must be undertaken in accordance with compliance policies, which have been developed consistent with federal and state laws, regulations, and rules regarding these practices. Employees must consult the hospital's policies prior to extending any business courtesy to a potential referral source. Guidance is always available from the Compliance Office.

Nothing in this Code prohibits the establishment of stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors. This section does not pertain to actions between Hoag and its employees or actions among employees and themselves.

### Gifts, Gratuities and Entertainment

Generally, employees may not solicit or accept personal gifts, gratuities, business courtesies, services or entertainment from patients, visitors, vendors or business associates as doing so may be an actual or perceived conflict of interest. Business courtesies or entertainment of personal benefit such as gifts, tickets to a sporting event, theatrical event, concert or golf outing may not be accepted. See the "Gifts and Entertainment" policy for further guidance. Personal conduct should be in a manner that is free from unlawful or otherwise inappropriate offers or solicitations of gifts and favors or other improper inducements in exchange for influence or assistance. All employees must adhere to the following:

- Acceptance of cash, gift certificates, or other cash equivalents from patients and/or their families, vendors, or any other persons or entities other than Hoag is strictly prohibited.

- In order to avoid any potential conflicts of interest, gifts, gratuities, entertainment, or anything of value offered by a vendor intended to influence a decision making process related to the purchase, lease or rental of any items or service, or the gain of patient referrals shall not be accepted.
- See the "Gifts and Entertainment" policy for further guidance.

### Gifts Influencing Decision Making

At no time shall an employee knowingly accept anything of value (including gifts, gratuities or entertainment) from any party that is intended to influence a decision making process related to their job responsibilities. Any gift intended to induce or reward referrals or result in the purchase of goods or services is prohibited, regardless of value. Employees are not permitted to solicit or accept gifts, favors, services, entertainment or other things of value to the extent that decision making or actions related to their job responsibilities might be influenced. Also, 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, physician, government official or other person by the hospital is strictly prohibited. Any such conduct must be reported immediately to your supervisor, the Compliance Officer, Human Resources and/or the ComplianceLine hotline at **800-441-1727**.



## COMPLIANCE FOR ALL EMPLOYEES (CONTINUED)

### Business Inducements

We acknowledge that the entities with which we do business may be entitled to appropriate commissions, rebates, discounts and allowances. Any such payments must be approved and determined by Hoag to be customary and acceptable and not an illegal or unethical payment. Such payments must be reasonable in value. Offering, giving, soliciting or receiving any form of bribe or other improper payment is prohibited.

Hoag may be entitled to rebates, discounts and allowances from the entities with which it does business. All such rebates, discounts and allowances must be approved by management as being customary and acceptable and not an illegal or unethical payment.

In addition, we may provide gifts, entertainment and meals to Hoag's customers, current and prospective business partners and other persons when such activities have a legitimate business purpose, are reasonable, and consistent with all applicable laws.

If you have a question or concern regarding whether a specific gift or type of entertainment has a legitimate business purpose and is reasonable and consistent with all applicable laws, please contact your supervisor or the Compliance Office.

### Political Activities and Contributions

It is important to separate personal and corporate political activities in order to comply with rules and regulations relating to political activities. Employees may, of course, participate in the political process on their own time and at their own expense. While doing so, it is important not to give the impression they are speaking on behalf of or representing Hoag in these activities. Employees cannot seek to be reimbursed by the hospital for any personal contribution for such purposes.

Employees are not permitted to make any agreements to contribute money, property or services of any officer or associate at Hoag's expense. Hoag's political participation is limited by law. Hoag expects each of its employees to refrain from engaging in activity that may jeopardize the tax-exempt status of the organization. The hospital's funds or resources are not to be used to contribute to political campaigns or for gifts or payments to any political party or any of the affiliated organizations. Such resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of the hospital's property for use in the political campaign. At no time shall an employee utilize Hoag letterhead stationery or hospital e-mail to send out political campaign messages.

### Excluded Persons and Entities

It is the policy of Hoag not to contract with, employ, or bill for services rendered by an individual or entity that is excluded or ineligible to participate in federal healthcare programs; suspended or debarred from federal government contracts; or has been convicted of a criminal offense related to the provision of healthcare items or services and has not yet been reinstated in a federal healthcare program. These individuals, companies, or groups are not eligible to do business with or be employed by Hoag. Only upon reinstatement by the governing agency can a business relationship be considered. Furthermore, current employees, vendors, volunteers and credentialed practitioners at one or more of Hoag's facilities are required to report to the hospital immediately if they become excluded, debarred, or ineligible to participate in federal healthcare programs or have been convicted of a criminal offense related to the provision of healthcare items or services. Please refer to employing sanction individuals, vendor sanction, and/or medical staff sanction policies for further guidance.

## USING THE COMPLIANCE PROGRAM

### Our Code of Conduct

Hoag has established a Compliance Program, led by the Compliance Officer, as appointed by the Hoag Executive Leadership Team and Board of Directors. The Compliance Program contains this Code of Conduct which outlines the appropriate behavior for all employees. This Code is the heart of our Program and will assist employees in carrying out their daily activities within appropriate moral, ethical, and legal standards. It is not intended to cover every situation, but is intended to help employees make the right decisions and/or ask the right questions. This Code and associated policies also apply to Hoag's relationships with our subcontractors, independent contractors, vendors, and consultants.

### Duty to Know and Understand

It is the duty of all employees and relevant third parties to know and understand the ethical standards, legal standards, and company policies applicable in performing their daily tasks. Hoag's Compliance Program is designed to assist all employees to know and understand these ethical and legal standards through training and communication.

### Duty to Comply

It is the duty of all employees to comply with applicable laws, rules, regulations, and the Code. Failure to do so may subject employees to disciplinary action.

### Duty to Report Actual or Suspected Violations

Employees must report to their immediate supervisor, a member of management or the Compliance Officer, actual or suspected violations by employees of applicable law, rules, regulations, or the Code. Employees have the same reporting obligations for actual or suspected violations committed by a physician, subcontractor or vendor of Hoag. Hoag provides multiple reporting lines to ensure that employees are comfortable with whom they communicate compliance issues.

### Duty to Respond to Government Investigations, Inquiries, or Subpoenas

Employees shall notify the Compliance Office immediately upon the receipt (at work or at home) of any inquiry, search warrant, subpoena, or other agency or government request for information regarding Hoag business operations or a matter related to a Hoag patient. Employees have the right to request that any government inquiry or interview be postponed until the employee has the opportunity to consult with the Compliance Officer or legal counsel.

Employees shall not destroy or alter Hoag information or documents in anticipation of, or in response to, a request for documents by any applicable governmental agency or from a court of competent jurisdiction. In the event of an investigation there should be a hold on destruction of records.

### Resources for Guidance and Reporting Concerns

To obtain guidance on a compliance issue or to report a concern, individuals may choose from several options. Hoag encourages the resolution of issues, including human resources related issues (e.g., payroll, fair treatment and disciplinary issues), through the proper channels.

Hoag makes every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports concerns or possible misconduct. Consistent with our Core Values there is a non-retaliation policy protecting anyone who reports a concern in good faith.

When you believe there may be a problem or have a problem:

- You may contact the Compliance Office at 949-764-4427 or email at [CorporateCompliance@hoag.org](mailto:CorporateCompliance@hoag.org).
- Call the Hoag ComplianceLine at **800-441-1727** (confidential and available 24 hours a day, 7 days a week)

## ACKNOWLEDGEMENT PROCESS

Hoag requires all employees to sign an acknowledgement confirming they have received the Code, understand it represents mandatory policies of the hospital and agree to abide by it. New employees are required to sign this acknowledgement as a condition of employment. Signed originals will be maintained in the

hospital's records. Each employee is also required to participate in annual compliance training. Adherence to and support of the Code of Conduct and participation in related activities and training is considered in decisions regarding hiring, promotion, and compensation for all candidates and employees.

## RECEIPT AND ACKNOWLEDGEMENT

I acknowledge that I have received my personal copy of Hoag's Code of Conduct. I understand that I am responsible for knowing and following it. I also understand that I am required to report any violations of the Code of Conduct to the appropriate management representative, Human Resources, the Compliance Office or ComplianceLine **800-441-1727**. I understand that a breach of the Code of Conduct is grounds for disciplinary action, which may include termination of my employment.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Department: \_\_\_\_\_

Date: \_\_\_\_\_











One Hoag Drive, Newport Beach, CA 92663  
[www.hoag.org](http://www.hoag.org)  
949-764-HOAG (4624)