

# EMHC Code of Conduct

## PURPOSE

*The mission of Elmhurst Memorial Healthcare is to enhance the health of the communities and customers it serves.*

This Code of Conduct provides Standards by which employees, trustees, professional staff and volunteers of Elmhurst Memorial Healthcare will conduct themselves in order to:

- protect and promote organization-wide integrity;
- comply with all laws applicable to the organization; and
- thereby enhance Elmhurst Memorial Healthcare's ability to achieve its declared mission, while maintaining its reputation for honesty and integrity.

## INTRODUCTION

This Code of Conduct applies to:

- employees and volunteers of EMHC and its affiliates;
- trustees of EMHC and any affiliate, in their roles as trustees;
- professional staff of Elmhurst Memorial Hospital, in connection with their activities at the hospital; and
- all other vendors of items or services in their relationships with EMHC;
- students, agency personnel and others when performing services at EMHC or any affiliate.

This Code of Conduct contains *Principles* communicating the policy of Elmhurst Memorial Healthcare and *Standards* that provide additional guidance to managers or administrators. These Principles will be distributed to all employees, trustees, professional staff and volunteers. All employees and volunteers are responsible to ensure that their behavior and activity is consistent with the Code of Conduct. Trustees and professional staff must abide by the Code of Conduct in their relationships with Elmhurst Memorial Healthcare. Elmhurst Memorial Healthcare employees and volunteers are expected to comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code of Conduct.

As used in this Code of Conduct, the term "EMHC" means Elmhurst Memorial Healthcare and each of its divisions, subsidiaries and operating or business units. The terms "professional staff," "trustee," "employee," and "volunteer" include any person who fills such a role or provides services on behalf of Elmhurst Memorial Healthcare or any of its divisions, subsidiaries, operating or business units. These professional staff,

trustees, employees and volunteers are sometimes collectively referred to as the “Associates.”

In carrying out their business and affairs in a manner consistent with EMHC’s mission, Associates have a responsibility to adhere to a high standard of individual and organizational ethical and legal business practices. The EMHC Code of Conduct is a practical extension of the EMHC mission. It more fully articulates EMHC expectations for how EMHC employees should conduct themselves to promote and protect the integrity of EMHC.

This plan contains six business and ethical Principles, each with a series of Standards developed by the Corporate Compliance Committee. The Principles define EMHC policy, while the Standards provide more specific guidance to EMHC Associates. EMHC expects EMHC Associates to conduct the business and affairs of EMHC in a manner consistent with the Principles and Standards contained in this Code of Conduct.

As you read the Principles and Standards, keep the following in mind:

- EMHC Corporate Compliance Committee may modify, amend, or alter the Code of Conduct without notice and will communicate changes as quickly as possible.
- Nothing in this document is intended as, nor should it be construed as, providing any additional employment rights to employees or other persons.
- EMHC employees may be subject to discipline according to EMHC Human Resources’ progressive discipline policy for violating the Code of Conduct.
- Disciplinary action will not be taken against an employee in retaliation for the good faith reporting of an instance of suspected non-compliance. No form of retaliation for good faith reporting will be tolerated. State and federal laws additionally provide protections for persons reporting, in good faith, instances of false claims, fraud and abuse.

This Code of Conduct covers a wide variety of circumstances and situations that you may find yourself in during the course of your work. Please review it carefully and use it as a reference whenever you have questions regarding appropriate business conduct. “Do’s” and “Don’ts” are provided to clarify which behaviors are appropriate or inappropriate under some of the Standards. If you still have questions or need guidance in applying the Code of Conduct, contact the EMHC Corporate Compliance Officer.

## **SUMMARY OF PRINCIPLES AND STANDARDS**

This is a summary of the six Principles that constitute the basis for EMHC Code of Conduct. Refer to the actual sections in the Code for more detail. **Under no**

**circumstances will EMHC tolerate any retaliation against an employee for good faith reporting of a suspected violation of these Principles.**

### **Principle 1 – Legal Compliance**

EMHC is committed to conducting all of its activities in compliance with applicable laws and regulations. These laws pertain to such areas as security and privacy of patient information, employment discrimination, self-referral prohibitions, fraud, abuse and false claims, lobbying and political activity, environmental, antitrust and tax.

### **Principle 2 – Business Practices**

EMHC is committed to the highest Standards of business ethics and integrity. EMHC Associates must represent EMHC accurately and honestly and must not engage in any activity intended to defraud anyone of money, property or services. Associates must act in good faith and in the best interest of EMHC.

### **Principle 3 – Confidentiality**

EMHC Associates must maintain the confidentiality of patient information and protect confidential and proprietary information about EMHC employees and the organization they serve.

### **Principle 4 – Conflicts of Interest**

EMHC Associates must not use their positions to profit personally or to assist others in profiting in any way at the expense of EMHC. All EMHC Associates are expected to conduct their activities and their relationships with others so as to avoid actual or perceived conflicts of interest. If they do have conflicts, EMHC Associates must make full disclosure and take appropriate action under the EMHC Conflict of Interest Policy.

### **Principle 5 – Business Relationships**

Business transactions with suppliers, contractors, vendors, and other third parties must be at arm's length. Business dealings must be free from offers or solicitation of gifts or favors that may constitute improper inducements, or that give the appearance of impropriety. All conduct by EMHC Associates must be in the best interest of EMHC.

### **Principle 6 – Protection of Assets**

EMHC associates must take all reasonable steps to preserve and protect EMHC assets by making prudent and effective use of EMHC resources, and properly and accurately reporting its financial condition. This principle includes following guidelines

on honoraria, internal controls and financial reporting, travel and entertainment, and personal use of corporate assets.

## **PRINCIPLES AND STANDARDS**

### **Principle 1 – Legal Compliance**

**EMHC shall strive to ensure all activity by or on behalf of EMHC is in compliance with applicable laws and regulations.**

The following Standards provide guidance to all EMHC Associates to assist in compliance with applicable laws and regulations. If questions regarding the existence of, interpretation or application of any law or regulation arise, they shall be directed to the EMHC Corporate Compliance Officer or the EMHC Department of Legal Affairs.

#### **Standard 1.1 – Medicare and Medicaid Fraud and Abuse and False Claims**

All EMHC Associates shall refrain from conduct that may violate the Medicare and Medicaid fraud and abuse and false claims laws and regulations.

##### ***DON'T***

- *Directly or indirectly solicit, receive, offer or pay remuneration in return for the referral of patients or the purchase, lease or order of a good or service (known as “kickbacks”);*
- *Submit false, fraudulent or misleading claims to any government entity or third party payor, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements;*
- *Make false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service;*
- *Submit duplicate bills for the same service.*

##### ***DO***

- *Ensure you understand legal requirements if you are involved in coding any service;*
- *Document on bills and patient charts accurately;*
- *Make changes or late entries to charts only according to proper documentation principles;*
- *Maximize reimbursement to EMHC only in ways you know to be legal and accurate.*

State and federal laws provide penalties for those submitting false claims and for instances of fraud and abuse, from fines, up to and including exclusion from state and federal healthcare programs. These laws additionally provide protections for

persons reporting, in good faith, instances of false claims, fraud and abuse. For information about these laws and reporting to the government, the following websites offer additional information:

[www.medicare.gov/FraudAbuse/HowToReport.asp](http://www.medicare.gov/FraudAbuse/HowToReport.asp), and  
[www.state.il.us/agency/oig/reportfraud.asp](http://www.state.il.us/agency/oig/reportfraud.asp).

For additional guidance, please refer to EMHC coding, billing and other documentation-related policies or seek assistance from the Department of Legal Affairs.

### **Standard 1.2 – Antitrust**

All associates must comply with applicable antitrust laws that regulate and promote competition.

#### ***DON'T***

- *Enter into agreements regarding or affecting prices, bid rigging, and collusion (including price or cost sharing) with competitors of EMHC;*
- *Participate in boycotts (including agreements with competitors to deal or not to deal with specific patients, payors or providers), exclusive dealing and price discrimination agreements against competitors, or vendors or purchasers;*
- *Use bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices;*
- *Share information or enter into agreements with competitors on wages to be paid to respective employees;*
- *Divide or allocate the market along product or service lines or geographically with competitors.*

#### ***DO***

- *Seek advice from the EMHC Department of Legal Affairs when confronted with business decisions involving a risk of violation of the antitrust laws.*

### **Standard 1.3 – Tax**

As a tax-exempt, not-for-profit entity, EMHC has a legal and ethical obligation to act in compliance with applicable laws and regulations, to engage in activities in furtherance of its charitable purpose, and to ensure that its resources are used in a manner which furthers the public good rather than the private or personal interests of any individual. Consequently, EMHC and its employees shall avoid compensation arrangements in excess of fair market value, shall accurately report payments to appropriate taxing authorities, shall file all tax and information returns in a manner consistent with applicable laws and regulations and shall avoid the appearance of

impropriety as well as actual impropriety. (See Principle 4: Conflicts and Dualities of Interest.)

***DON'T***

- *Provide free or discounted goods or services to those in a position to influence business to EMHC.*
- *Pay more than fair market value to a person in a position of influence.*

***DO***

- *Pay fair market value for all services to EMHC, regardless of who is providing the service.*

**Standard 1.4 – Lobbying or Political Activity**

EMHC expects each of its employees to refrain from engaging in activities that may jeopardize the tax-exempt status of the organization, including certain lobbying and political activities. EMHC may choose to participate in certain lobbying efforts, as long as a substantial portion of its assets (as defined by federal guidelines or regulations) is not used for this effort.

***DON'T***

- *Contribute any money, property, or services at EMHC expense to any political candidate, party, organization, committee or individual.*
- *Attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit.*

***DO***

- *Personally participate in and contribute to political organizations or campaigns of your choice as an individual, but not as a representative of EMHC, using your own funds and resources.*
- *Offer recommendations through testimony or otherwise concerning legislation or regulations being considered, where your experience may be helpful.*
- *Analyze and take public positions on issues that have a relationship to the operations of EMHC when EMHC experience contributes to the understanding of such issues.*
- *Conduct all contacts and dealings with governmental bodies and officials in an honest and ethical manner.*

- *Immediately report to the Department of Legal Affairs a request or demand by any governmental representative for any improper benefit.*

### **Standard 1.5 – Discrimination**

EMHC believes that the fair and equitable treatment of employees, customers and other persons is critical to fulfilling its vision and goals. To further this policy, EMHC shall treat customers without regard to the race, color, religion, sex, national origin, creed, age, sexual orientation, marital status, public assistance or disability of such person, or any other classification prohibited by law or regulation.

Further, EMHC shall recruit, hire, train, promote, assign, transfer, layoff, recall and terminate employees based on their own ability, achievement, experience and conduct without regard to race, color, religion, sex, ethnic origin, creed, age, sexual orientation, marital status, public assistance or disability, or any other classification prohibited by law or regulation. Pre-employment screening will be conducted fairly and without improperly discriminating against any individual.

In addition, no form of harassment or discrimination on the basis of race, color, religion, sex, national origin, creed, age, sexual orientation, marital status, public assistance or disability or any other classification prohibited by law or regulation will be permitted. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable Human Resource policies and procedures.

#### ***DON'T:***

- *Treat patients or other Associates unfairly or with disrespect because of their race, religion, nationality or other prohibited criteria.*

#### ***DO:***

- *Report discriminatory acts as provided in Human Resources policies.*
- *Treat all other Associates fairly and with respect.*

### **Standard 1.6 – Environmental**

EMHC shall manage and operate its business in a manner that complies with all applicable laws and regulations that apply to maintaining a safe environment, both internally and externally. These include safely disposing of medical waste, and reporting and correcting conditions that may affect the safety of patients, visitors or Associates. EMHC Associates must support a drug-free, smoke-free environment.

### **Standard 1.7 – Privacy and Security of Patient Information**

State law, the Health Insurance Portability and Accountability Act (HIPAA) and regulations and basic principles of patient confidentiality govern the manner in which EMHC uses and discloses confidential patient information for purposes of treatment, payment and operations. EMHC will use and disclose patient information only as permitted by HIPAA and Illinois law, including when the patient or the patient's representative properly authorizes disclosure. (See Standard 3.1 for additional discussion.)

## **Principle 2 - Business Practices**

**In furtherance of EMHC's commitment to the highest Standards of business ethics and integrity, associates will accurately and honestly represent EMHC and will not engage in any activity or scheme intended to defraud anyone of money, property or honest services and at all times shall act in good faith and in the best interests of EMHC.**

The Standards set forth below are designed to provide guidance to ensure that EMHC business activities reflect high Standards of business ethics and integrity. Employee conduct not specifically addressed by these Standards must be consistent with Principle 2. Questions regarding business practices shall be addressed to the Corporate Compliance Officer.

### **Standard 2.1 - Honest Communication**

EMHC requires candor and honesty from individuals in the performance of their responsibilities and in communication with EMHC employees, attorneys, auditors and outside consultants. No Associate shall make false or misleading statements to any customer, person or entity doing business with EMHC.

#### ***DON'T***

- *Try to cover mistakes by giving false or misleading information*
- *Exaggerate or misstate facts in order to increase reimbursement or other rewards to you or to EMHC.*

#### ***DO***

- *Report patient care mistakes whether or not they result in injury to the patient.*
- *Report errors as soon as you become aware of them so that they may be corrected early.*

### **Standard 2.2 – Misappropriation or Inappropriate Disclosure of Proprietary Information**

EMHC Associates shall not misappropriate or misuse confidential or proprietary information or use any publication, document, computer program, information or product

in violation of a third party's interest in such product. All EMHC employees are responsible to ensure they do not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Employees shall not use confidential business information obtained from competitors, including customer lists, price lists, contracts or other information in violation of a covenant not to compete, prior employment agreements, or in any other manner likely to provide an unfair competitive advantage to EMHC. (See Principle 4: Conflicts and Dualities of Interest.)

### ***DON'T***

- *Use your access to data improperly by seeking information you do not need in order to perform your job.*
- *Use information you know because of your position for purposes not related to your job duties.*
- *Copy EMHC software programs for home or other personal use.*

### ***DO***

- *Consistently and strictly protect confidential information you see while performing your job.*
- *Avoid accidental or inadvertent disclosure of confidential information by keeping it protected and secure to the best of your ability.*

### **Standard 2.3 – Harassment**

EMHC supports the principle that all people should be able to seek, obtain and hold employment without being subject to harassment based on such legally protected status as sex, race, color, gender, age, disability, religion or national origin. It is and has been the policy of EMHC to provide a work environment free of such harassment.

Sexual harassment is an area of particular concern. It is against EMHC policy for any EMHC employees, male or female, to sexually harass an applicant or other EMHC employee by:

- making submission to unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexual nature a condition of employment;
- making submission to or rejection of such conduct the basis for employment decisions; or
- creating an intimidating, hostile or offensive working environment by such conduct.

Sexual harassment does not include occasional compliments or voluntary relationships. Some behavior that is appropriate in a social setting may not ever be appropriate in a work environment, even if it is voluntary, and it shall not be tolerated.

Prohibited harassment may take different forms. One specific form of sexual harassment is the demand for sexual favors. Other forms of harassment include such things as suggestive comments, derogatory statements or jokes about sex, age, religion, national origin, disability or sexual orientation, obscene gestures or pictures, and unwanted physical contact, including touching and pinching.

Whatever form it takes, verbal, non-verbal, physical, or non-physical, all types of prohibited harassment are insulting and demeaning to the recipient and such conduct by any EMHC employees shall not be tolerated. All EMHC employees are expected to comply with this policy (and Human Resources Policy 49, Harassment in the Workplace) and to take appropriate measures to ensure that such conduct does not occur.

Any EMHC employee who believes he or she has been the subject of harassment or who has observed harassment prohibited by the foregoing or Human Resources Policy 49, Harassment in the Workplace, shall report the matter immediately to his or her manager or the Human Resources Department and consult Human Resources Policy 49 for further information as to the process for handling his or her complaint of harassment.

#### ***DON'T***

- *Use a position of authority to intimidate others.*
- *Touch anyone in a sexual manner in the workplace*
- *Touch anyone who does not want to be touched, whether or not you consider the manner of touching to be sexual or otherwise improper.*
- *Use profanity in the workplace.*

#### ***DO***

- *Treat others with respect at all times.*
- *Discuss with co-workers the effect your behavior may have on them.*
- *Tell others when their behavior is offensive to you or makes you feel uncomfortable.*

#### **Standard 2.4 - Disruptive Conduct**

Any EMHC employee who exhibits unprofessional conduct of any kind, including but not limited to disruptive, discourteous or abusive behavior, verbal or physical threats, attempted or actual assault, or sexual harassment, to EMHC customers or employees will be asked to justify his or her actions to the Director of Human Resources.

EMHC reserves the right to impose appropriate disciplinary action for any behavior it considers to be disruptive and/or inappropriate. The circumstances of each situation may differ, and the level of discipline may change depending on the factors

such as the nature of the offense, whether it is repeated, the individual EMHC employee's record and the impact of the conduct on EMHC and its employees.

Discipline can include such actions as verbal counseling, written warning, suspension, demotion, and/or termination. While insubordination, excessive absenteeism, and violation of policies are obvious examples of unacceptable conduct, no policy can describe all of the types of behavior that could result in discipline. Therefore, EMHC expects each employee to use common sense and good judgment, and will hold all EMHC employees to the highest Standards of conduct, etiquette, and professionalism in all of their employment-related dealings with patients, customers, vendors and other EMHC personnel. For further information on the EMHC expectations of employees, please refer to the EMHC Human Resources Policy Manual.

Disruptive or unprofessional conduct by professional staff will be subject to disciplinary action under the Medical Staff Bylaws.

### **Principle 3 - Confidentiality**

**EMHC associates shall strive to maintain the confidentiality of patient and other confidential information in accordance with applicable legal and ethical Standards.**

EMHC and its associates are in possession of and have access to a broad variety of confidential, sensitive and proprietary information, the inappropriate release of which could be injurious to individuals, EMHC business associates and EMHC itself. Every EMHC associate has an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

#### **Standard 3.1 - Patient Information**

All EMHC associates have an obligation to conduct themselves in accordance with the principle of maintaining the confidentiality and security of patient information in accordance with all applicable laws and regulations, including HIPAA and Illinois law (see Standard 1.7). Associates shall refrain from revealing any personal or confidential information concerning patients unless supported by legitimate business or patient care purposes, or authorized by the patient or patient's legal representative. Employees who access patient information improperly will be disciplined. Intentional disclosure of confidential patient information may be grounds for termination pursuant to Human Resource policies and procedures. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should seek guidance from the EMHC Department of Legal Affairs.

#### ***DON'T***

- *Seek access to information you do not need to know to do your job.*

- *Disclose patient information to anyone who is not authorized by the patient or the patient's legal representative to have the information, except to an EMHC Associate who needs the information for treatment, payment or hospital operations.*
- *Talk about patient diagnosis or treatment in elevators, cafeteria, hallways, or other places where members of the public may overhear.*

**DO**

- *Seek privacy when discussing a patient's condition.*
- *Tactfully and discreetly remind others to protect patient privacy if you overhear inappropriate conversations in public areas.*
- *Access information on the computer or elsewhere only if you need it to perform your job.*
- *Seek privacy when working on a computer so that others cannot easily see the computer screen.*
- *Carefully dispose of documents containing patient information in a manner that assures continued privacy of the information.*

**Standard 3.2 - Proprietary Information**

Information, ideas and intellectual property assets of EMHC are important to organizational success. Information pertaining to EMHC's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with employees or third parties should be protected and shared only with employees having a legitimate need to know such information in order to perform their job responsibilities.

**DON'T**

- *Share confidential business information regarding EMHC or its finances with anyone outside your job, especially not with vendors or competitors who would use it for competitive advantage.*

**DO**

- *Exercise care to ensure that intellectual property rights, including patents, trademarks, copyrights and software are carefully maintained and managed to preserve and protect their value.*

**Standard 3.3 - Employees Actions/Decisions**

Salary, benefit and other personal information relating to employees shall be treated as confidential. Employee files, payroll information, disciplinary matters and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws and regulations. Employees should exercise due care

to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

### ***DON'T***

- *Share information that you learn in your job with other employees unless they need the information for their own job functions.*
- *Seek information about other employees out of curiosity.*
- *Share your system logon name and password with others.*

### ***DO***

- *Access only the information you need.*
- *Keep your own salary and other personal information to yourself.*

## **Principle 4 - Conflicts and Dualities of Interest**

**Directors, officers, committee members and key employees owe a duty of undivided and unqualified loyalty to the organization. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of the organization.**

EMHC associates shall fully disclose to their superiors any actual or potential conflict of interest. EMHC associates shall regulate their activities to avoid actual impropriety and/or the appearance of impropriety that might arise from the influence of those activities on business decisions of EMHC, or from disclosure or private use of business affairs or plans of EMHC. Please refer to the Conflict of Interest Policy for further guidance.

### **4.1 - Outside Financial Interests**

While not all inclusive, the following will serve as a guide to the types of activities by any employee, or immediate family member of such person, which might cause conflicts of interest:

1. Ownership or Employment Interests. Ownership in or employment by any outside concern that does business with EMHC. This does not apply to stock or other investments held in a publicly held corporation, *provided* the value of the stock or other investments does not exceed 5% of the corporation's stock. EMHC may, following a review of the relevant facts, permit ownership interests that exceed these amounts if management concludes such ownership interests will not adversely impact EMHC's business interest or the judgment of the employee.
2. Conduct of Outside Business. Conduct of any business not on behalf of EMHC with any vendor, supplier, contractor, or agency, or any of their officers or employees.

3. Interested Transactions. Representation of EMHC in any transaction in which the person or an immediate family member has a substantial personal interest.
4. Use of Proprietary Information. Disclosure or use of confidential, special, or inside information of or about EMHC, particularly for personal profit or advantage of any employee or his or her immediate family member.
5. Competition for Opportunities. Competition with EMHC by any employee, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests, or business investment opportunities.
6. Non-Financial Interests. Involvement in the management or oversight of any outside concern that does business or competes with the services offered by EMHC, which may divide the EMHC employee's loyalty to EMHC.
7. Appearance of Impropriety. Public disclosures by any EMHC employee of personal views with regard to EMHC matters that could be construed to be statements made in his or her capacity as a representative of EMHC.

#### **Standard 4.2 - Services for Competitors/Vendors**

No EMHC employee shall perform work or render services for any competitor of EMHC or for any organization with which EMHC does business or which seeks to do business with EMHC outside of the normal course of his/her employment with EMHC without the approval of his or her supervisor. Nor shall any such employee be a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization without his/her supervisor's prior knowledge and approval. Supervisors have the right to ask employees about their other jobs and business ventures in order to determine whether actual or potential conflicts exist.

#### ***DON'T***

- *Make decisions at EMHC that will benefit you financially in an outside position.*
- *Disclose information you learn at EMHC to benefit another company or competitor, unless approved by your supervisor.*

#### ***DO***

- *Discuss potential conflicts of interest with your supervisor and seek approval or arrive at an understanding about how to handle the situation in the future.*
- *Ask for guidance from your supervisor or the Corporate Compliance Officer if you are unsure whether a conflict of interest exists.*

### **Standard 4.3 - Participation on Outside Boards of Directors/Trustees**

EMHC employees are encouraged to participate actively in the civic and social affairs of their communities. This participation may include serving on the boards of directors/trustees of various civic or charitable organizations. When serving on such boards, EMHC employees should observe the following Standards:

1. Each employee must obtain approval from his/her supervisor prior to serving as a member of the Board of Directors or Trustee of any organization whose interests may conflict with those of EMHC.
2. Each employee who is asked, or seeks to serve on the Board of Directors/Trustees of any organization whose interest would not impact EMHC will not be required to obtain such approval.
3. All fees/compensation (other than reimbursement for expenses arising from board participation) that are received for board services provided during normal work time shall be paid directly to EMHC unless the employee used his/her time off to perform the services.
4. Each employee must disclose all Board of Directors/Trustees activities in the annual Conflict of Interest disclosure statement, if required to complete such statement. If not, these activities should be reported to the employee's supervisor.
5. EMHC retains the right to prohibit membership on any Board of Directors/Trustees where such membership might conflict with the best interest of EMHC.
6. Questions regarding whether or not board participation might present a conflict of interest should be discussed with an employee's supervisor.

### **Standard 4.4 - Honoraria**

Employees are, with the permission of their supervisor, encouraged to participate as faculty and speakers at educational programs and functions. Any honoraria in excess of Five Hundred Dollars (\$500) shall be turned over to EMHC *unless* the employee used his/her time off to attend the program or that portion of the program for which the honoraria is paid.

### **Principle 5 - Business Relationships**

**Business transactions with vendors, contractors and other third parties shall be at arms' length and transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.**

The Standards set forth below are intended to guide employees in determining the appropriateness of the listed activities or behaviors within the context of EMHC business relationships, including relationships with vendors, providers, contractors, third party payors and government entities. This policy shall be construed broadly to avoid even the appearance of improper activity. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, you should contact the Corporate Compliance Officer. Above all, employees should use common sense and good judgment in accepting or refusing gifts, gratuities and other inducements offered to or by EMHC vendors, contractors and customers.

### **Standard 5.1 - Gifts and Gratuities**

It is EMHC's desire to at all times preserve and protect its reputation and to avoid both actual impropriety and the appearance of impropriety. Consequently, the following Standards are designed to cover a wide variety of situations EMHC employees may encounter related to gifts, gratuities and other inducements.

1. Gifts from Patients or Customers. Employees are prohibited from *soliciting* tips, personal gratuities or gifts from patients and customers and from accepting gifts of more than nominal value. Monetary tips and gratuities should never be accepted. If a patient or another individual wishes to present any monetary gift, he/she should be referred to the Development Department.
2. Gifts Influencing Decision-making. Employees shall not accept gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting EMHC might be influenced, or appear to be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision making process of any purchaser, supplier, customer, government official or other person by any EMHC employee is absolutely prohibited. Any such conduct must be reported immediately either to the Corporate Compliance Officer or the General Counsel.
3. Gifts From Existing Vendors. Employees may retain non-monetary gifts from vendors that have a nominal value. (EMHC has made no attempt to define "nominal" as a specific dollar value. Rather, EMHC expects its employees to exercise good judgment and discretion in accepting gifts). If an employee has any concern whether a gift should be accepted, the employee should consult with his/her supervisor. To the extent possible, these gifts should be shared with the employees' co-workers. Employees shall not accept excessive gifts, meals, expensive entertainment or other offers of goods or services which have more than a nominal value nor may they solicit gifts from vendors, suppliers, contractors or other persons.
4. Vendor Sponsored Entertainment. At a vendor's invitation, an employee may accept meals or refreshments at the vendor's expense. Occasional

attendance at a local theater or sporting event, or similar entertainment at vendor expense may also be accepted. In most circumstances, a regular business representative of the vendor should be in attendance with the employee.

5. Special Guidance for Relationships with Pharmaceutical Representatives. The Office of the Inspector General of the Department of Health and Human Services recommends compliance with the Pharmaceutical Research and Manufacturers of America (PhRMA) Code for dealings with pharmaceutical companies. The Code states: " Informational presentations and discussions by industry representatives and others speaking on behalf of a company provide valuable scientific and educational benefits. In connection with such presentations or discussions, occasional meals (but no entertainment/recreational events) may be offered so long as they: (a) are modest as judged by local standards; and (b) occur in a venue and manner conducive to informational communication and provide scientific or educational value. Inclusion of a healthcare professional's spouse or other guests is not appropriate. Offering "take-out" meals or meals to be eaten without a company representative being present (such as "dine & dash" programs) is not appropriate."

Nothing in this policy shall prohibit a business unit or supervisor from establishing stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors.

#### **Standard 5.2 - Workshops, seminars and training sessions**

Attendance at local, vendor-sponsored workshops, seminars and training sessions is permitted. Attendance, at vendor expense, at out of town seminars, workshops and training sessions is permitted only with the approval of an employee's supervisor.

#### **Standard 5.3 - Contracting**

All business relations with contractors must be conducted at arm's length both in fact and in appearance and in compliance with EMHC policies and procedures. Employees must disclose personal relationships and business activities with contractor employees who may be construed by an impartial observer as influencing the employees' performance or duties. Employees have a responsibility to obtain clarification from management on questionable issues and to comply, where applicable, with the EMHC conflict of interest policy.

#### ***DON'T***

- *Do special favors for certain vendors because of friendships or other personal relationships.*
- *Hide or fail to disclose significant personal relationships with vendor employees.*

## **DO**

- *Tell your supervisor about any friendships or personal relationships with vendor personnel.*
- *Deal with vendors equally and fairly without regard to personal relationships.*
- *Involve disinterested decision-makers in the evaluation of vendors with whom you have a personal relationship outside the workplace.*

## **Standard 5.4 - Business Inducements**

EMHC employees shall not seek to gain any advantage through the improper use of payments, business courtesies or other inducements. Offering, giving, soliciting or receiving any form of bribe or other improper payment is prohibited.

Appropriate commissions, rebates, discounts and allowances are customary and acceptable business inducements provided that EMHC management approves them and that they do not constitute illegal or unethical payments. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to which the original agreement or invoice was made or issued. Such payments should not be made to individual employees or agents of business entities. In addition, employees may provide gifts, entertainment and meals of nominal value to EMHC 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.

## **DON'T**

- *Accept or solicit money or anything of value as a bribe for your business.*
- *Report credits or rebates on any service other than the service responsible for earning the credit or rebate.*
- *Accept any discount or rebate intended for your own personal use, and not for EMHC.*

## **DO**

- *Report all product discounts and rebates as required on Medicare cost reports.*
- *Accurately and specifically report discounts or rebates.*

## **Principle 6 - Protection of Assets**

**All employees will strive to preserve and protect the corporation's assets by making prudent and effective use of EMHC resources and properly and accurately reporting its financial condition.**

The Standards set forth below shall guide employees by articulating EMHC expectations as they relate to activities or behaviors that may impact EMHC financial health or that reflect a reasonable and appropriate use of the assets of a not-for-profit entity.

### **Standard 6.1 - Internal Control**

EMHC has established control Standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. All employees of EMHC share the responsibility for maintaining and complying with required internal controls.

### **Standard 6.2 - Financial Reporting**

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the EMHC policy and may be in violation of applicable laws or regulations. An employee who intentionally falsifies any financial report is subject to disciplinary action, which may include termination.

### **Standard 6.3 - Travel and Entertainment**

Travel and entertainment expenses should be consistent with the employees' job responsibility and the organization's needs and resources. It is EMHC policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Employees are expected to exercise reasonable judgement in the use of EMHC assets and to spend the organization's assets as carefully as they would spend their own. Employees must also comply with EMHC Human Resource and Administrative policies relating to travel and entertainment expense.

### **Standard 6.4 – Billing**

EMHC is committed to implementing billing practices that comply with all federal and state laws, regulations, guidelines, and policies. EMHC shall follow policies and procedures that ensuring its billing practices reflect and reinforce current federal and state laws regarding the submission of claims.

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

All employees are expected to refrain from converting assets of the organization to personal use. All property and business of the organization shall be conducted in the manner designed to further EMHC interest rather than the personal interest of an individual employee. Employees are prohibited from the unauthorized use or taking of EMHC equipment, supplies, materials or services. Prior to engaging in any activity on company time which will result in remuneration to the employee or the use of EMHC equipment, supplies, materials or services for personal or non-work related purposes, employees shall obtain the approval of the appropriate business unit or other management.

## **ADMINISTRATION AND APPLICATION OF THIS CODE OF CONDUCT**

EMHC expects each Associate to abide by the Principles and Standards set forth in this Code of Conduct and to conduct the business and affairs of EMHC in a manner consistent with this Code and with EMHC policies and procedures.

Failure to abide by this Code of Conduct may lead to disciplinary action. For alleged violations of this Code of Conduct, EMHC will weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of this Code of Conduct, the egregiousness of the behavior, the employee's history with the organization and other factors which EMHC deems relevant. Discipline for failure to abide by the Code of Conduct may, in EMHC's discretion, range from verbal correction to termination.

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

While EMHC will generally attempt to communicate changes to this Code of Conduct promptly, EMHC reserves the right to modify, amend or alter this Code of Conduct without notice to any employee or other Associate.

## **SUMMARY OF PRINCIPLES AND STANDARDS**

This is a summary of the six Principles that constitute the basis for EMHC Code of Conduct. Refer to the actual sections in the Code for more detail. **Under no circumstances will EMHC tolerate any retaliation against an employee for good faith reporting of a suspected violation of these Principles.**

### **Principle 1 – Legal Compliance**

EMHC is committed to conduct all of its activities in compliance with applicable laws and regulations. These laws pertain to such areas as security and privacy of patient information, employment discrimination, self-referral prohibitions, fraud, abuse and false claims, lobbying and political activity, environmental, antitrust and tax.

### **Principle 2 – Business Practices**

EMHC is committed to the highest Standards of business ethics and integrity. EMHC Associates must represent EMHC accurately and honestly and must not engage in any activity intended to defraud anyone of money, property or services. Associates must act in good faith and in the best interest of EMHC.

### **Principle 3 – Confidentiality**

EMHC Associates must maintain the confidentiality of patient information and protect confidential and proprietary information about EMHC employees and the organization they serve.

### **Principle 4 – Conflicts of Interest**

EMHC Associates must not use their positions to profit personally or to assist others in profiting in any way at the expense of EMHC. All EMHC Associates are expected to conduct their activities and their relationships with others so as to avoid actual or perceived conflicts of interest. If they do have conflicts, EMHC Associates must make full disclosure and take appropriate action under the EMHC Conflict of Interest Policy.

### **Principle 5 – Business Relationships**

Business transactions with suppliers, contractors, vendors, and other third parties must be at arm's length. Business dealings must be free from offers or solicitation of gifts or favors that may constitute improper inducements, or that give the appearance of impropriety. All conduct by EMHC Associates must be in the best interest of EMHC.

### **Principle 6 – Protection of Assets**

EMHC employees must take all reasonable steps to preserve and protect EMHC assets by making prudent and effective use of EMHC resources, and properly and accurately reporting its financial condition. This principle includes following guidelines on honoraria, internal controls and financial reporting, travel and entertainment, and personal use of corporate assets.