
 EAST ALABAMA MEDICAL CENTER	<b>POLICIES AND PROCEDURES</b>		<b>PAGE 1 of 14</b>
 EAMC-LANIER	<b>ISSUED:</b> 3/99	<b>REVISED:</b> 9/16, 10/18, 10/20	
<b>SUBJECT:</b> Corporate Compliance Policy and Standards of Conduct	<b>REVIEWED:</b> 1/06, 4/09, 3/12, 1/13, 10/19, 10/21 Policy and Procedure Committee		
<b>DIVISION:</b> Administration	<b>APPROVED:</b> Roben Casey, VP, General Counsel/Compliance Officer		

## CORPORATE COMPLIANCE POLICY

1. It is the policy of East Alabama Medical Center (“EAMC”), EAMC-Lanier and its affiliated entities (hereinafter referred to as "EAMC") to comply with all applicable federal, state and local laws and regulations, both civil and criminal, as well as those pertaining to the tax-exempt status of EAMC. As used in this Corporate Compliance Policy (the “Policy”) and in the Standards of Conduct, the term “EAMC” or “EAMC-Lanier” means The East Alabama Health Care Authority and as appropriate each of its divisions, subsidiaries, affiliated entities, and operating or business units.
2. In addition to complying with the law, it is also the policy of EAMC to comply with this Policy, Standards of Conduct and the other specific policies and procedures of EAMC which are adopted from time to time by the Board, the President or the Compliance Committee.
3. No employee, agent or medical staff appointee of EAMC has any authority to act contrary to the provisions of applicable laws, these standards of conduct, EAMC’s policies and procedures or to authorize, direct or condone violations by any other employee, agent or medical staff appointee.
4. Any employee, agent or medical staff appointee of EAMC who has knowledge of activities that they believe may violate the law has an obligation, promptly after learning of such activities, to report the matter to his or her immediate supervisor, director, vice president, President, the Compliance Officer, the Compliance Hotline at 334-528-1441, or the Compliance Report Form on Sharepoint, EAMC’s intranet. Reports may be made anonymously, and employees, agents and medical staff will not be penalized for reporting suspected violations that he or she reasonably believes to be true. However, failure to report known violations, failure to detect violations due to negligence or reckless conduct or making false reports shall be grounds for disciplinary action, including employment or contract termination. Any reports of harassment or other workplace-related problems shall be referred to Human Resources.
5. EAMC will take steps to communicate its policies and procedures to all employees by requiring participation in training programs and by disseminating information that explains in a practical manner what is required. EAMC takes steps to disseminate this policy, Standards of Conduct and

Acknowledgment of Receipt of this Policy to employees, medical staff and agents as well as policies specific to the employees', medical staff members' and agents' area of responsibility.

6. EAMC will take steps to achieve compliance with its Standards of Conduct and prevent fraud and abuse by utilizing monitoring and auditing systems reasonably designed to detect misconduct by its employees, medical staff appointees and agents and by having in place and publicizing a reporting system whereby employees, medical staff and other agents can report misconduct by others within the organization without fear of retribution.
7. This Policy will be consistently enforced through appropriate disciplinary mechanisms, including, as appropriate, discipline of individuals responsible for the intentional failure to detect and/or report violations. The appropriate form of discipline will be case-specific and may include termination.
8. After a violation has been detected, EAMC will take all reasonable steps to respond appropriately, correct the violation, take appropriate disciplinary measures to prevent further similar violations, including any necessary modifications to its program and policies to prevent and detect violations.
9. The Board reserves the right to change, modify, or waive all provisions herein. If any employee, agent, medical staff appointee has a question concerning a particular provision contained herein or concerning any practice not addressed in this document, he or she should consult with the Compliance Officer.
10. This Policy is not intended to set forth all of the programs and practices of EAMC that are designed to achieve compliance. EAMC maintains various compliance policies and practices and those policies and practices continue to be a part of our overall compliance effort.

## **STANDARDS OF CONDUCT**

### **1. INTRODUCTION**

This Policy summarizes EAMC's standards of conduct for compliance with legal and ethical business practices. EAMC requires strict adherence to the letter and spirit of all laws applicable to the conduct of our business and demands high standards of integrity and sound ethical judgment from employees, agents and medical staff appointees. The policies and procedures set forth herein must continue to govern the conduct of every aspect of the business of EAMC.

EAMC acknowledges that this Policy cannot cover every situation confronting EAMC employees, medical staff appointees and agents in the day-to-day conduct of our many activities. When confronted with a compliance issue, we rely on the individual judgment and personal ethical and moral standards of each employee, medical staff and agent to maintain EAMC's standard of honesty and integrity in the conduct of its business.

### **1. GENERAL POLICY**

It is EAMC's policy to observe and comply with all laws, rules and regulations applicable to the conduct of its business in all counties in which it operates and to require all EAMC personnel, medical staff and agents to avoid any activities which could involve or lead to the involvement of EAMC or its personnel in any unlawful or unethical practice. The employment of EAMC personnel or the use of EAMC assets for any unlawful purpose is strictly forbidden. In addition, EAMC is committed to the achievement, for itself and its personnel, of high standards of business and personal ethics so that EAMC and all of its employees will merit

and rightfully enjoy the respect and esteem of the public, the healthcare community, patients, suppliers, and governmental and regulatory authorities.

It is the personal responsibility of all employees, medical staff appointees and agents to acquaint and familiarize themselves with the policies, procedures, legal standards and restrictions applicable to their assigned duties and responsibilities and to conduct themselves accordingly.

EAMC will, of course, exercise its lawful right to appropriately inform and advise legislators and regulatory authorities of its views with respect to proposed legislation and rulemaking and will contest in the courts arbitrary and unreasonable regulations or legal interpretations. The responsible exercise of these rights does not in any way compromise EAMC's basic commitment to a policy of adherence to the law.

Over and above the strictly legal aspects involved, all EAMC personnel, medical staff and agents are expected to observe high standards of business and personal ethics in the discharge of their assigned responsibilities. Simply stated, this requires the practice of honesty and integrity in every aspect of dealing with other employees, the public, patients, the healthcare community, suppliers, and governmental and regulatory authorities. It also requires discretion in any relationship with persons or firms with whom EAMC transact or is likely to transact business, and the avoidance of the disclosure of information secured in the course of EAMC employment to others, which may place employees in a conflict of interest situation to the possible detriment of themselves. No one should take unfair advantage of anyone else through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. In no event shall an employee, agent, or medical staff appointee use any trade secrets, proprietary information or other similar property, acquired in the course of his or her relationship with another entity, in the performance of his or her duties for or on behalf of EAMC.

## **2. INTEGRITY OF RECORDS AND COMPLIANCE WITH ACCOUNTING PROCEDURES**

Accuracy and reliability in the preparation of all business records is mandated by law and is of critical importance to the corporate decision-making process and to the proper discharge of EAMC's financial, legal and reporting obligations. All business records, expense accounts, vouchers, bills, payroll, service records, reports to governmental agencies, and other reports, books and records of EAMC must be prepared with honesty. False or misleading entries in such records are unlawful and are not permitted. No officer or employee, whatever his/her position, is authorized to depart from EAMC's policy or to condone a departure by anyone else. All corporate funds and assets must be recorded in accordance with applicable corporate procedures. Violation of these policies is grounds for disciplinary action.

Compliance with accounting procedures and internal control procedures is required at all times. All employees must ensure that both the letter and the spirit of corporate accounting and internal control procedures are strictly adhered to at all times. Employees should advise the responsible person in their department of any shortcomings they observe in such procedures.

Each Subsidiary, Operating Unit and Department must meet required record-keeping obligations applicable to that subsidiary's, operation unit's or department's business. No record will be falsified, back-dated, intentionally destroyed or otherwise inappropriately tampered with to gain an inappropriate, illegal or unethical advantage for EAMC.

There are legal requirements that certain records be retained for specific periods of time. Before disposing of documents, consult with the Compliance Officer. Whenever it becomes apparent that documents will be required in connection with a lawsuit or government investigation, all possibly relevant documents should be preserved, and ordinary disposal or alteration of documents pertaining to the subjects of the litigation or investigation should be immediately suspended.

### **3. BILLING FEDERAL HEALTH PROGRAMS AND OTHER PAYORS**

EAMC will use its best efforts to comply with all rules and regulations regarding claims for payment under Medicare, Medicaid, and other third-party payors. Submission of claims for payment and cost reports to the Centers for Medicare and Medicaid Services (“CMS”), the Alabama Medicaid Agency and other health benefit programs will be in accordance with current reimbursement rules, policies and procedures promulgated by the CMS, the state Medicaid agency, the applicable Medicare Administrative Contractor, or other payor administering the applicable program. EAMC’s billing and collection policies and procedures should also be followed. Clinical and reimbursement staff shall use their best efforts to communicate effectively and accurately with each other to assure compliance. EAMC may periodically conduct pre-submission and/or post-submission review of claims to ensure accurate billing and coding. Examples of inappropriate billing include the following:

- Billing for services or items not provided, documented, or medically necessary.
- Altering forms, codes, or modifiers to obtain a higher payment amount.
- Engaging in a pattern of duplicate billing to obtain higher reimbursement.
- Misrepresenting services or items rendered, amounts charged for services or items rendered, the identity of the person receiving or providing the services or items, dates of services, or frequency, duration, or description of services.
- Billing for non-covered services or items as covered services or items.
- Requesting or obtaining additional payments for covered services or items or conducting inappropriate balance billing.
- Intentionally submitting incorrect, misleading, or fraudulent information.
- Intentionally falsifying, destroying, or illegally withholding records relating to the billing and claims submission function.
- Failing to identify and report credit balances to patients.
- Failing to adequately and timely notify the Compliance Officer of a potential overpayment.

EAMC encourages employees, medical staff appointees, and agents to report concerns or questions regarding billing practices to the Compliance Officer. EAMC will correct any inaccuracies in billing in a timely manner and alert the applicable payer and submit refunds as required by applicable laws and policies.

### **4. IMPROPER PAYMENTS, BRIBES AND KICKBACKS**

Payments or other items of value in the nature of "kickbacks" or "bribes" intended to induce, or reward favorable decisions or actions are not to be offered, made, solicited, received or tolerated in connection with any of EAMC's business.

No employee, medical staff or agent of EAMC shall, in violation of any applicable law, offer, make or receive, directly or indirectly through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:

- any person or firm employed by or acting for or on behalf of any customer for the purpose of inducing or rewarding favorable action by the customer in any commercial transaction; or
- any person or firm employed by or acting for or on behalf of any governmental agency for the purpose of inducing or rewarding any action or the withholding of any action by such agency in any governmental matter.

Examples of kickbacks include:

- Receiving or making payment for any patient referrals;
- Inducing someone to purchase goods or services to be paid for by Medicare or Medicaid;
- Making payments to governmental officials to secure sales or obtain favorable treatment;
- Offering or giving gifts, money, services, or other items to influence purchasing decisions to any third party; or
- Receiving personal payments, goods, or services in return for new or continued business at EAMC.

The provisions of this Section are not intended to apply to gifts not of substantial value or ordinary and reasonable business entertainment that is provided in accordance with applicable law. From time to time, personnel may accept entertainment, but only if the entertainment is reasonable, occurs infrequently, does not involve lavish expenditures, is associated with a proper business and/or educational purpose, is appropriate as to time and place, and complies with all legal requirements. Care should be taken to avoid accepting gifts or entertainment that could be construed as "bribes" or "kickbacks." Any questions related to the appropriateness of gifts or entertainment should be referred to the Compliance Officer.

When community organizations, governmental agencies or others have published policies intended to provide guidance with respect to acceptance of entertainment, gifts or other business courtesies by their employees, such policies must be respected. Everyone should exercise sound discretion in authorizing any entertainment or gifts. Nothing stated herein should be construed in any way as encouragement to make or receive such entertainment or gifts.

For permissible payments to third parties, including contractors, agents and employees, all payments shall be made by check or bank wire, and shall be supported by written documentation in sufficient detail to identify the work or services performed on behalf of EAMC. Each person receiving payment must agree to comply with all applicable laws and regulations in acting on EAMC's behalf.

## **5. MEDICARE-MEDICAID ANTI-FRAUD AND ABUSE**

Employees, medical staff and agents must adhere to federal and state fraud and abuse laws related to government health care programs. These persons and entities should be familiar with fraud and abuse laws, the role of such laws in preventing and detecting fraud, waste and abuse, protections applicable to whistleblowers and EAMC's policy regarding detecting and preventing fraud, waste and abuse.

It is EAMC's policy to comply with all applicable fraud and abuse laws. In an effort to comply, EAMC will utilize monitoring and auditing systems reasonably designed to detect misconduct. If an employee, medical staff or agent engages in conduct which is considered fraud, waste or abuse, such person or entity may be subject to adverse consequences, including disciplinary action, termination of employment or contract, investigation, audit and prosecution. Employees, medical staff and agents should report known or suspected violations to their supervisors, the appropriate executive, or the Compliance Officer at EAMC.

The applicable federal and state laws include, but are not limited to, the laws mentioned below. The laws target conduct that result in over-utilization, increased program costs, corruption of medical decision making and unfair competition. They work to prevent and detect fraud, waste and abuse by encouraging whistleblowers, punishing violators and deterring potential violators through criminal and civil penalties, which may include imprisonment, exclusion, debarment, suspension, civil monetary penalties and corporate integrity agreements.

Federal False Claims Act. The federal False Claims Act ("FCA"), as amended by the Fraud Enforcement and Recovery Act of 2009 ("FERA"), provides a means by which the U.S. government may identify and recover losses it suffers due to fraud. It creates incentives for individuals, commonly known as whistleblowers, to uncover and report fraud and abuse and for companies to develop and implement effective compliance plans in order to avoid the penalties prescribed by the statute.

The FCA creates liability for any person who, among other things (i) knowingly presents, or causes to be presented a false or fraudulent claim for payment or approval, (ii) knowingly makes, uses or causes to be made or used, a false record or statement in order to have a false or fraudulent claim, (iii) conspires to defraud by having a false or fraudulent claim allowed or paid, (iv) has possession, custody or control of property or money used, or to be used, by the U.S. government and knowingly delivers, or causes to be delivered, less than all of that money or property, (v) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the U.S. government and, intending to defraud the U.S. government, makes or delivers the receipt without completely knowing that the information on the receipt is true, (vi) knowingly buys or receives as a pledge of an obligation of debt, public property from an officer or employee of the U.S. government, or a member of the Armed Forces, who lawfully may not sell or pledge property, or (vii) knowingly makes, uses or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the U.S. government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the U.S. government. The term "knowingly" generally means that a person has actual knowledge of the information, acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information. The FCA does not require proof of a specific intent to defraud.

The FCA also applies to any false record or statement made or used to get a false or fraudulent claim paid. Violations of this statute may include, but are not limited to:

- Submitting claims for services that are not medically necessary;
- Submitting claims for services that may be medically necessary but are not covered;
- Using a code for a higher level of reimbursement than the code for the services actually provided;
- Billing separately for services that should be billed as a single global service;
- Billing for services provided by an excluded provider;
- Providing false information on cost reports;
- Failing to disclose a related party on a cost report;
- Billing for services where there is an illegal relationship, such as a kickback situation.
- Failing to return known federal health care overpayments in less than (60) days.

A claim brought under the FCA includes any request or demand, whether under a contract or otherwise, for money or property (whether or not the United States has title to the money and property) that (i) is presented to an officer, employee or agent of the United States, *or* (ii) is made to a contractor, grantee or other recipient, if the money or property is to be spent or used on the U.S. government's behalf or to advance a U.S. government program or interest and if the United States provides or has provided for any portion of the money or property requested or will reimburse such contractor, grantee or other recipient for the money or property requested or demanded.

The FCA allows for a private whistleblower, otherwise known as a relator, to file a qui tam suit on behalf of the government. If the case is successful, the court may award the whistleblower a percentage of any recovery. The employer of a whistleblower may not retaliate against the whistleblower for filing a legitimate qui tam or for being involved with a lawful FCA case. This means an employer may not do the following as retaliation: discharge, demote, suspend, threaten, harass or discriminate (against in the terms and conditions of employment). If a court finds that an employer retaliated, the court will grant the employee the relief it believes is necessary to make the employee whole. However, if the government does not proceed with the case and the court finds that the relator's claim was frivolous, vexatious, or brought primarily for purposes of harassment, the court may order the relator to pay the defendant's reasonable attorneys' fees and expenses. Violators of the FCA are subject to damages, civil penalties, fines, imprisonment, and exclusion.

Federal Anti-Kickback Law. The Anti-Kickback law prohibits EAMC and its representatives from knowingly and willfully offering, paying, asking, or receiving any money or other benefit, directly or indirectly, in return for referrals of federal health care program patients or in exchange of purchasing, leasing, ordering, or recommending any good, facility, service, or item covered by a federal health care program. There are many types of arrangements that may violate the Anti-Kickback law.

Violations of the Anti-Kickback law may result in criminal sanctions including imprisonment and fines, or both. In addition to criminal sanctions, violators may be excluded from participation in federal health care programs. Civil monetary penalties may be imposed. An Anti-Kickback violation may also subject the violator to prosecution under the False Claims Act.

Physician Self-Referral Law (the "Stark Law"). Under the Stark Law, if a physician or any member of the physician's immediate family has a "financial relationship" with an entity, the physician may not make a referral to the entity for the furnishing of a "designated health service," and the entity may not present or cause to be presented a claim or bill to Medicare, Medicaid or certain other government payors for designated health services, unless an exception under the Stark Law is met. These exceptions are sometimes difficult to interpret and apply to certain situations. These situations will be reviewed and clarified through legal counsel. For purposes of a general summary of the Stark Law, the following definitions apply:

*Designated health services* include clinical lab services, physical therapy, occupational therapy and speech-language pathology services, radiological and diagnostic services, radiation therapy, durable medical equipment, nutritional services, prosthetics, orthotics and prosthetic devices and supplies, home health services, outpatient prescription drugs, and inpatient and outpatient hospital services.

*A financial relationship* is defined as: a direct or indirect ownership or investment interest, or direct or indirect compensation arrangement between the physician, or immediate family member, and the entity.

Violations of Stark may result in civil penalties, including denial of payment for the designated health service, refund of amounts collected from improperly submitted claims, a civil monetary penalty, damages of up to three (3) times the amount of the monetary penalty, and exclusion from federal health care programs. Violation of Stark may also result in penalties under the False Claims Act.

In order to ensure compliance with the law, it is EAMC's policy that every agreement between EAMC and a physician, the physician's immediate family or other referral source must be in writing and must be approved in accordance with EAMC's guidelines for such contracts, as promulgated in the Guidelines for Physician Contracts. Under no circumstances should agreements be tied expressly, by implication or by "private understanding" to referrals of business.

EAMC has promulgated more detailed guidelines, which address the various arrangements with physicians and other referral sources. Those guidelines (Guidelines for Physician Agreements) should be consulted and followed and any questions should be presented to EAMC's General Counsel for review.

Civil Monetary Penalties Act. Under the Civil Monetary Penalties Act, it is unlawful for someone to knowingly present or cause to be presented a claim to any federal health care program for an item or service the person knows or should have known was not provided as claimed, was false or fraudulent, was not medically necessary, was incorrectly coded, was provided by an excluded or unlicensed individual, was prohibited by an agreement with a federal health care program, or was otherwise based upon false or fraudulent information. Further, it is unlawful for a person to knowingly make or cause to be made any false statement, omission, or misrepresentation of a material fact in any federal health care program participating provider application, and no one shall offer any remuneration (e.g., free service, waiver of co-pays or deductibles) to a federal health care program patient, that the person knows or should know is likely to influence the patient to order or receive any item or service from a particular provider, practitioner, or supplier. The penalty for violating these statutes includes fines, imprisonment, or both.

Federal Program Fraud Civil Remedies Act ("PFCRA"). The PFCRA generally provides for administrative remedies against persons who make, or cause to be made, false claims or written statements to certain federal agencies, including the Department of Health and Human Services (DHHS). Penalties are separate from and in addition to any other liability that may be prescribed by law, including the FCA.

The PFCRA establishes liability for any person who makes, presents or submits, or causes to be made, presented or submitted, a claim that the person knows or has reason to know (i) is false, fictitious or fraudulent, (ii) includes or is supported by any written statement that asserts a material fact which is false, fictitious or fraudulent, or (iii) includes or is supported by any written statement that (a) omits a material fact, (b) is false, fictitious or fraudulent as a result of such omission, and (c) is a statement in which the person making, presenting or submitting such statement has a duty to include such material fact.

The PFCRA also establishes liability for any person who makes, presents or submits, or causes to be made, presented or submitted, a written statement that (i) the person knows or has reason to know (a) asserts a material fact which is false, fictitious or fraudulent or (b) omits a material fact, provided the person also knows or has reason to know the statement is false, fictitious or fraudulent as a result of such omission and the statement is one in which the person making, presenting or submitting such statement has a duty to include such material fact, and (ii) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the statement.

For purposes of the PFCRA, the term "knows or has reason to know" means a person has actual knowledge that the claim or statement is false, fictitious or fraudulent, or acts in deliberate ignorance, or reckless disregard, of the truth or falsity of the claim or statement. No proof of specific intent to defraud is required.

The penalties for violating the PFCRA include fines. If a person is found to have violated the law, the government may commence an action to suspend or debar the provider.



Alabama False Claims Act. The Alabama False Claims Act establishes criminal liability for making, or causing to be made, or assisting in the preparation of, with the intent to defraud or deceive, any false statement, representation or omission of a material fact in any claim or application for any payment made to the Alabama Medicaid Agency (Agency), knowing the same to be false. Those convicted are guilty of a felony and are subject to a fine or imprisonment, or both. In addition, those convicted are subject to exclusion from the Medicaid program.

Alabama Fraud and Abuse. Fraud is defined as an intentional deception or intentional misrepresentation made by a person with the knowledge that the deception could result in some unauthorized personal benefit or unauthorized benefit to some other person.

The Program Integrity Division of the Agency is generally responsible for planning, developing and directing Agency efforts to identify, prevent and prosecute fraud in the Medicaid program. The Provider Review and Investigations Units of the Program Integrity Division are charged with the responsibility for detecting and investigating provider fraud within the Medicaid program through reviewing paid claims history, conducting field reviews and investigating suspicion of fraud. Cases of suspected fraud are referred to the Medicaid Fraud Control Unit in the Alabama Attorney General's office for possible criminal prosecution or the imposition of administrative sanctions, such as the suspension of payments, or restriction, suspension or termination of a provider's Medicaid participation. Restitution of improper payments may be pursued in addition to any administrative sanctions imposed on the provider.

Alabama Anti-Kickback Law. Alabama's Medicaid law prohibits any person from soliciting or receiving any remuneration (which includes any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind) (a) in return for referring an individual to a person for the furnishing or arranging for furnishing of any item or service for which payment may be made in whole or in part by the Medicaid Agency or its agents, or (b) in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, service, or item for which payment may be made in whole or in part by Medicaid. It also prohibits any person from offering or paying any remuneration to induce a person to refer an individual for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicaid, or to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any good, service, or item for which payment may be made in whole or in part by Medicaid. Violators may be fined or imprisoned, or both.

Alabama Licensure Penalties. The Alabama Medical Licensure Commission may suspend, revoke or restrict any license to practice medicine or fine any licensee if the licensee is found guilty of the following (among other things): (a) a felony, (b) dividing fees received for professional services with any person for bringing or referring a patient, (c) performing unnecessary medical services, (d) charging grossly excessive fees, (e) intentionally filing or causing to be filed false or fraudulent claims, (f) fraud, (g) unprofessional conduct, (h) incompetence, (i) substance abuse, or (j) patient endangerment.

Analysis of practices under the fraud and abuse laws is complex and depends upon specific facts and circumstances of each case. Employees, medical staff appointees, and agents should not make unilateral judgements regarding the permissibility of a particular billing, payment, investment, or discount activity or other arrangement under state and federal laws. Such situations must be brought to the attention of the Compliance Officer for review with legal counsel. If anyone has any questions regarding fraud and abuse or applicable laws, he/she should always consult with the Compliance Officer prior to taking action or engaging in activities with may put EAMC at risk.

EAMC may be a participant in various government sponsored pay for quality initiatives including but not limited to Bundled Payments for Care Improvement Advanced ("BPCI-A"). As a participant, EAMC

will comply with all applicable statutes and regulations including; without limitation: (a) Federal criminal laws; (b) the Federal False Claims Act; (c) the Federal Anti-Kickback Law; (d) the Federal Civil Monetary Penalties Act; (e) the Federal Physician Self-Referral Law; and (f) all applicable state laws. EAMC is subject to all CMS requirements for such initiatives and any amendments to EAMC's original agreement between EAMC and CMS.

## **6. HEALTH, SAFETY AND ENVIRONMENT REQUIREMENTS**

EAMC is subject to the requirements of numerous federal, state, and local laws, regulations and rules which promote the protection of health and safety and the environment. It is EAMC's policy to comply with all health, safety and environmental laws and regulations. Employees, medical staff appointees, agents and contractors are expected to understand those requirements that apply to their area of responsibility and to seek advice whenever they face an issue raising possible health and safety or environmental concerns. Employees should consult with their supervisor or the Compliance Officer when they encounter issues raising possible health, safety or environmental concerns.

It is also important for employees, medical staff appointees, agents and contractors to advise EAMC of any serious workplace injury, the discharge of any hazardous substances into the environment, or any situation presenting a danger of injury to EAMC's patients, employees or agents. In some instances, EAMC must report such events to governmental authorities quickly and accurately. Information received will also help EAMC mitigate any damages as a result and will help prevent such incidents either from happening or from happening again.

## **7. CONFLICT OF INTEREST**

It is EAMC's policy that conflicts of interests should not be allowed in those instances where the activities or interests of an employee, medical staff appointee, agent or contractor may impact his or her ability to act in the best interests of EAMC. Any activity may impact the individual's ability to act on behalf of EAMC if the activity or interest (a) is primarily for the purpose of obtaining personal gain or advantage by such individual, (b) has an adverse effect upon the interests of EAMC, or (c) causes a competitor to have any gain or advantage to the detriment of EAMC. EAMC expects that all employees, medical staff appointees, and agents will put the interest of EAMC ahead of their own business concerns and will not seek to benefit themselves at the expense of EAMC.

A conflict of interest is defined as:

*a direct or indirect interest that may affect or be reasonably implied to affect an individual's professional judgment or conduct in matters that may impact EAMC or detract from an individual's performance of his or her duties and responsibilities. A conflict also occurs when an immediate family member of an employee/contractor has an interest in a competitive business, enterprise, entity or transaction. "Immediate family member" refers to any person who is related to an employee/contractor.*

The following are some examples of some potential conflict of interest situations:

- Holding a financial interest in, or engaging in activities on a consulting basis, or otherwise, with a firm, that provides services, supplies or equipment to EAMC.
- Speculating or dealing in services, equipment or supplies which are purchased by EAMC or if the individual stands to gain financially due to his/her position with EAMC.
- Accepting favors, gifts or entertainment which others may perceive to be substantial enough to influence such individual's selection of goods or services for EAMC, or to influence such

individual's judgment in otherwise representing EAMC. Acceptance of perishable or other gifts not of substantial value or reasonable personal entertainment is not improper, but care must be exercised to be sure that such gifts are of nominal value.

- Acquisition by purchase or lease of real estate in which it is known that EAMC might have an interest, or which may appreciate in value because of EAMC's possible interest in nearby property. An employee should not acquire any financial interest in a hospital or business when the acquisition of such hospital or business is or could be under consideration by EAMC.

All conflict of interest questions should be disclosed to the appropriate manager, the Compliance Officer or the Compliance Committee pursuant to the procedures outlined in EAMC's Conflicts of Interest Policy. If a conflict is identified, corrective action generally will focus on eliminating the conflict of interest between the individual and EAMC. Appropriate disciplinary actions may also be taken, including and up to the termination of employment of the employee and of contracts and relationships with suppliers, contractors, physicians and other parties involved in such conflicts.

Managers, Directors, Executive Directors, Vice Presidents, Executive Vice Presidents and the principal officers of each subsidiary are charged with the responsibility of seeing that all employees receive, read and understand the Conflict of Interest Policy. Employees are required to submit, at least annually, conflicts of interest certificates stating that they understand and are in compliance with the policies and procedures contained in the Conflicts of Interest Policy.

## **8. HIRING EMPLOYEES FROM COMPETITORS AND THE GOVERNMENT**

It is EAMC's policy to deal fairly with competitors and to respect the right of competitors and others in getting and using competitive information. Care should be exercised in the recruitment and employment of former or current employees or consultants of competitors.

The recruitment and employment of former or current U.S. government employees by private industry is subject to complex rules which change frequently and vary by employee. In some situations, these rules also apply to members of the U.S. government employee's immediate family. Similar rules may also apply to current or former state or local government employees of legislators and members of their immediate families.

Each situation should be considered on a case-by-case basis. If a former government employee or consultant becomes an employee or consultant of EAMC, care should be exercised to ensure that such employee or consultant complies with all U.S. government conflict of interest laws with respect to activities for or on behalf of EAMC.

Employees should consult with the Human Resources Department or the Compliance Officer on issues related to recruitment and hiring of former or current employees and consultants of competitors or of governments.

## **9. ANTITRUST COMPLIANCE**

It is EAMC's policy to make its own commercial decisions on the basis of what is considered to be in the best interests of EAMC, completely independent and free from any understanding or agreements with any competitor. This policy requires absolute avoidance of any conduct which violates, or which might even appear to violate, those underlying principles of antitrust laws which forbid any kind of understanding or agreement between competitors regarding prices, terms of sale, division of markets, allocation of patients or customers, or any other activity that restrains competition, whether by providers or patients. No officer or employee, whatever his/her position, is authorized to depart from EAMC's policy or to condone a departure by anyone else.

It is EAMC's policy to strictly comply with federal and state antitrust laws in order to promote free and fair competition. The following guidelines summarize the basic principles of antitrust laws. They are intended to assist you in recognizing possible antitrust issues and avoiding conduct that may prompt expensive and time-consuming investigations. They are not intended to define the dividing line between legal and illegal conduct. Because it is not always clear whether a business practice may violate antitrust laws, employees should consult EAMC's Compliance Officer for advice whenever they face a business issue raising possible antitrust concerns. It is EAMC's policy to strictly limit relationships with competitors because such relationships frequently raise antitrust issues. Any understanding or agreement that has the effect of reducing or eliminating competition, controlling prices, allocating markets or excluding competitors is prohibited.

Relationships with patients, customers or suppliers also raise antitrust issues in certain circumstances, particularly if EAMC occupies a significant market position in its geographic region. The Compliance Officer should be consulted before (1) conditioning the sale of one product or service on the requirement that the patient or customer also buy another of your products or services, (2) refusing to deal with suppliers (including physicians) who sell to, or otherwise benefit, competitors; (3) refusing to do business or deal with patients, customers or suppliers for competitive reasons, such as to lessen competition or to attempt to create or maintain a monopoly (e.g. refusing to deal with suppliers who sell to customers who are price-cutters).

It is important that common sense and good judgment be used to avoid antitrust problems. Avoid discussing any prohibited or sensitive subjects with a competitor unless you are proceeding with the advice of the Compliance Officer. Do not provide any information in response to an oral or written inquiry concerning an antitrust issue without first consulting the Compliance Officer.

## **10. POLITICAL CONTRIBUTIONS AND ACTIVITY**

It is EAMC's policy to comply strictly with all applicable and valid laws and regulations relating to the making of corporate political contributions. No political contributions either by payment or by gift may be made or authorized to be made with EAMC funds or resources (either directly or through employee expense reimbursement) to any candidate for public office, campaign, fund, political party or organization unless such payment, gift or contribution is expressly permitted by state and federal law. Monetary contributions so approved shall be made only by corporate check payable to the candidate or political committee in question.

EAMC encourages all individuals to exercise their rights of citizenship by voting, by making personal political contributions if they wish to do so with their own funds, and by being otherwise politically active, in support of candidates or parties of their own personal selection. It should be clearly understood that such political activity by EAMC employees, medical staff appointees, and agents is not permitted on or in the property of EAMC and must be engaged strictly in employees', medical staff appointees', or agents' individual and private capacities as responsible citizens and not on behalf of EAMC.

Payments of corporate or personal funds or anything of value to a government official or employee or a political party, or candidate, for the purpose of obtaining or retaining business for EAMC, or to direct business to any other person are strictly prohibited. Indirect payments of this kind through a third person are also prohibited.

## **11. NONDISCRIMINATION**

EAMC is firmly committed to a policy of nondiscrimination in employment and to the cause of equal employment and advancement opportunity for all. EAMC fills its job requirements by selecting from the available labor force those applicants best qualified to perform the work in safety to themselves and others. It is EAMC's policy not to discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin or handicap, or any other legally protected category.

In addition, it is EAMC's policy to refuse to enter into any contract or agreement which would have the effect of discrimination against United States persons or firms on the basis of race, color, religion, sex, age, national origin, handicap, or any other legally protected category.

## **12. COMPLIANCE WITH OTHER LEGAL AND REGULATORY REQUIREMENTS**

EAMC, through its subsidiaries and affiliates is in the business of providing a wide range of healthcare services in different counties. These services generally may be provided only pursuant to appropriate federal, state and local certificates of need, licenses, permits and accreditation and are subject to numerous laws, rules and regulation, including but not limited to access to treatment, consent to treatment, medical record-keeping, access and confidentiality, patient's rights, terminal care decision making, medical staff membership and clinical privileges, corporate practice of medicine restrictions and Medicare and Medicaid regulations. Like other businesses, EAMC is subject to federal and state labor statutes and discrimination laws, securities laws and regulations, state corporation or partnership laws, consumer protection laws, tax laws and general and professional liability taxes.

It is the policy of EAMC that every employee, medical staff appointee and agent should be familiar with the legal and regulatory requirements applicable to their respective areas of responsibility. Employees, medical staff appointees and agents are not expected to become experts in every legal and regulatory requirement and should consult with their supervisor or the Compliance Officer for advice whenever they face an issue raising possible legal or regulatory concerns. Illegal conduct will be addressed promptly and self-reported to outside regulatory or law enforcement authorities when appropriate and upon consultation with legal counsel.

## **13. REPORTING VIOLATIONS**

All personnel, medical staff and agents should report known or suspected violations of these policies to their supervisors, the appropriate executive, the Compliance Officer, the Compliance Hotline at 334-528-1441, or the Compliance Report Form on Sharepoint, EAMC's intranet. Measures shall be taken to protect the anonymity and confidentiality of the reporting individual where warranted and feasible.

## **14. DISCIPLINE**

Failure to comply with these Standards of Conduct may result in disciplinary action, including warnings, suspensions, termination of employment or contract or such other actions as may be appropriate under the circumstances.

## **15. APPLICABILITY**

"EAMC" as used in these Standards of Conduct means The East Alabama Health Care Authority, including EAMC, EAMC-Lanier and its affiliated entities which it controls, and all operations of EAMC and such subsidiaries. The terms "officer," "director," "personnel," "employee," "agent," and "medical staff appointee" include any person or entity who fills such role or provides health care items or services or otherwise authorizes the furnishing of health care items or services on behalf of EAMC or any of its divisions, subsidiaries, or operating or business units.

For purposes of item 5. **MEDICARE-MEDICAID ANTI-FRAUD AND ABUSE** as used in EAMC's Standards of Conduct and for purposes of complying with the Deficit Reduction Act of 2005's written policy requirements as set forth in section 6032 of the Act, "employee," "medical staff," and "agent" includes employees, management, officers, contractors, agents, subcontractors or other persons which or who, on behalf

of EAMC, furnish, or otherwise authorize the furnishing of Medicare or Medicaid health care items or services, perform billing or coding functions, or are involved in monitoring of health care provided by EAMC.

## 16. QUESTIONS

Routine questions concerning these Standards of Conduct should be referred to the employee's immediate supervisor, or at the employee's discretion to the appropriate designated corporate executive (department director, executive director, vice president or executive vice president) or Compliance Officer if necessary and appropriate under the circumstances. Medical staff and agents should direct questions concerning these Standards of Conduct to the Compliance Officer.

Distribution of these Standards of Conduct will be made by designated corporate executives for further distribution as appropriate to their personnel.

## 17. COMPLIANCE

The responsibility for compliance with these Standards of Conduct, including the duty to seek interpretation when in doubt, rests with each employee, agent, medical staff, officer and director.

### **THE EAST ALABAMA HEALTH CARE AUTHORITY ACKNOWLEDGMENT OF RECEIPT OF CORPORATE COMPLIANCE AND STANDARDS OF CONDUCT POLICY BY SIGNATURE AFTER THE FOLLOWING STATEMENT**

I have received a copy of the Corporate Compliance Policy and Standards of Conduct and certify that I have read and understand the provisions contained in them. I agree to comply with them. I acknowledge that I have a duty to report any suspected violations of the law or the standards of conduct to my immediate supervisor, the Compliance Officer, or the President of EAMC.

\_\_\_\_\_  
Signature of Employee or Other Affected Party

\_\_\_\_\_  
Printed Name of Employee or Person Signing on behalf of the Affected Party

\_\_\_\_\_  
Date