

# CODE OF CONDUCT

## What is the Code of Conduct?

It's how everyone must behave or respond to specific situations when they may occur. Respect at all times for patients, *who are customers*, and coworkers are examples of required conduct.

The Code *requires all employees* to behave with professionalism. This includes, but is not limited to:

- Not gossiping;
- Maintaining a positive workplace attitude;
- Clean, well-groomed, and professional appearance;
- Coming to work on time, not leaving before your shift is over, and not taking pro-longed breaks or lunch periods;
- Focusing on work and customer needs first, never making personal calls a priority or misusing the office computer for personal use; and
- Using proper language (no cursing) at all times which includes showing courtesy to customers and co-workers.

This is not an exhaustive list. It highlights, however, basic professional duties, protocols, expectations, and responsibilities.

## What Is the Difference Between Ethics, Code of Conduct, Conflict of Interest, and the Corporate Compliance Manual?

Ethics, the Code, Conflicts, and Compliance Manual overlap and complement one another. They have similarities and must be integrated, yet have important distinctions.

Ethics are the values or philosophy of a person or organization. These values include fairness, honesty, and openness or sharing concerns or information about what goes on (transparency). Ethics is an attitude in how you live or how an organization acts.

Act fairly and honestly at all times. Approach what you do with integrity. Try to do the right thing in every situation, not just because the law may require it, but because it is the fair and honest thing to do.

Code of Conduct is detail driven. It highlights some, though not all of the issues that may arise. HHC has expectations for professionalism. In addition, it does not, as another example, bill for services it doesn't provide. It does not upcode for any service. HHC does not bill for an improperly documented service by a healthcare provider. Another example, cited above, is treating everyone with respect.

These are specific examples outlined in the Code. Because every situation cannot be foreseen, it is HHC's organizational ethics, also noted above, that should guide staff, vendors, employees, consultants, and Board Members.

Conflict of Interest falls under Code of Conduct, but is important enough to discuss separately. An issue may arise, regarding personal or family interests, involving some kind of gain, if it occurs in a manner that can harm or undermine HHC. The Code of Conduct requires you to report actual or possible conflicts to the Compliance Officer.

Corporate Compliance Manual includes the Code of Conduct, addresses ethical values and highlights the 8 elements of an effective compliance program as outlined by the New York State Office of Medicaid Inspector General, reflecting, in part, federal standards.

## **Introduction**

In 2006, Hometown Health Centers (HHC) implemented a Corporate Compliance Program (Ethics, Code of Conduct and Corporate Compliance Manual). Everyone affiliated with HHC, including staff, contractors, consultants, and Board Members are bound by the Corporate Compliance Program.

The Code highlights some, not all, of the recurring situations at HHC. The Code applies to interactions with all consumers, government reporting agencies and those who do business with HHC. Each individual must strive to be a model manager, employee, or Board Member.

Directors, managers, or supervisors must take responsibility to create and maintain an ethical work environment of mutual respect where concerns are raised without fear and openly discussed by employees. They also are responsible for making sure employees understand their responsibility to report ethical or legal breaches. All employees have a duty to be aware and report wrongdoing.

HHC's Code of Conduct is divided into ten broad areas.

1. Customer service and the highest professional standards for patients (customers/consumers).
2. Serving families and individuals regardless of ability to pay.
3. Openness, best practices and quality improvement initiatives.
4. Distinguishing a legal right to do things and doing what is right at all times.
5. Meeting all legal and ethical requirements, obligating vendors, contractors, consultants, and Board Members to do so as well.
6. Educating and re-educating anyone affiliated with HHC about Conflicts of Interest.
7. Marketing services honestly and accurately.
8. Being good stewards of all fiscal and administrative resources.

9. Urging customers, employees, and Board Members to report illegal or unethical conduct.
10. Protecting anyone from harassment before reporting an incident and from retaliation after reporting wrongful conduct.

### **1) Customer service and the highest professional standards for patients.**

HHC is committed to providing its customers with the highest quality care and excellent service at all times. Quality in care and good customer service is a priority.

These high standards must apply to interactions with everyone with whom HHC representatives interact. This is achieved in several ways including an overall compliance program and its quality assurance initiatives.

*Everyone must remember on a daily basis patients, though they can be difficult at times, are not an inconvenience to our work day. They are customers who are the reason for the work day. Put yourself in the shoes of a patient as a customer and think how you would want to be treated.*

#### Confidentiality

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) must be followed at all times. It provides safeguards for patient privacy. *It is an extremely important means to ensure consumer confidentiality.*

All personnel will keep patient information in the strictest of confidence. Such information will not be disclosed to anyone unless authorized by the patient or otherwise permitted by law.

Confidential information acquired by personnel about the business of HHC must also be held in confidence and may not be used as a basis for personal gain by personnel, their families, or others. Such confidential information includes, but is not limited to: customer lists, development plans, and information about pending or contemplated business deals.

Never post information related to your job on social media. Although it may not be your intent, you can innocently violate a patient's privacy or the confidentiality sometimes required by HHC to be an effective organization.

Information relating to something about to happen with HHC is not to be released to any person unless this information has been published or otherwise made available to the public. Similarly, if HHC is considering buying, leasing, or selling any property, item, or interest, HHC employees and affiliates must not attempt to buy, lease, or sell for their own benefit or that of their family the item under consideration, until HHC's decision on the matter has been executed. Finally, other than in connection with the personnel's discharge of their official

responsibilities with HHC, all personnel must also refrain from disclosing information which might be prejudicial to the interest of HHC.

In protecting patient privacy talk with your supervisor, the Compliance Officer, or refer to the many online resources to help answer questions. Be proactive in safeguarding patient privacy. One resource can be found here:

<http://www.hhs.gov/ocr/privacy/hipaa/faq/index.html>

### Risk Assessments

It is mandatory each department do audits and self-initiated Risk Assessments on an ongoing basis. Assessments help identify opportunities for improvement ranging from better customer service to improved quality of care, to ensuring HHC is a good steward of the resources provided to it.

Risk Assessments along with work plans developed and implemented to address any shortcomings identified must be shared with the Corporate Compliance Officer. It is critical HHC shows a good faith effort during its annual certification with the New York State Office of Medicaid Inspector that it is proactive in its audits and Risk Assessments.

It is the responsibility of Managers, Supervisors and Department Heads to identify areas for improvement and act on them on an ongoing basis.

The Board of Directors has underscored the importance of Assessments and will monitor them.

### **2) Serving families and individuals regardless of their ability to pay.**

In 2014, HHC is expected to operate a second federally qualified health center (FQHC). It is committed, as reflected in its mission statement to provide quality, progressive, comprehensive, and cost effective care to its customers with a focus on low-income residents in the area. It provides these services using a fee schedule approved by the Board of Directors, which may include a sliding fee program.

### **3) Transparency, best practices and quality improvement initiatives.**

Openness (transparency) about its operations through information sharing is vital to HHC's mission and ethical culture. Information sharing of detailed and accurate information with staff and especially with the Board of Directors by senior management empowers everyone at HHC to promote quality care, customer satisfaction, and good stewardship of resources.

Transparency helps identify areas for improvement while fostering a culture of best practices in finance, administration, and patient care. Remember, patients, like you, are consumers and deserve respect, courtesy, and our best efforts to help solve their problems.

**4) Distinguishing a legal right to do things and doing what is right at all times.**

Part of HHC's culture is to go above and beyond what is required by state and federal law. It attempts to promote an environment where doing the right thing and always trying to do better is second nature. There does not have to be a law or policy on a specific matter to act with truth, fairness and honesty. Act with integrity at all times.

**5) Meeting all legal and ethical requirements, obligating vendors, contractors and consultants to do so as well.**

It is HHC's expectation that everyone must adhere both to the *spirit* and the *language* of the Code of Conduct.

Strictly following these standards is a condition of employment, serving on its Board, or doing business with HHC. Any violation or perceived violation will be investigated and corrective action taken.

*Reporting and Complaint Procedures*

All staff, vendors, contractors, consultants, and Board Members, have an obligation to report wrongdoing. Everyone should raise questions they might have about potentially unethical or illegal conduct with the Compliance Officer.

- Call the Compliance Officer directly: Ext. 4168,
- Call the 24/7 Hotline: \*67-518-688-3460, or
- Leave an anonymous message in the locked Compliance Box in the Staff Lounge.

Staff must follow the directives in the Code of Conduct and work to ensure that those standards are being followed. In particular, all departments, personnel and physicians must cooperate as appropriate with all inquiries concerning possible improper business, documentation, coding or billing practices, respond to any reviews or inquiries, and actively work to correct any improper practices that are identified.

If employees have a general question about the propriety of conduct they should still reach out to the Compliance Officer for guidance. When in doubt, say something.

It is preferred that questions about a potentially troublesome issue be raised before the issue becomes an actual problem.

A report or question may be raised anonymously, if personnel choose, and will be held in the strictest confidence possible, consistent with the need to investigate any allegations of wrongdoing. A 24/7 Hotline may be used (\*67-518-688-3460) or Locked Compliance Box in the Staff Break Room.

To the extent possible, the Compliance Officer will not disclose the identity of anyone who reports a suspected violation of law or who participates in an investigation.

The Compliance Officer and any legal counsel he or she may consult are obligated to act in accordance with the law and best interests of HHC.

#### Corporate Compliance Officer

Paul P. Jesep is HHC's Corporate Compliance Officer (Ext. 4195). He is responsible for overseeing the daily compliance activities of the program. Paul is the "point person" to whom all employees, contractors and Board members can contact to express concerns about compliance matters.

The Corporate Compliance Officer reports to the CEO and the Compliance Committee of the Board of Directors.

#### Investigation by the Compliance Officer

Upon receiving a report of possible unethical or illegal conduct, or of a pattern of possible improper billing, the Compliance Officer will conduct an investigation of the report and take all necessary and appropriate actions. The Board Compliance Committee will be notified.

The objective of the investigation is to determine whether, first, a compliance issue exists or there has been a violation of the Code of Conduct or applicable legal rules.

Your information will be kept confidential. If an issue or violation does exist, then the investigation will attempt to determine its cause, so that appropriate and effective corrective action can be instituted.

Employees are expected to cooperate with such investigations.

#### Corrective Action and Responses to Suspected Violations

Whenever a compliance problem or billing error is uncovered, regardless of the source, the Compliance Officer will ensure that appropriate and effective corrective action is implemented.

Any corrective action and response implemented must be designed to ensure that the violation or problem does not re-occur (or reduce the likelihood that it will reoccur).

Corrective actions are based on an analysis of the root cause of the problem.

Corrective action plan includes a follow-up review of the effectiveness of the corrective action following implementation.

Remedial education both formal and informal is also a part of the corrective action plan.

### *Bullying and Harassment*

Is not tolerated and may lead to immediate dismissal. Bullying and harassment (sexual or otherwise) includes, but is not limited to: gossiping, lewd jokes, emotional abuse undermining a coworker's performance, character abuse like lying and gossiping about a colleague, and professional abuse such as repeatedly finding fault and failing to respect the personhood and basic dignity of another.

### *EEO Policy*

HHC employs the best person without regard to: gender, creed, color, age, disability, national origin, marital status, military status, religion, or sexual orientation.

### *General Business Practices*

HHC will forego any business transaction or opportunity that can only be obtained by improper or illegal means, and will not make any unethical or illegal payments to anyone to induce the use of its services. Business transactions and joint ventures with other health care providers will be aimed at enhancing the quality or continuity of care provided to patients.

Financial investments in such transactions and ventures, and any return on investments, will be based on the bona fide financial value of the investment and its positive impact on HHC's ability to deliver medical services. Such investments will not be based on an intent to induce or reward referrals to or from another provider.

In the course of HHC's business practices, personnel must deal with a variety of individuals, companies, organizations, and governmental agencies. In those dealings, all personnel must never make any misrepresentations, dishonest statements, or statements intended to mislead or misinform. If it appears that anything you have said has been misunderstood, correct it promptly.

In addition, management must ensure that all business records are accurate and truthful, with no material omissions including that the assets and liabilities of HHC are accounted for in full compliance with all tax and financial reporting requirements, and that no false records are made. Similarly, all reports submitted to governmental agencies, insurance carriers, or other entities will be accurately and honestly made.

The institutional cost report will be prepared in accordance with all applicable state and federal regulations. Costs will be claimed when based on appropriate and accurate documentation; unallowable costs will not be claimed for reimbursement; and all costs will be properly allocated to the appropriate cost centers based on verifiable information and data.

#### *Purchasing and Competitive Bidding Policy*

All purchasing decisions must be made with the purpose of obtaining the highest quality product or service for HHC or its patients at the most reasonable price. No purchasing decision may be made based on any consideration that any employee, officer or trustee – or any family member or friend of any of them – will benefit by the transaction.

Rather, the sole criteria behind all purchasing decisions must be only the best interests of HHC (see also the section below on Conflict of Interest Rules). Nor can any service or item be purchased in return for a referral of patients from another or with a view towards inducing another to refer patients (See also the rules governing Marketing Activities and Patient Referrals set forth below).

#### *Contractors*

All persons and entities with which HHC contracts will be asked to cooperate with HHC's Compliance program. This includes individual physicians, physician groups, vendors, contractors, and other healthcare providers.

#### *Honesty and Lawful Conduct*

HHC does not tolerate any form of unlawful or unethical behavior by anyone associated with it. It expects and requires all personnel to be law abiding, honest, trust worthy, and fair in all of their business dealings. To ensure that these expectations are met, the compliance program has become an integral part of our corporate mission and business operations.

All personnel associated with HHC including all physicians who have privileges to see patients at HHC or one of its facilities must avoid all illegal conduct, both in business and personal matters. No personnel will take any action that he or she believes is in violation of any statute, rule, or regulation.

#### *Discipline*

All personnel and physicians are expected to adhere to the Code of Conduct. If the Compliance Officer concludes, after an investigation, that the Code has been violated, then appropriate discipline, including discharge or termination of employment contracts may be imposed.

The imposition of discipline can be based on the person's unlawful or unethical actions, condoning or failing to report unlawful actions by others, retaliation against those who report suspected wrongdoing, or other violation of the Code of Conduct.

In recommending discipline of a manager, supervisor, department director, physician or mid-level provider, the Compliance Officer will do so to the CEO.

In recommending discipline of a non-physician employee, the Compliance Officer will refer the matter to the appropriate staff and the employee's supervisor for disciplinary action.

A manager, supervisor, or department director, in coordination with Human Resources, may initiate his or her own investigation, independent of the Compliance Officer, regarding personnel issues and take appropriate action which includes possible suspension or termination in accordance with policies or binding contracts.

#### **6) Educating and re-educating anyone affiliated with HHC about Conflicts of Interest.**

Educating new employees and re-educating all employees and Board members will be done on an ongoing basis.

All members of HHC's Board of Directors and personnel who are in a position to influence any substantive business decision by HHC will, at least annually, file a Conflict of Interest Disclosure Statement with the Compliance Officer.

In addition, all Board of Directors and personnel must also immediately disclose to the Compliance Officer any possible conflicts of interests as they arise.

Use of HHC's assets for personal gains is not permitted.

#### **Conflict of Interest Rules**

The relationship between HHC and all of its personnel is one which carries with it a duty of honesty. All personnel must exercise good faith in all transactions which touch upon their duties and responsibilities for, or on behalf of, HHC. Even the appearance of illegality, of impropriety, or of a conflict of interest or duality of interest can be detrimental to HHC, and therefore must be avoided.

All members of the Board of Directors and all HHC personnel who are in a position to influence any purchasing decision or business transaction must complete a conflict of interest form in which they are required to disclose all direct and familial interests which compete or do business with HHC.

In addition, all personnel must examine their own and their immediate family's activities, and promptly report to the Compliance Officer the existence of any enterprises in which they or their immediate family has an "interest," and which the person knows is engaged, or is

reasonably likely to engage, in transactions with HHC. A person's immediate family includes his or her spouse, siblings, children, grandchildren, parents, grandparents, or parents-in-law.

A person is deemed to have an "interest" in an enterprise when he or she, or a member of his or her immediate family is an employee, member, owner, director, or officer of – or has financial interest in – an enterprise; from which HHC purchases or leases equipment, services, or supplies, or that provides services that compete with HHC; with which HHC negotiates real estate transactions (such as the leasing of space), and which either benefits from the real estate transaction or competes with HHC in the leasing or purchase of real estate; or which renders directive, managerial, or consulting services to any organization that does business with, or competes with, HHC in providing services.

If the financial interest is the ownership of securities which are publicly traded, such interest does not have to be disclosed, unless the combined holdings of the securities of both the person and his or her immediate family constitute 5% or more of the outstanding securities of the entity concerned.

All personnel who have an interest in an enterprise, as outlined above, must disclose their interest in writing to the Compliance Officer; take no part in the consideration or determination of the matter on the part of HHC; and to the extent reasonable given the circumstances, should take no part in, and should have no financial participation in, the transaction between the enterprise and HHC. If HHC is considering engaging in a transaction with an enterprise in which personnel have an interest, that interest must first be brought to the attention of the Compliance Officer, who will then consult with counsel and review the matter. A recommendation will then be made about the propriety of the transaction.

#### Compliance Committee of the Board of Directors (BOD)

The Board of Directors (BOD) has overall responsibility through the CEO for ensuring that HHC conducts its activities with the highest integrity and complies with legal standards. A Compliance Committee of the BOD was developed to oversee the compliance program.

#### Gifts and Payments

No personnel will engage, either directly or indirectly, in any corrupt business practice, including bribery, kickbacks or payoffs, intended to influence or reward favorable decisions of any vendor, patient, physician, government representative, contractor, vendor, or any other person in a position to benefit HHC or the employee in any way.

No employee will make or offer to make any payment or provide any other thing of value to another person with the understanding or intention that such payment is to be used for an unlawful or improper purpose.

Personnel may accept items of very nominal value like pens, mugs, or calendars used for marketing gimmicks. No gift, no matter how nominal, may be accepted if given for the purpose of influencing the business behavior of the recipient. Cash gifts to physicians or other referral sources are strictly prohibited.

Gifts of even nominal value may not be offered to any governmental official. Such gifts can be misinterpreted as an attempt to improperly influence the official and are to be avoided.

It is prohibited for any personnel to accept gifts, gratuities, loans, or other favors from any patient, client, vendor, contractor, individual or concern that does (or is seeking to do) business with, or is a competitor of, HHC under circumstances from which it could be inferred that the personnel's action was for their own benefit, and not solely for the benefit of HHC. This does not preclude the acceptance of items of nominal value that are clearly tokens of friendship or business hospitality.

Any questions regarding whether or not an item or situation falls within the scope of this section must be raised immediately with the Compliance Officer, who, in conjunction with legal counsel, will assess the propriety of the particular situation.

#### *Patient Referrals/Patient Choice*

HHC does not pay physicians, or anyone else, either directly or indirectly, for patient referrals. The decision to refer patients is a separate and independent clinical decision made by the referring physician or health care provider. Federal and state law makes it unlawful to pay any individual on the basis of the value or volume of referral of patients. This includes the giving of any form of remuneration, including virtually anything of value, in return for referral.

#### *Other Conflicts*

If HHC is considering buying, leasing, or selling any property, item, or interest, HHC employees and affiliates must not attempt to buy, lease, or sell for their own benefit or that of their family the item under consideration, until HHC's decision on the matter has been executed. One possible exception is when senior management determines to sell old, outdated equipment at a fair market value to staff.

Finally, other than in connection with the personnel's discharge of their official responsibilities with HHC, all personnel must also refrain from disclosing information about any HHC consideration or decision, or any other information which might be prejudicial to the interest of HHC.

***The governing principle*** about confidential information is that if any confidential information pertaining to HHC is received by personnel, they must not use such information for their own or their family's benefit, nor should they disclose it to others for their personal use.

Any questions regarding whether or not an item or situation fall within the scope of this sections must be immediately raised with the Compliance Officer who will assess the particular situation.

### Departmental Compliance Protocols

In addition to the Code of Conduct and Compliance Procedures set forth in this Manual, many of HHC's departments have department-specific compliance policies, procedures, and protocols. These additional policies, procedures, and protocols are an integral part of the Compliance Program and are designed to complement the procedures and standards set forth in this Manual.

### Purchasing and Competitive Bidding Policy

All purchasing decisions must be made with the purpose of obtaining the highest quality product or service for HHC or its patients at the most reasonable price.

No purchasing decision may be made based on any consideration that any employee, officer or board of director – or any family member or friend of any of them – will benefit by the transaction.

The sole criteria behind all purchasing decisions must be only the best interests of HHC.

Services or items cannot be purchased in return for referral of patients.

#### **7) Marketing services honestly and accurately.**

HHC's best advertisement is in the quality of medical services it provides.

HHC relies on the quality of its care *and customer service* to market services to patients, physicians, and other health care providers who might refer patients. All marketing activities and advertising by personnel must be truthful and not misleading, and must be supported by evidence to substantiate any claims made.

No personnel may disparage HHC, or the service or business of another competitor, through the use of false or misleading representations.

In addition, only those persons designated by the CEO may market and communicate with the media, public, trade associations, and government officials on behalf of the organization.

Only senior management may designate personnel to solicit appropriate grant funding.

#### **8) Being good stewards of all fiscal and administrative resources.**

HHC has a legal and ethical responsibility to use fiscal and administrative gifts and grants wisely and for their intended purposes. Otherwise, it risks engaging in waste, fraud and abuse which is contrary to the philosophy of HHC. It must be good stewards of government resources while underscoring the organization's assets must never be used for personal gain.

### Billing

Billing is a major component of the corporate compliance program. It is HHC's policy to bill only for the actual services rendered, and only when those services were consistent with accepted standards of medical care.

Billing procedures must always be based on adequate documentation of the medical justification for the service provided and for the bill submitted.

In addition, this medical documentation must comport with all applicable regulations.

It is also strict HHC policy that no "default" to a particular billing code ever be used. If a service is not properly documented and/or the appropriate code is not identified, no bill should be submitted for reimbursement.

While the use of defaults or billing on the basis of unclear documentation can sometimes result in under-billing, these practices can also result in over-billing on other occasions.

No individual associated with HHC may ***knowingly*** or ***carelessly*** engage in any form of upcoding or undercoding of any services in violation of law, rule, or regulation. No one may ever misrepresent charges to, or on behalf of, a patient or third-party payor.

Coding for services rendered are performed by dentists, physicians and mid-levels at HHC. In conformity with HHC's basic mission and values, only those medical services to patients that are consistent with acceptable standards of medical care may be administered.

In this regard, HHC's billing procedures must always be based on adequate documentation of the medical justification for the service provided and for the bill submitted, and this medical documentation must comport with all applicable regulations. In addition, all documentation, regardless of any legal requirements, must also be sufficient to satisfy HHC's own internal standards for quality assurance as to the services rendered.

Because HHC only bills for the actual services rendered, and only when those services were consistent with accepted standards of medical care, it is strict HHC policy that no "defaults" to a particular billing code ever be used.

In addition, Current Procedural Terminology (CPTs), International Classification of Diseases (ICDs), Healthcare Common Procedure Coding System (HCPCS) should never be selected on the basis of whether the given code guarantees or enhances payment; rather, only those codes that

correspond to the service rendered and documented should be selected. The service will only be billed when the responsible medical personnel provides sufficient documentation.

It is also strict policy that no personnel associated with HHC knowingly engage in any form of upcoding of any services in violation of any law, rule, or regulation. All federal and state regulations governing billing procedures will be meticulously followed and HHC personnel responsible for coding and billing will be trained in the appropriate rules governing billing, coding and documentation.

Whenever HHC has learned or knows that it has received payments for which it was not entitled from a government or private payor, the payments will be refunded to the appropriate payor as soon as possible.

All billing must be accurate and truthful; and no personnel should ever misrepresent charges to, or on behalf of, a patient or third-party payor. HHC bills only for those services actually and appropriately provided. Making false statements or intentional omissions of material information by any personnel to a government agency or other payor is unacceptable.

Deliberate misstatements to government agencies or other payors will likely cause an individual's termination and potential criminal penalties may result.

It is also illegal, however, to supply false information with either a deliberate ignorance or a reckless disregard of its falsity or truth. Thus, if you have any question as to the truth or accuracy of the documentation for billing purposes, or if there is material information that is missing, the bill for the services in question must be held until the uncertainties are resolved. Anything less can result in over billing and is strictly prohibited.

#### *Billing Rules for Clinical Laboratory and Other Diagnostic Testing*

HHC performs laboratory tests and diagnostic procedures. As a result a separate and detailed set of protocols and standards of conduct and compliance procedures specific for laboratory and other diagnostic testing has been developed. It is critical staff be aware and follow them. Documentation, medical justification, correct billing practices and quality assurance apply.

Protocols to guide laboratory and diagnostic activities are set forth below:

1. Bill Only for Tests that were Actually Ordered and Conducted

HHC will bill only for tests that were ordered by a physician and actually conducted. If a test is ordered, but is not performed for any reason, then no bill for the test may be submitted to any third-party payor. Tests should be performed only when there is a clear order from the patient's physician and there is reason to believe that the test is medically necessary.

2. Medical Necessity for Tests

Although it is ultimately the ordering dentists, mid-levels and physician's responsibility to determine whether a test is medically necessary, claims should be submitted to Medicare or Medicaid (or any other federally funded health care program) that an employee has reason to believe was not medically necessary. All HHC ordering procedures – from requisition design to our interactions with the ordering providers – must be designed to encourage ordering providers to order *only* medically necessary tests for which reimbursement will be sought from the government.

### 3. Diagnostic Codes

The best way that the medical necessity for a given test can be clearly demonstrated is to ensure that the appropriate International Classification of Diseases (ICD)-9 and eventually ICD-10 diagnosis code is included on the claim form that is submitted to the government. The ICD codes assigned must be accurate and as specific as possible, based on the information available to the physician ordering the test, based on the patient's actual condition, and based on information that is otherwise in the patient's chart.

Only diagnostic information obtained from the provider who ordered or interpreted the test should be placed on any claim/billing form. If the diagnosis is unclear or has not been provided, technical or billing personnel must contact the ordering physician to obtain the necessary information, and cannot create diagnostic information based on their own interaction with the customer, from information provided from an earlier date of service, or based on what appears to be the probable or most likely diagnosis.

When an encounter form is submitted with inadequate diagnostic information, HHC will not submit a bill until the appropriate information has been obtained.

#### *Relationships with Physicians and Other Providers*

All contracts, leases, and other financial relationships with physicians (and with any other medical provider who has a referral relationship with HHC) will be based on the fair market value of the services or items being provided or exchanged, and not on the basis of the volume or value of referrals of Medicare or Medicaid business between the parties. Nor will free services or items be accepted or provided in return for referrals.

Thus, for instance, HHC will not provide: excessive payments for medical directorships; free services to physicians who otherwise have a financial relationship with HHC; free or below market rents or fees for administrative services; interest-free loans; or excessive payment for intangible assets in a physician practice acquisition. Similarly, all recruiting arrangements with physicians will not require the physician to refer patients to HHC or compensate the physician, directly or indirectly, for the volume or value of referrals generated by the physician.

All contracts, leases, and other financial relationship with providers with whom HHC has a referral relationship will be reviewed to ensure compliance with the federal and state Anti-Kickback and Stark Laws, and compliance with any applicable Safe Harbor or exception under those laws.

All personnel must strive to avoid even the appearance of impropriety, and must never act in a dishonest or misleading manner when dealing with others, both within and outside HHC.

### 340B Pharmacy Program

HHC's mission to serve its patients includes participation in the federal 340B Pharmacy Program. The Program is a safety-net to complement medical services for those in need of assistance. It provides individuals an option to purchase needed medications at significant discounts.

HHC has a separate set of policies and protocols to address them to ensure program integrity.

As outlined in the Federal Register/Vol.75, No.43, March 5, 2010, "use of a contract pharmacy arrangement ... does not lessen [Hometown's] duty to ensure that the 340B program is being administered in compliance with the statute and HRSA guidelines. [Hometown] has, and continues to bear, full responsibility and accountability for compliance with all requirements to prevent diversion of covered drugs ..."

### Grants

HHC receives grants from government agencies, private industry, and various philanthropies. Grants must be subject to adequate safeguards to ensure that an appearance of impropriety, or actual impropriety, is not created. HHC must always be a good steward of any resources.

The receipt and use of all grant money must be pre-approved by senior management. As part of this pre-approval process, the appropriateness of the proposed project will be reviewed, and a system of tracking the use and allocation of the grant money will be put into place. This system will ensure money is used in conformity with the requirements of the grant and in a manner consistent with HHC policies, the needs of customers/patients, and the scope of an individual's employment with HHC.

The receipt, or continued receipt, of the grant money must occur under conditions which do not create an appearance that the judgment of HHC personnel will be adversely affected, so as to place their own interest, or that of an outside concern, above that of HHC and its patients.

Grant money should not be accepted in return for the promise or expectation that HHC or anyone affiliated with it will purchase specific services or supplies from a particular company. HHC does not accept compensation in any form as an inducement to purchase products or services. Even the appearance that a grant is accepted for the purpose to purchase a specific service or product must be avoided.

If a grant is provided in order to test, develop, or use equipment or supplies from a particular manufacturer or supplier, the terms and conditions of that grant will be subjected to close scrutiny during the pre-approval process.

Any subsequent purchase of such equipment or supplies must also be subjected to close review to ensure that the judgment of HHC personnel involved with the grant has not been compromised and that the purchase is otherwise in the best interest of HHC and its patients. In such instances, those personnel directly involved in the receipt and use of the grant money will take no part in the final determination as to the proposed purchase.

#### **9) Urging patients, employees and Board members to report illegal or unethical conduct.**

##### *Responsibility of Employees and Board Members*

All employees are expected to comply and be familiar with all federal and state laws, rules, and regulations that govern their job within HHC. All employees are also expected to comply with the standards set forth in the Code of Conduct and with any applicable departmental compliance protocols. Strict compliance with these legal and compliance standards is a condition of employment, and violation of any of these standards of conduct will result in discipline being imposed including termination.

##### *Responsibilities of Department Heads, Supervisors and Managers*

All department heads, supervisors and managers have the responsibility to help create and maintain a work environment in which ethical concerns can be raised and openly discussed. They are also responsible to ensure that the personnel they supervise understand the importance of this Code of Conduct and the compliance program; that these personnel are aware of its provisions and of the procedures for reporting suspected unlawful activity (set forth in the next Part of this Manual); and that all personnel are protected from retaliation if they come forward with information about suspected wrongdoing.

##### *Government Inquiries*

While personnel may speak voluntarily with government agents, it is recommended that, before doing so, they contact their supervisors and the Compliance Officer first. In no event, however, may any personnel respond to a request to disclose HHC documents or privileged information without first speaking with their supervisor.

As a general matter, any personnel who receive a governmental request for information, a subpoena, or any other inquiry or legal document regarding HHC's business should notify his or her supervisor before attempting to make a reply. The supervisor should then contact the Compliance Officer, who will notify legal counsel if necessary.

If a response is given to a request for information from the government regulatory agencies, the response must be accurate and complete. It is HHC's policy to comply with the law and to cooperate with reasonable demands made during the course of a legitimate governmental investigation or inquiry.

#### Corporate Compliance Helpline

A locked Compliance Box in the Staff Break Room and a 24/7 reporting hotline (\*67-518- 688-3460) are among the ways those working for or affiliated with HHC can report a compliance concern. Both have been established to raise questions directly with the Compliance Officer and to report possible violations, ask questions or raise compliance concerns.

Only the Compliance Officer has access to both the hotline and locked box. The internal extension for the Compliance Officer is 4195.

#### **10) Protecting anyone from retaliation when reporting wrongful conduct.**

Retaliation in any form against an individual who in good faith reports possible unethical or illegal conduct is strictly prohibited and is itself a serious violation of this Code.

*It is against the law for anyone to harass or retaliate against you for being proactive and reporting a potential problem. Acts of retaliation against employees should be reported to the Compliance Officer immediately.*