

ST. JOSEPH'S HEALTHCARE SYSTEM

COMPLIANCE DEPARTMENT

CORPORATE COMPLIANCE
PROGRAM

April 14, 2009

ST. JOSEPH'S HEALTHCARE SYSTEM COMPLIANCE DEPARTMENT CORPORATE COMPLIANCE PROGRAM

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I. COMPLIANCE POLICY STATEMENT

St. Joseph's Healthcare System (SJHS) is dedicated to maintaining excellence and integrity in all aspects of its operations and its professional and business conduct. Accordingly, SJHS is committed to conformance with high ethical standards and compliance with all governing laws and regulations, not only in the delivery of health care but in its business affairs and its dealings with employees, administrative staff, physicians, agents, payers and the communities it serves. It is the personal responsibility of all who are associated with SJHS to honor this commitment in accordance with the terms of the SJHS Code of Conduct and related policies, procedures and standards developed by SJHS in connection with the Corporate Compliance Program.

II. PURPOSE OF COMPLIANCE PROGRAM

The SJHS Corporate Compliance Program (the "Program") is intended to provide reasonable assurance that SJHS :

1. complies in all material respects with all federal, state and local laws and regulations that are applicable to its operations;
2. satisfies the conditions of participation in health care programs funded by the state and federal government and the terms of its other contractual arrangements;
3. detects and deters criminal conduct or other forms of misconduct by trustees, officers, employees, medical staff, agents and contractors that might expose SJHS to significant civil liability;
4. promotes self-auditing and self-policing, and provides for, in appropriate circumstances, voluntary disclosure of violations of laws and regulations;
5. establishes, monitors, and enforces high professional and ethical standards.

III. SCOPE OF COMPLIANCE PROGRAM

The provisions of the Program apply to all medical, business and legal activities performed by SJHS employees, medical staff, residents, agents and contractors. The expectations for SJHS employees regarding compliance with the Program are as follows:

1. comply with the SJHS mission statement and the SJHS Code of Conduct contained in Section XIII of this document;
2. familiarize themselves with the purpose of the Program;
3. perform their jobs in a manner which demonstrates commitment to compliance with all applicable laws and regulations;
4. report known or suspected compliance issues to the Corporate Compliance Officer or his designee or the Corporate Compliance Hotline and participate in investigations to the point of resolution of an alleged violations;

5. strive to prevent errors and provide suggestions to reduce the likelihood of errors.

IV. SJHS COMPLIANCE PROGRAM ELEMENTS

The SJHS Board of Trustees directed the development and implementation of an effective compliance program which includes the following elements recommended in the **Office of Inspector General's Compliance Program Guidance for Hospitals** (Section references are to relevant sections within this document):

1. **Corporate Compliance Officer and Compliance Committee designations** (Sections V and VI);
2. **Education and Training Program Development and Implementation** (Section VII) – to provide general compliance information to the broad-based employee population as well as focused technical training of those functional areas that have the ability to put SJHS and its member organizations at a greater degree of compliance exposure;
3. **Hotline Process Maintenance** (Section VIII) - to receive complaints confidentially and to provide retaliation protection to all individuals who report concerns via the Corporate Compliance Hotline;
4. **Sanction or Disciplinary Action Enforcement** (Section XII): the enforcement of appropriate sanctions or disciplinary actions against employees, physicians, on-site agents, or contractors who violate compliance policies, applicable laws or regulations or federal health program requirements;
5. **Monitoring** (Section X) - the performance of audits and risk assessments to identify problems and conduct ongoing compliance monitoring of identified problem areas; and
6. **Investigation and Remediation** (Sections IX and XI) - the investigation and remediation of identified systemic problems and the development of appropriate corrective action plans to remediate such problems.
7. **Code of Conduct** (Section XIII) - development and distribution of the Code, as well as the development of new or revised written policies and procedures that further promote SJHS' commitment to compliance. Such policies should be considered an integral part of this Program;

This Program establishes a framework for legal and ethical compliance by SJHS and the members of the SJHS workforce community. The Program is a living document and all members of SJHS workforce are encouraged to suggest changes or additions to the Program. It is not intended to set forth all of the substantive programs and practices of SJHS that are designed to achieve compliance. Certain functional areas within SJHS that are more likely to have issues involving compliance with applicable laws, regulations and SJHS policies and practices, such as laboratory, professional billing, and long term care may develop specific compliance plans and/or policies that address issues pertinent to those areas. These area-specific compliance plans and policies will augment and further support this program.

V. CORPORATE COMPLIANCE OFFICER

The Corporate Compliance Officer (CCO) reports to SJHS' President & CEO and the Audit/Compliance Committee of the SJHS Board of Trustees. The CCO is assisted by the Compliance Specialist, a Senior Internal Auditor and an Internal Auditor. The CCO's primary responsibilities include:

- overseeing and monitoring the implementation of the SJHS Compliance Program. The CCO will work with the Corporate Compliance Specialist to develop a Compliance Work Plan to guide implementation of the Compliance Program. The Compliance Work Plan will include:
 - an identification of areas which require review and monitoring. The Work Plan will also be based on the OIG Work Plan for that particular year. The Work Plan will be reviewed on an annual basis with the President and CEO and the Audit/Compliance Committee of the SJHS Board of Trustees;
 - educational and training programs relating to legal and regulatory areas;
 - reviews of departmental compliance policies or plans, where appropriate;
 - plans for continued monitoring of areas under corrective action based on prior compliance assessments;
- reporting as necessary to the President and CEO and the Audit/Compliance Committee of the SJHS Board of Trustees on the progress of Compliance Program implementation.
- advising SJHS workforce members in establishing methods to improve their efficiency and quality services, and to reduce SJHS' vulnerability to fraud, abuse and waste;
- obtaining from SJHS' Boards of Trustees required commitment of resources to carry out review and monitoring activities;
- periodically revising the Compliance Program in light of changes in the needs of the organization, and in the laws and policies and procedures of government and private payor health plans;
- developing, coordinating, and participating in an educational and training program that focuses on the elements of the Compliance Program, and ensures that all appropriate employees and management are knowledgeable of pertinent federal and state standards;
- ensuring that independent contractors and agents who furnish services to SJHS are aware of the applicable requirements of the SJHS Compliance Program;
- coordinating personnel issues with Human Resource and Medical Staff Office personnel to ensure that the National Practitioner Data Bank and Cumulative Sanction Report have been checked with respect to all employees, medical staff and independent contractors;
- assisting SJHS financial management by coordinating internal compliance review and monitoring activities, including periodic reviews of certain departments that have the potential to become involved in compliance issues;
- independently investigating and acting on matters related to compliance, including the design and coordination of internal investigations that respond to reports of problems or suspected violations, and any resulting corrective action with affected departments, providers and sub-providers, agents and, if appropriate, independent contractors. The CCO and his designee have the authority to review all documents and other information that are relevant to compliance activities;
- monitoring the Corporate Compliance Hotline to ensure that members of the SJHS workforce are able to report suspected improprieties without fear of retribution, and implementing processes to investigate, resolve and document all issues reported via the Corporate Compliance Hotline;

- monitoring activities related to the SJHS Compliance Program and Compliance Work Plan and reporting progress and relevant information to the Board of Trustees; and
- responding, in conjunction with Legal Counsel when appropriate, to external agency requests regarding compliance issues.

VI. CORPORATE COMPLIANCE COMMITTEE

SJHS shall have an Executive Compliance Committee comprised of representatives from appropriate clinical and administrative areas. The Compliance Committee members should have broad backgrounds and experience levels and expertise in operations, monitoring quality, service delivery and legal/regulatory compliance.

The Executive Compliance Committee assists in the development, implementation and monitoring of the SJHS Compliance Program. The Executive Compliance Committee's functions include:

- monitoring changes in the health care environment, including regulatory changes with which SJHS must comply, and identifying the impact of such changes on specific risk areas;
- recommending the revision of policies and procedures, as needed, so that such policies support the Code of Conduct;
- reviewing through summary reports prepared by the CCO, the types and resolution of hotline calls coming through the Compliance Hotline, identifying trends or patterns.

VII. EDUCATION AND TRAINING

The CCO and the Corporate Compliance Specialist have developed a process for the dissemination and implementation of the Program and other compliance education/training initiatives:

1. All employees will be introduced to and trained in the Program, the SJHS Code of Conduct and SJHS compliance policies and procedures. Such training will reinforce the need for strict compliance with the law and will advise employees that any failure to comply will be documented on the employees' performance evaluation and may result in disciplinary action.
2. Within 90 days of their dates of hire, new employees will be introduced to the Code of Conduct, informed of the Program and informed of the ways in which they may access the CCO and the Corporate Compliance Hotline.
3. Corporate Compliance will monitor in-service training for relevant employees involved in the assignment of diagnosis and procedure codes for billing government and private payor programs.
4. SJHS will make compliance training available to physicians, to the extent feasible, and will use its best efforts to encourage physician attendance and participation.
5. Attendance at all training programs will be monitored and documented.

A system to document that training has occurred will be developed jointly by the CCO and Continuing Education (CED).

VIII. SJHS COMPLIANCE COMMUNICATION

1. Direct Access to the Compliance Officer

SJHS recognizes that an open line of communication between the CCO, Corporate Compliance Specialist and SJHS workforce, is critical to the success of the Program. In addition to using the Corporate Compliance Hotline, members of the SJHS community are strongly encouraged to report incidents of potential fraud or to seek clarification regarding legal or ethical concerns directly from the Corporate Compliance Department, which can be directly contacted as follows:

	Location	Telephone	Fax
Corporate Compliance Officer	Paterson	973-754-3565	973-754-2878
Corporate Compliance Specialist	Paterson	973-754-5918	973-754-4965

Employees who, in good faith, report possible compliance violations will not be subjected to retaliation or harassment as a result of their reports. Retribution related to reporting of compliance concerns is prohibited and anyone who engages in such prohibited activity will be subject to disciplinary action. Concerns about possible retaliation or harassment should be reported to the CCO or his designee. All such communications will be kept as confidential as possible but there may be times when the reporting individual’s identity may become known or may have to be revealed if governmental authorities become involved.

When appropriate, the CCO will seek advice directly from legal counsel to assist in the investigation of fraud and abuse reports concerning members of the SJHS workforce who may have participated in illegal conduct.

2. Compliance Hot Line

A key element of the SJHS Compliance Program is the Corporate Compliance Hotline that can be accessed by dialing 973-754-2017. The Hotline is a confidential resource that can be used anonymously to allow all members of the SJHS workforce to voice concerns over any situation that may conflict with SJHS’ commitment to excellence or to report misconduct that could give rise to legal liability if not corrected.

A log is maintained of all Hotline calls, the results of investigations and continued monitoring, if applicable. Reports of calls will be reviewed annually to identify any significant trends or patterns.

3. New Employee Policy

For all new employees, SJHS will conduct a reference check, as part of the hiring process. All SJHS job applications specifically require the applicant to disclose any criminal conviction.

4. Communications with Government Agencies

SJHS and member organizations shall document and retain records of all requests for information regarding payment policy from a government agency and all written or oral responses received. Such records are critical if SJHS intends to rely on such responses to guide them in future decisions, actions or claim reimbursement requests or appeals, while further underscoring SJHS commitment to compliance with the law.

5. Record Retention

SJHS is committed to complying with the record and documentation requirements under federal or state law and to the maintenance and retention of records and documentation necessary to confirm the effectiveness of SJHS' Compliance Program. Such documentation includes but is not limited to a Compliance Hotline log, minutes of Compliance Committee meetings, educational presentation logs, handouts and attendance sheets and documentation of auditing and monitoring efforts.

IX. INVESTIGATIONS

The CCO has the authority to investigate all potential compliance issues, and to direct others to do so and shall report the results to the President and CEO and Audit/ Compliance Committee. The CCO or his designee will:

- promptly initiate an investigation of a potential compliance issue to make a determination as to whether a violation has occurred. The CCO will either personally conduct the investigation or refer the complaint to a more appropriate area either within SJHS or outside, such as internal or outside legal counsel, auditors or health care consultants with needed expertise. The CCO may request assistance in the investigation from the person or persons who filed a complaint, other personnel or external sources, as appropriate;
- request legal counsel to participate in the investigation and provide legal advice in any such matter, as appropriate. In any investigation involving legal counsel, the fact gathering is to be conducted under counsel's direction and control. All members of SJHS are obligated to cooperate with counsel.
- prepare a report of each investigation in conjunction with legal counsel which will include documentation of the issue and, as appropriate, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action and the corrective action implemented to prevent recurrence. Reports of each investigation and the status of the corrective action will be presented to the President and CEO and Audit/ Compliance Committee of SJHS' Board of Trustees on a quarterly basis, or as deemed necessary.
- work with relevant areas within SJHS to ensure return of discovered overpayments to the relevant government programs.

X. MONITORING

As outlined in Section VI., one of the principal responsibilities of the CCO is to oversee and monitor the implementation of the SJHS Compliance Program. The CCO works with Senior Administration and Directors develop a Compliance Work Plan to track the effectiveness of the Compliance Program. The Compliance Work Plan will include an annual identification of areas which require monitoring. Progress reports of the ongoing monitoring activities, including identification of suspected noncompliance, will be maintained by the CCO and shared annually with the President and CEO and Audit/ Compliance Committee of the Board of Trustees .

Monitoring techniques that will be used by the Corporate Compliance Department include, but are not limited to the following:

- compliance audits focused on those areas within SJHS that have potential exposure to government enforcement actions as identified in (i) Special Fraud Alerts issued by the Office of Inspector General (OIG), (ii) OIG annual Work plan, (iii) Medicare fiscal intermediary or carrier reviews and (iv) law enforcement initiatives.
- benchmarking which provide operational snapshots from a compliance perspective that identify the need for further assessment, study or investigation.
- periodic reviews in the areas of Program dissemination, communication of SJHS' compliance standards and Code of Conduct, the Corporate Compliance Hot Line and adequacy of compliance training and education to ensure that the Program's compliance elements have been satisfied. The review process will be conducted through on-site interviews and surveys of key management in operations, medical records, coding, billing and patient care.
- subsequent reviews to ensure that corrective actions have been effectively implemented.

XI. CORRECTIVE ACTION PLANS

When a compliance issue that has been identified requires remedial action, the appropriate department or administrative personnel responsible for the activity should develop a corrective action plan which specifies the tasks to be completed, completion dates and responsible parties. In developing such a plan, the responsible personnel will obtain advice and guidance from the CCO, legal counsel and other appropriate personnel, as necessary. Each corrective action plan must be approved by the CCO or his designee prior to implementation. The CCO has the obligation to report directly to the President and CEO and Audit/ Compliance Committee of SJHS' Board of Trustees on (i) all compliance issues noted for which corrective actions have not been implemented; (ii) corrective action plans that have not met his/her approval from an adequacy or timing standpoint ; or (iii) corrective action plans that are not subsequently implemented in accordance with the approved plan in terms of substance or timing.

A corrective action plan should ensure that the specific issue is addressed and that similar problems will not occur in other areas or departments, to the extent possible. Corrective action plans may require that compliance issues be handled in a designated way, that relevant training takes place, that restrictions be imposed on particular employees, or that the matter be disclosed externally. Sanctions or discipline, in accordance with the standard disciplinary policies and procedures of SJHS may also be recommended. If it appears that certain individuals have exhibited a propensity to engage in practices that raise compliance or competence concerns, the corrective action plan should identify actions that will be taken to prevent such individuals from exercising substantial discretion in that area.

XII. SANCTIONS

All members of the SJHS workforce are responsible for complying with SJHS' Corporate Compliance Program, Code of Conduct and related policies and procedures. Corrective action for noncompliance will be initiated by the appropriate management personnel, who must notify Human Resources in accordance with the standard disciplinary policies and procedures of SJHS. Enforcement will be administered by the parties identified by the CCO in consultation with the immediate supervisor and, if appropriate, Human Resources. Disciplinary actions will be determined on a case-by-case basis and will be taken appropriately, equitably and consistently, given the underlying circumstances and the degree of negligence or reckless conduct.

Physicians who violate the Program will be disciplined in accordance with the peer review procedures established in the medical staff bylaws at the member organization level.

XIII. Code of Conduct

General Policy

St. Joseph's Healthcare System (hereafter referred to as SJHS) is committed to achieving high standards of business and personal ethics for itself, and all individuals employed by or doing work for SJHS. *1 As a Catholic institution, SJHS has embraced and incorporated, by reference, the Code of Pastoral Conduct of the Diocese of Paterson.* Through performance in accordance with these standards, SJHS, its medical staff and all its employees will merit and enjoy the respect of its patients, the public, the business community, and regulatory authorities.

It is the personal responsibility of all employees to acquaint themselves with the legal and policy standards and restrictions applicable to their assigned duties and responsibilities, and to conduct themselves accordingly. Over and above the strictly legal aspects involved, all SJHS personnel are expected to observe high standards of business and personal ethics in the discharge of their assigned responsibilities.

Employee and Medical Staff Conduct

It is the policy of SJHS that all the business of SJHS be conducted in accordance with the highest legal, ethical and professional standards in full compliance with all applicable federal, state and local laws and regulations regarding health care regulatory matters as well as the requirements of governmental and nongovernmental organizations.

All covered individuals must comply fully with all applicable statutes and regulations and are required to deal fairly, honestly and professionally with patients and their families, regulatory authorities, payors, suppliers and the community at large. Every individual must avoid any action, relationship or situation which could jeopardize or impair the confidence or respect in which SJHS is held by its patients and the general public. *Any individual involved in counseling and spiritual direction must always respect the rights and advance the welfare of each patient. Anyone who provides pastoral services or counseling to*

¹ Individuals employed by or doing work for SJHS includes but is not limited to: a. salaried employees; b. contracted employees; c. medical residents; d. attending Medical Staff; e. students; f. volunteers; g. business partners.

children must fulfill the safe environment requirements as designated by the Diocese of Paterson and attend Virtus training as directed.

SJHS as an Equal Opportunity Employer – SJHS will not discriminate based on gender, age, race, color, religion, disability, etc. in its employment practice.

New Hire Job Qualifications – SJHS shall verify the qualifications of job applicants, including background and criminal checks where applicable by law, prior to the offering of employment by SJHS.

Harassment – SJHS shall provide a comfortable and secure working environment for its employees, free from physical, psychological, written or verbal intimidation or harassment. In accordance with this policy, harassment of any kind, including sexual and racial harassment, is illegal and will not be accepted nor tolerated by SJHS. *Any incident, whether a single event or a persistent pattern of behavior², must be reported immediately to Human Resources.*

Individuals under Investigation – Any employee under investigation for a criminal offense related to healthcare must notify their supervisor and the Corporate Compliance Office immediately.

Conflict of Interest

SJHS expects that all employees exercise the utmost integrity in all transactions related to their duties at SJHS and its property. SJHS maintains a policy of full disclosure by its employees where a potential conflict of interest exists. SJHS has adapted the IRS Sample Conflict of Interest Policy.

Full disclosure of any situation in doubt should be made to the their immediate supervisor and the Corporate Compliance Officer, so as to permit an impartial and objective determination. Disclosure relates to the employee's activities as well as the employee's immediate family. Each employee must complete a Statement of Understanding – Code of Conduct. Every member of management must complete a Conflict of Interest form annually.

Supervision of Subordinates – It is the policy of SJHS that all employees are properly supervised and that their job performances are evaluated fairly and objectively by their respective superiors. In accordance with this policy, a conflict of interest arises when a SJHS supervisor is in a position to supervise and/or evaluate an immediate family member⁽³⁾ who also works for SJHS. If this type of situation arises, the relationship must be disclosed to the Compliance Officer and the supervisor's superior and alternative arrangements must be made with regard to the supervision and evaluation of the subordinate, including a possible transfer of that individual to another department within SJHS.

Employment of Relatives – It is the policy of SJHS to hire the most qualified individual for an employment position within SJHS. In accordance with this policy, SJHS and its Human Resources Department gives no preference to relatives of SJHS employees who seek employment within SJHS.

² Examples of Harassing Behavior includes but is not limited to: a. physical or mental abuse; b. racial insults, c. derogatory ethnic slurs or jokes; c. sexual advances or touching; e. sexual comments or sexual jokes; f. requests for sexual favors used as a condition of employment or to affect other personnel decisions such as promotion or compensation; g. display of offensive materials such as pornography or expressions of hate and discrimination; h. use of the internet to send or solicit sexual or offensive messages, threats, jokes or photos.

³ Immediate family member includes: spouse, child, parent, significant other, domestic partner, sibling, niece/nephew (if living with employee), grandparent

Gifts to or by Employees

It is the policy of SJHS that the practice of accepting gifts or gratuities is not only unnecessary and undesirable, but also contrary to the service interests provided by SJHS.

No employee may accept payment from any patient, family or physician for work performed either on his/her scheduled time or on overtime. Impersonal gifts are expected to be shared by a work unit (example: boxes of cookies or candies).

Certain business courtesies, such as payment for a lunch or dinner in connection with a business meeting normally would not be a gift within the context of this policy. However, such activity shall be limited in frequency. Under no circumstance shall an employee solicit favors for personal use. Tickets to sporting events, Broadway shows, etc. shall be donated to the Foundation. Any question as to whether a gift might appear to be improper or questionable should be addressed to their immediate supervisors.

Continuing Education and Training – Vendors and suppliers of goods and services to SJHS may offer education or training programs without cost. Personnel may attend such training programs, but may not accept payment from the vendor or supplier for travel and lodging. If an employee attends such programs, they are encouraged to balance the perspectives of the vendor with the perspective of competing vendors.

Kickbacks and Rebates – It is the policy of the Medical Center to neither offer nor receive any payment of monies, supplies or services regarding the referral of patients, purchase of supplies and/or the performance of services. Purchase or sales of goods and services must not lead to personnel or their families receiving kickbacks or rebates. Kickbacks and rebates can take many forms and are not limited to direct cash payments or credits. In general, if you or your immediate family stand to gain personally, directly or indirectly, through the transaction, it is prohibited. Such practices are not only unethical but are illegal in many cases.

Political Contributions

No funds or assets of SJHS shall be used for federal, state or local political campaign contributions.

The above prohibitions apply only to the direct or indirect use of corporate funds or assets for political purposes and are, of course, not intended to discourage employees from making personal contributions to the candidates, parties or committees of their choice, or through any SJHS Political Action Committee. Under no circumstances shall employees be reimbursed in any way for personal contributions.

Confidential Information

Employees frequently have access to confidential information concerning SJHS, its patients, and other employees and members of the SJHS medical staff. Safeguarding confidential information is essential to

the conduct of our business. Caution and discretion must be exercised in the use of such information, which should be shared only with those who have a clear and legitimate need and right to know.

No employee shall disclose confidential information of any type, to anyone, except persons who need to know in the performance of their job as is required by a government agency or third party. Information regarding a patient or a member of the SJHS medical staff may not be released to third parties, government, or other organizations, without the consent of the person involved.

Any requests for information arising through a legal process (e.g., subpoena or court order) must first be referred to legal counsel before the release of information. Any other information requests, such as from the press, should be referred to the Public Relations Department.

Patient Service and Concerns

The mission of SJHS is to provide high quality services to all our existing and prospective patients. All appropriate requests should be honored. When adjustments are warranted due to billing or administrative errors, employees will make them promptly and courteously. Equally important, we seek to continuously improve policies, procedures, services and products that contribute to patient satisfaction.

All patient complaints require a response, either verbally or in writing, by the President or his designee. Patient complaints and comments will be incorporated into the Patients Relations database.

Document Services and Coding – It is the policy of SJHS to diligently, accurately and timely record medical services provided to its patients which information is used for billing purposes. SJHS will prepare accurate bills for services using proper billing codes utilizing the information documented in each patient’s medical record.

SJHS Cost Reports – SJHS shall diligently and accurately prepare and submit its Medicare Cost Reports in full compliance with current laws and regulations.

Additionally, it is a violation of the Code to:

- Deliberately file or submit a false, fictitious or erroneous claim to any payor;
- File a claim with reckless disregard for the falsity of the information;
- Reassign a code that has been originally assigned by medical record coders.
- Changes must always be substantiated by documentation found in the patient’s medical record;
- Delay the prompt repayment of funds, which SJHS received in error.

Patient Rights

SJHS is committed to promoting consideration of patient values and preferences, and protecting the rights of all patients. In providing services to patients, SJHS does not discriminate on the basis of race, age, religion, national origin, sex, sexual preferences, handicap, or source of payment. SJHS shall transfer a patient to another facility only if it is unable to provide the type or level of medical care appropriate for the patient’s needs or if transfer is requested by the patient, and the patient’s condition is appropriate for transfer.

Patient Care

Providing quality patient care is the primary objective of SJHS. Decisions regarding the clinical care of patients are made separately from any payment issues in order to protect the integrity of the clinical decision making. SJHS has implemented policies and procedures addressing this issue that are available to all patients, clinical staff, licensed independent practitioners and Medical Center personnel upon request. SJHS will ensure that the professionals who are rendering medical care and treatment to its patients are properly credentialed and licensed.

Integrity of Records and Compliance with Accounting Procedures

Accuracy and reliability in the preparation of all business records is mandated by law. It is of critical importance to the corporate decision-making process and to the proper discharge of SJHS financial, legal and reporting obligations. All bills rendered to patients, their representatives or third parties must accurately reflect the services provided, and the patients' medical records shall properly and accurately record those services. All business records, expense accounts, vouchers, payroll and service records and other reports are to be prepared with care and honesty. False or misleading entries are not permitted in the books and records of SJHS or any affiliated company. All corporate funds or assets are to be recorded in accordance with applicable corporate procedures. Compliance with accounting procedures and internal control procedures is required at all times. It is the responsibility of all employees to insure that both the letter and the spirit of corporate accounting and internal control procedures are strictly adhered to at all times. Any employee should advise the responsible person in their department or the Corporate Compliance Officer of any shortcomings they observe in such procedures. Such reporting also may be accomplished by use of the confidential SJHS reporting mechanism as set forth in this code of conduct policy. Reports may be made anonymously.

Marketing

SJHS conducts its marketing activities in an honest, trustworthy and ethical manner. When providing information about its services to the public, SJHS to communicate clearly and accurately. SJHS takes necessary measures to ensure that its marketing activities conform to the requirements of applicable federal and state law. In particular, SJHS marketing activities shall not offer financial incentives to increase referrals.

Dealing with Ineligible Companies – No contracts may be executed with companies that have been convicted of a criminal offense related to healthcare or that are debarred, excluded or otherwise ineligible for participation in governmental healthcare programs.

Administration of the Code

The Code of Conduct will be administered by formal and informal means. Certain aspects of the Code will be administered and enforced through SJHS Compliance Program and other SJHS policies. SJHS will hold education sessions periodically to explain and discuss the Code of Conduct and the Compliance Program. Employee attendance at these education sessions is mandatory.

Employees also are encouraged to seek guidance regarding the application or interpretation of this Code of Conduct and are expected to cooperate fully in any investigation of a potential violation. The statement

set forth in this Code of Conduct are intended as guidelines for employees. Routine questions of interpretation regarding the Code shall be directed to the employee's supervisor or to the Corporate Compliance Officer. If any employee believes the Code, or particularly the Compliance Plan, may have been violated, the employee promptly shall report the potential violation to the Corporate Compliance Officer or make use of the confidential **HOT-LINE at Ext. 2017**. Violations of the Code of Conduct and the Compliance Plan may be disciplined by the Medical Center, up to and including dismissal. However, the Code of Conduct and the Compliance Plan do not set forth all of the reasons or situation in which employees may be disciplined.

Reporting Mechanisms

One of the key ingredients of an effective compliance program is the development of a system which employees can use to report questionable behavior without fear of retaliation. We have established **extension 2017** as the Corporate Compliance Hotline for this purpose. The Hotline will put you in touch with our Internal Auditors who report directly to the President. Some examples of behavior that should be reported include the following:

- A serious breach of patient or employee confidentiality by a co-worker
- Accepting bribes or kickbacks from a vendor
- Unethical or illegal activities by any co-worker

Employees are expected to bring these types of issues or concerns to their immediate supervisor. The supervisor should then evaluate the situation and address it. If an employee feels their concerns are not properly resolved or if the problem involves their supervisor, employees must contact the next level of management or the Corporate Compliance Hotline.

When calling the Hotline, please be sure to provide as much information as possible to enable the Compliance Officer to research the issue. They will begin a detailed investigation and provide the results of that directly to the President. Calls can be made anonymously from an outside phone. However if you want a response to your inquiry, you will need to provide your name and department. All Hotline calls will be kept confidential to the extent possible and still permit investigation.

If you have access to e-mail either at work or home, we have also established the following e-mail address for Corporate Compliance issues:

cchotline@sjhmc.org

If you decide to use e-mail to report an issue, your identity will be known to the Compliance Officer through your e-mail address.

The Code of Conduct is not an employment contract, and SJHS may at any time modify the provisions of this Code of Conduct as it deems appropriate.

STATEMENT OF UNDERSTANDING
ST. JOSEPH'S HEALTHCARE SYSTEM

CODE OF CONDUCT

I certify that I have read and understand the Code of Conduct for the Corporate Compliance Program and agree to abide by it during the entire term of my employment. I acknowledge that I have a duty to report any alleged or suspected violation of the Code of Conduct or the Corporate Compliance Program to the Compliance Officer.

I understand that any violation of the Corporate Compliance Program, the Code of Conduct or any other corporate compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment.

Please check applicable box:

- This is my first review of the Corporate Compliance Program, Code of Conduct and Conflict of Interest Policy.
- This is an annual review of the Program, Code of Conduct and Conflict of Interest Policy.
- There has been a change of information previously provided. See attached explanation.

Your signature certifies that you have read and understand the Corporate Compliance Program Code of Conduct and Conflict of Interest Policy and agree to abide by them.

Signature

Print/Type Name

Position

Date

The original of this document signed during the new hire processing will be maintained in the employee's Human Resources personnel file. Subsequent annual documents signed by the employee will be maintained in the employee's departmental file.

ST. JOSEPH'S HEALTHCARE SYSTEM CORPORATE COMPLIANCE PROGRAM

Certification of Compliance with the Conflict of Interest Policy

I have no interest that may be deemed a conflict of interest under the Code of Conduct or Conflict of Interest Policy. I understand that any material misstatement or omission made by me in this certificate or my failure to adhere to the terms of the Code of Conduct and Conflict of Interest Policy may subject me to disciplinary action, including termination of employment.

I have violated no federal, state or local rule or regulation in connection with the business of SJHS and I am not aware of any actions of any other individual or of SJHS that violates the Code of Conduct or Conflict of Interest Policy except as follows:

Neither I, nor any member of my family is a director, officer, partner or employee, nor do I or any member of my family have any other official position or business relationship with any business or professional enterprises including nonprofit business from, which SJHS secures goods or services or that provides goods or services competitive with SJHS except as follows:

I am employed solely by SJHS, I have no other employment except: _____

Please list any other information that may be perceived as a conflict of interest.

Date

Signature

Print/Type Name

Position

The original of this document signed during the new hire processing will be maintained in the employee's Human Resources personnel file. Subsequent annual documents signed by the employee will be maintained in the employee's departmental file. For all copies with handwritten notations concerning potential conflicts of interest please furnish a copy to the Compliance Officer.