



**CORPORATE
COMPLIANCE
PLAN**

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CORPORATE COMPLIANCE PLAN

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SAINT LUKE'S HEALTH SYSTEM

CORPORATE COMPLIANCE PLAN

I. Introduction

This document sets forth the Saint Luke's Health System's Corporate Compliance Plan. The purpose of this Plan is to describe the policy of the System with respect to certain legal and ethical conduct, to establish a mechanism to assist in the detection of possible violations of law and ethical standards/practices of the System and to correct or prevent such violations.

All references in this Plan to "System" are intended to refer to Saint Luke's Health System, Inc. and each of its subsidiaries and affiliates.

Mission Statement

The Saint Luke's Health System is a nonprofit integrated health system committed to enhancing the physical, mental and spiritual health of the communities we serve. Supported by education and research, our Health System partners with others to achieve our goal.

The effective achievement of this mission depends on maintaining the highest reputation for ethical integrity of the System and its employees. To meet this principle, the System has established standards and procedures to promote the highest ethical culture and deter inappropriate conduct.

II. Compliance Standards & Procedures

Fundamental Policy of Compliance

The System's business operations as a provider of health care are subject to a number of legal, regulatory and ethical requirements and considerations. It is the fundamental policy of the System that all of its business and other practices be conducted at all times in compliance with all applicable laws and regulations of the United States, the States of Missouri and Kansas, all other applicable local law and ordinances and the ethical standards/practices of the industry and the System. This Corporate Compliance Plan is intended as a guide to help implement this policy of compliance with those laws and standards.

Who is Covered

This Plan is applicable to all employees and members of all of the Boards of Directors (BOD) within the System. As used in this Plan, the term 'employees' includes employees, volunteers, trainees, and other persons whose conduct in the performance of work for any System entity is under the control of that entity. A copy of this Plan will be provided to the members of the Medical Staff of each hospital within the System who are also expected to comply with the principles of this Plan as applicable to them and as required by the Medical Staff Bylaws. It may also be provided to certain of the System's vendors and contractors to inform them of the System's philosophy of compliance and their expected conduct.

It is the intent of the System to collaborate with its customers, including patients, physicians, vendors and contractors, on compliance issues that may impact them as well as the System.

Standard of Conduct

The laws, regulations and ethical rules that govern or affect the operations of the System are too numerous to list in this Plan. Fundamentally, all employees of the System and members of the Boards of Directors shall conduct all of their business activities on behalf of the System honestly and fairly. Any form of lying, cheating or misrepresentation is forbidden.

Responsibility of All Employees and BOD Members

Each employee and BOD member is responsible for knowledge of and adherence to the System's fundamental policy of compliance with all applicable laws, regulations and ethical standards in conducting the System's business activities. Therefore, all employees and BOD members are required to strictly observe all applicable legal and regulatory requirements and to comply with this Plan and relevant policies and procedures. Failure to do so will be considered a violation of System policy and this Plan.

Employees and BOD members are not expected to have expert knowledge of all legal and regulatory requirements that may apply to their work. However, it is expected that each will be sensitive to legal and ethical issues, and the goal of this Plan is to give them the foundation to know enough to ask questions and identify whom to ask if they are uncertain about any given situation. Each employee and BOD member shall seek appropriate guidance before engaging in any conduct about which they have doubt or concern as to their compliance with law or the policies and standards of the System. Employees may utilize their managers or supervisors, System Compliance Officer, compliance committee member or the hotline described in Section III as resources for their questions.

Employee support and sensitivity to compliance issues will be evaluated and reaffirmed at each performance review. Performance review forms reflect this evaluation, which are conducted annually.

Additional Responsibilities of Managers & Supervisors

It is the responsibility of managers and supervisors to ensure that all employees under their direction receive a copy of this Plan and understand its contents and the System's fundamental policy of compliance with all applicable laws. They shall inform their employees of any particular issues relevant to their departments and of the various options, including the existence of the hotline, for reporting a compliance concern.

Managers and Supervisors shall set an example of strong commitment to compliance. They shall encourage open communication among employees concerning compliance matters.

Managers and supervisors are responsible for evaluation of each employee's compliance performance. Each manager and supervisor's compliance performance, as well as the performance of those under their direction, will be incorporated into their annual performance review.

Risk Areas

There are certain types of errors that the System and its employees are at a higher risk of making simply due to the nature of the System's business of providing health care. To assist in

informing and educating employees about these areas of higher risk, a brief description of appropriate and expected conduct in these areas is described below:

System employees, medical staff members and contractors shall:

- Only bill for items or services actually provided.
- Provide only services needed because of the patient's condition.
- Bill only for the level of service provided, not a higher level.
- Submit only one claim for the service provided. Be aware that duplicate claims may be mistakenly submitted if a claim for outpatient services is submitted when those services should have been included in an inpatient stay.
- Submit a claim for tests or procedures that should be billed together in one bundled claim.
- Submit claims with the appropriate disposition codes to accurately reflect where the patient went at discharge.
- Honor the patient's freedom of choice in selecting providers for such services as home care, DME, long-term care, and rehabilitation.
- Provide appropriate supervision to residents and medical students in accordance with applicable standards.
- Submit accurate cost reports.
- Refund credit balances per policy.
- Contract only for services actually needed and at fair market value.
- Never pay or offer to pay for referrals of individuals for services or purchase of services.
- Never request or receive any payment for referrals of individuals for services or purchase of services.

Policies & Procedures

A summary of System policy statements related to specific topics/principles is contained in Section IV of this Plan, which is intended only to provide an overview. Detailed policies and procedures may also be found in various administrative and departmental policy manuals.

Any employee with a question about a policy or procedure may contact the System Compliance Officer directly or use any mechanism discussed in the Effective Lines of Communication section below.

Review of Plan

The contents and implementation of this Plan will be reviewed as needed, but no less than annually, by the System Management Committee and the Audit Committee of the System Board of Directors.

III. Program Implementation

Compliance Program Oversight

Compliance Officer and Committees

It is the responsibility of all BOD members and System officers, leadership members, managers and supervisors within the System to help ensure an effective compliance program. This Plan shall be implemented under the guidance and supervision of the System Compliance Officer. The System Compliance Officer is Sally Thieman whose telephone number is (816) 932-3218. At all times, the System Compliance Officer has direct, regular and open access to the System's Board of Directors, System Chief Executive Officer, System Senior Management and Senior Management at each of the System's hospitals and other entities.

It is the duty of the System Compliance Officer to oversee implementation of the Plan, implement and maintain the reporting hotline, review reports of compliance issues, coordinate internal investigations, initiate and coordinate periodic audits and monitoring activity, and report to Senior Management (through the System Management Committee) and the System's Board of Directors (through its Audit Committee) on the status of the System's compliance efforts. The Compliance Management Committee sets annual compliance goals and monitors progress toward meeting these goals.

Various compliance committees have been established to assist in the implementation of the Compliance Plan. Utilizing more than one committee enables each committee to narrow its focus, allowing the committee members to address issues within their areas of expertise. These committees assist in identifying risk areas, developing policy and procedures, monitoring and auditing of internal systems and controls, directing and participating in internal investigations, and evaluating and responding to questions, complaints and hotline calls.

The committees are: Auditing, Privacy and Reimbursement. The Reimbursement Committee is comprised of five subcommittees: Research, Hospital, Physician, Home Care and Laboratory. These subcommittees will meet regularly.

Board Oversight

The System Board of Directors has delegated to and empowered the Audit Committee of the Board to oversee the compliance program. The System Compliance Officer has direct access to this committee at all times and will give periodic reports on the status of the Plan and specific reports on compliance issues to the Audit Committee.

Employee Training

Each employee and BOD member will receive a copy of this Plan and will be educated as to its content and any substantive changes that may be made. The Plan is available on the common "I drive" as a "read only" document. It is also available on the System web site. Orientation of all employees within the System will include an introduction to this Plan and review of its contents. At the time the employee is educated about the Plan, the employee shall sign the acknowledgement attached to the Plan and return the acknowledgement to the employee's manager or supervisor.

Some employees will receive additional specialized training appropriate to the areas in which they work, for example, laboratory, home care and billing. Education will be provided in a variety of ways, including but not limited to orientation, written materials, newsletters, staff meetings, and through use of outside consultants. Educational efforts will be evaluated through System-wide auditing and supervisors' evaluations of their employees' compliance efforts.

Knowledge of and commitment to the Plan will be reaffirmed at each annual performance review. Additional training will be provided periodically as appropriate for the employee's area.

Effective Lines of Communication

ALL EMPLOYEES SHALL PROMPTLY REPORT ANY INFORMATION REGARDING A KNOWN OR SUSPECTED VIOLATION OF ANY APPLICABLE LAWS, REGULATIONS, ETHICAL STANDARDS OR SYSTEM POLICY.

Reporting may be accomplished in a variety of ways. Employees shall report the incident directly to the System Compliance Officer or a member of any of the compliance committees or subcommittees either verbally or in writing. Examples of written communication include email, memorandum, letter or incident report. The employee may identify him/herself or remain anonymous. Every attempt will be made to keep the employee's identity confidential unless he/she gives permission or requests that his/her identity be revealed through the process of investigation. However, there may be situations where the direction of the investigation may inevitably lead to identification of the reporter.

The employee may also report the incident to his or her manager or supervisor, verbally or in writing. The manager or supervisor must promptly forward such report and concern to the System Compliance Officer or to a member of the System Compliance Committee.

The employee may use a hotline, which has been set up solely for the purpose of providing employees a secure means by which compliance issues can be reported. This hotline can be accessed by dialing (816) 932-3053 (23053 internally) or toll free (888) 660-6227. This is not a manned line, but the System Compliance Officer or his/her designee will regularly check it for messages.

A separate hotline has been set up for reporting patient privacy issues and concerns. This hotline can be accessed by dialing (816) 932-6282 (26282 internally).

In addition to reporting an incident, an employee may use any of the above mechanisms to seek guidance as to requirements or best practices related to any issue or concern.

No employee who reports a compliance issue in good faith will be subject to disciplinary action or punished in any way for making a report. Any employee who attempts to retaliate against another employee who in good faith reports a compliance issue will be subject to disciplinary action, including termination if appropriate. However, submission of a report by an employee that the employee knows is false or misleading will subject the employee to disciplinary action, including termination where appropriate. Failure to report a known compliance issue is a violation of System policy and will subject the employee to disciplinary action, including termination where appropriate.

As described above, all employees will be evaluated regarding support of the System's philosophy concerning compliance and sensitivity to compliance issues. Failure to report a violation or incident that violates this Plan or the principles outlined in this Plan of which the Employee has knowledge is itself a violation of this Plan. The System Compliance Officer will keep a log of hotline calls and issues reported.

Enforcement & Discipline

Employees who display a commitment to compliance and ethical conduct will be rewarded and recognized through the established performance evaluation process.

Disciplinary action, which may range from verbal warning to suspension or termination, may be taken against any employee involved in improper conduct including but not limited to any of the following circumstances:

- If any employee authorizes or participates in any action which constitutes a violation of applicable laws, regulations, or ethical standards/policies of the System;
- If any employee fails to promptly report a known or possible violation of applicable laws or regulations or ethical standards/policies of the System, or if the employee withholds information concerning a violation about which he or she is aware;
- If any employee attempts to retaliate or participate in retaliation against an employee who in good faith reports a compliance issue;
- If any employee makes a report of a compliance issue which is known to be false or misleading; or
- If any employee interferes or fails to cooperate fully with System efforts to investigate or address any compliance report.

The System intends to be consistent in its enforcement of and adherence to this policy of compliance.

The System will make reasonable inquiry into the background of any potential employee, BOD member, or contractor to avoid engaging anyone whom the System should reasonably discover has been convicted of an offense related to any governmental or private program concerning healthcare. The System will not employ or retain anyone whom it knows has been excluded from any such program.

Substantial discretionary authority and responsibility for business operations will not be delegated to individuals whom the System knows have a propensity to engage in illegal activities.

Auditing & Monitoring

Auditing and monitoring activities are an important part of the System's compliance program. These activities will include review of issues that are generic to healthcare as well as issues specific to the System entities. Issue identification will be based on publications such as OIG Special Fraud Alerts and the OIG Work Plan. Issue identification will also be based on hotline calls or other concerns identified through the System's overall compliance efforts.

Both internal and external auditors will be used as appropriate. The Auditing Committee will assist in prioritizing and supervising auditing activities. Focus will be placed on high-risk areas such as relationships with physicians and the overall claims submission and billing process. Any overpayments identified will be disclosed to the appropriate governmental entity and refunded as directed.

Auditing and monitoring activities are conducted under the direction and supervision of outside legal counsel. Reports of these activities will be made to the System Management Committee and the Audit Committee of the System's Board of Directors.

Response & Corrective Action

The System Compliance Officer will review all reports of possible violations. Employees making the report who provide either a name or number for contact will be notified within forty-eight (48) hours that their report has been received. An internal investigation will be undertaken immediately with involvement of members of the System compliance committees as appropriate. Any report received concerning accounting and auditing matters will be automatically referred to the chairman of the Audit Committee of the System's Board of Directors for input. The investigation based on information received in the initial complaint shall be completed within thirty-days (30) of the report of possible violation. Further investigation may continue if additional information is received. Corrective action will be taken where appropriate. Employees are expected to cooperate with any investigation conducted in response to a report concerning compliance issues. Compliance reports and the conclusion of all investigations will be documented and reported, as appropriate, to one or more compliance committees and the System Management Committee. In the situation where the employee making the report has identified him/herself, the employee will be notified of the investigation disposition.

Cooperation with any external investigation is a fundamental expectation of all System employees and members of the Boards of Directors. The most efficient way to meet this principle is to coordinate participation through the System Compliance Officer.

The System Compliance Officer will coordinate all investigations in conjunction with outside legal counsel. In the event outside legal counsel believes that the Compliance Officer and/or System management are not appropriately responding to any report or investigation, outside counsel will report such concerns to the Audit Committee of the System's Board of Directors. Reports will be made to appropriate leadership within the System and to governmental agencies as appropriate. Violations will be corrected and restitution made where appropriate. The System Compliance Officer will regularly report to the Audit Committee of the System's Board of Directors regarding compliance issues.

IV. Compliance Principles

Principle 1: Legal Compliance

Anti-Kickback Statute

Federal and State law prohibit the offering of a kickback to an entity or person to induce that person to purchase services from or refer a patient to the System. Examples of the types of

actions that could violate the Federal Anti-Kickback statute and similar state laws include the following:

- Offering or paying anything of value to induce someone to refer a patient to the System, including, but not limited to, the routine waiving of co-payments;
- Offering or paying anything of value to anyone in marketing System services;
- Soliciting or receiving anything of value for the referral of System patients to others;
- Giving or receiving free goods or discounts, except as permitted under applicable law and regulations.
- Receiving any payment or other item of value outside the normal compensation arrangement for performance of an employee's responsibilities on behalf of the System.

Antitrust

Antitrust (competition) laws are based on the belief that a marketplace characterized by free and vigorous competition is in the best interest of consumers and businesses. All System employees must comply with applicable antitrust laws and compete in a lawful, fair and ethical manner.

The following is a brief description of situations or conduct prohibited by the System:

- Agreements with competitors to fix prices or rig bids;
- Boycotts, some exclusive dealing and price discrimination agreements; and
- Unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation and other similar practices.

Antitrust laws are complex and it may be unclear as to whether or not conduct violates these laws. The guidelines in the preceding paragraph are simply intended to assist System employees in recognizing possible antitrust issues. Because of the fact-intensive nature of any antitrust analysis, System employees should consult with his/her administrator, the System Compliance Officer, a member of any of the System compliance committees or legal counsel before making any business decision that may raise antitrust concerns.

Emergency Treatment (Emergency Medical Treatment and Active Labor Act – EMTALA)

The System will comply with the Emergency Medical Treatment and Active Labor Act (EMTALA) and with applicable state laws relating to the provision of emergency care. We will provide an appropriate medical screening exam to all patients (including those who present themselves to the emergency department even though the facility may be on diversion) without regard for their ability to pay who present to any facility within the System for care to determine if an emergency medical condition exists. Medical screenings may not be delayed to inquire as to the patient's insurance or payment status.

If it is determined that an emergency medical condition exists, appropriate stabilizing treatment will be provided without regard for the patient's ability to pay. No patient will be transferred to another facility unless the patient is stabilized, or unless a determination has been made that the benefits of transfer outweigh the risks to the patient, or the patient agrees to such transfer.

Inducement

Federal and state law prohibit the offering or transferring of anything of value to a Medicare or Medicaid beneficiary that the offeror knows or should know is likely to influence the beneficiary to order or receive items or services from a healthcare provider. No System employee or contractor shall offer valuable items or services to Medicare or Medicaid beneficiaries to attract their business.

Research

The System is committed to conducting clinical research activities in a responsible and ethical manner with a primary focus on honesty, accuracy, objectivity and the protection of human participants in research trials. Research will be conducted in a manner that is compliant with all applicable federal, state and local laws and regulations and according to the International Conference on Harmonization Guidelines for Good Clinical Practice. Research protocols and patient consents will be reviewed by disinterested members of the Institutional Review Board and appropriate inquiry will be made related to conflict of interest to avoid any bias in research activities. It is the System's intent to utilize research funding from any source for the specific research projects for which the funds were allocated. Care must be taken in the submission of claims to third party payers for services provided to participants in research trials to ensure appropriateness after considering funding sources related to the research. Any indication of research misconduct will be fully investigated and addressed pursuant to the policies and requirements of the Office of Research Integrity of the Department of Health and Human Services. All research related activities will be guided by the same ethical principles, policies and procedures regardless of funding source if any.

Safe Medical Devices Act

The System is committed to participation in this governmental program to prevent patient injury from medical devices by reporting appropriate events to the manufacturer of a device and/or the FDA. Any event in which a patient is injured by a device will be reported to Risk Management at the facility where the event occurred. Each event will be investigated to determine whether the patient experienced permanent injury, need for medical intervention or death. Appropriate reporting will be accomplished pursuant to established policy.

Stark Law (Physician Self-Referral)

The Stark Law (Physician Self-Referral Law) prohibits a hospital from submitting a claim to the Medicare or Medicaid programs for any services rendered to any patient referred to the Hospital by a physician with whom the Hospital has a financial relationship unless the relationship satisfies certain exceptions or safe harbors. The physician is also prohibited from making referrals to the Hospital. No employee will submit a claim for payment or for benefits for any such patient that would violate the Stark Law. All contracts with physicians that would constitute a financial arrangement under the Stark Law shall therefore satisfy the requirements of one of the specific safe harbor exceptions.

Another aspect of this law affects the granting of professional courtesy. This is a practice where one healthcare provider, as a professional courtesy, agrees not to charge another provider for professional services given to that provider. This can be seen as a kick-back and, therefore, only under limited circumstances may professional courtesy be granted, subject to specific

requirements established by policies approved by the Board of Directors of the System entity involved.

Principle 2: Business Ethics

Accreditation

In preparation for, during and after surveys, the System addresses all accrediting bodies in an open and honest manner. In no way shall our behavior mislead the surveyor or survey team either directly or indirectly.

Advertising/Marketing

The System is committed to representing the System's services, activities and facilities in an honest and accurate manner. No inaccurate or exaggerated statements may be made in any promotional materials of any kind.

Conflicts of Interest

Any System employee and BOD members are expected to carry out their job responsibilities independent of personal considerations and in the best interest of the System. Actions or activities of a System employee or BOD member *on behalf of the System* are prohibited if they result in:

- Obtaining personal gain or advantage;
- An adverse effect upon the interests of the System; or
- Competitors obtaining any gain or advantage to the detriment of the System.

A conflict of interest is not inherently improper or illegal. Full disclosure of the facts related to the conflict must be made and the conflict appropriately managed. For example, disinterested employees or BOD members must make any decision related to the conflict. The following is a brief description of conduct that *may* involve a conflict of interest:

- Ownership in or employment by any third party which does business with the System;
- Business not on behalf of the System with any System vendor, supplier, contractor, or agency, or any of their officers or employees;
- Representation of the System by an employee in any transaction in which he or she or a household member has a substantial personal interest, i.e. entering into a business undertaking that involves a conflict between the duty to the System and personal interest;
- Accepting favors, gifts or entertainment that others may perceive to be substantial enough to influence the employee's selection of goods or services for the System or to influence the employee's judgment in representing the System. Acceptance of gifts of nominal value or reasonable personal entertainment may not be improper, but care must be taken to be sure gifts of this nature do not build up into any perceived obligation to the giver, affect the judgment of the employee or create the appearance of a conflict.
- Disclosure or use of confidential, special or inside information of or about the System, particularly for personal profit or advantage of the employee or employee's household member;

- Competition with the System by an employee, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests or business investment opportunities;
- Entering into a transaction or activity where personal interests are advanced at the System's expense;
- Entering into a transaction that may cause loss or embarrassment to the System;
- Entering into outside activities or employment that interfere with job performance; or
- Engaging in outside employment that conflicts with the employee's scheduled working hours with the System;
- Employment by a competitor of System.

Certain employees and the members of the Boards of Directors must complete a Conflict of Interest statement on an annual basis. These statements are subject to internal review and review by the Board of Directors. Employees and BOD members shall report any actual or potential conflict of interest situation to his/her administrator, the System Compliance Officer or a member of the System Compliance Committee, disclosing all relevant facts and circumstances.

Contracts

Employees must comply with the requirements of the System's policy on the review, preparation and administration of legal agreements. The submission to a federal government customer of a representation, quotation, statement or certification that is false, incomplete or misleading can result in civil and/or criminal liability.

Contracts with physicians, nursing homes, and other providers or potential referral sources must accurately delineate the specific services that the individual is being paid to provide and the compensation for these services at fair market value. The compensation rate cannot be based on the volume or value of any business referred to the System. All contracts must go through the appropriate System review process prior to being finalized.

Financial Reporting & Records

All financial reports, accounting records, research reports, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or the true nature of the transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to System policy and may be in violation of applicable laws. Such actions may result in termination of employment.

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

Outside auditors will not provide any of the following non-audit services:

- 1) bookkeeping or other services related to the accounting records or financial statements of the audit client;
- 2) financial information systems design and implementation;

- 3) appraisal or valuation services, fairness opinion, or contribution-in-kind reports;
- 4) actuarial services;
- 5) internal audit outsourcing services;
- 6) management functions or human resources;
- 7) broker or dealer, investment adviser, or investment banking services;
- 8) legal services and expert services unrelated to the audit; and
- 9) any other services that the Public Company Accounting Oversight Board determines, by regulations, is impermissible.

Media

To ensure the release of factual and accurate information and to generally assist with media communications, employees should contact or coordinate with Public Relations regarding all media inquiries and requests. Public Relations can be reached at 816-932-2258. Employees and those agents speaking officially on behalf of the System should avoid any of the following types of communications without prior notification to Public Relations:

- Responding to calls from the news media;
- Contacting and/or calling the media about a story or news item about the System;
- Conducting interviews with media at public events, exhibits or conventions, or endorsing a product or company that is currently associated with the System; and
- Endorsing written marketing materials or free or paid advertisements on behalf of the System.

Proprietary Information of Others

The System is committed to respecting the legitimate rights of others to protect their confidential and proprietary information. Employees and BOD members may not engage in attempts to wrongfully obtain or use this information. Any confidential information provided to the System by a third party will be handled properly and confidentially.

Applicable laws protect copyrighted materials such as books, magazines, computer software, videotapes, etc. from unauthorized or inappropriate usage. Unauthorized copying may constitute a copyright violation. Copying is usually allowed for educational and research purposes. An employee who desires to reproduce copyrighted material should check with Risk Management within his/her facility prior to reproducing the material. Unauthorized duplication of computer software is strictly prohibited.

System Proprietary Information and Property

Except as specifically authorized by management pursuant to established procedures, employees and BOD members may not disclose to any outside party any non-public business, financial, personnel, commercial or technological, or plans or data acquired during their employment with the System. This information belongs to the System and may only be used for System purposes. It may not be used for personal purposes or gain of any employee or other individual or agency.

Upon termination of employment, an individual may not copy, take or retain any documents containing System proprietary or confidential information.

System equipment, supplies, and materials are not to be used for personal reasons except as authorized by current policy or by authorization of an employee's manager or supervisor. System property is not to be taken from a System facility except as necessary to fulfill the employee's job responsibilities.

Tax Issues

As a non-profit entity, the System has a legal and ethical obligation to engage in activities to further its charitable purpose and to ensure that its resources are used to further the public good rather than the private or personal interests of any individual. Consequently, the System must avoid compensation arrangements in excess of fair market value, accurately report payments to appropriate taxing authorities, and file all tax and information returns according to applicable laws and regulations. Employees should contact the System Compliance Office to address concerns regarding any System entity's status as a non-profit organization and any other tax-related concerns.

Principle 3: Privacy & Security Compliance

Confidentiality of Patient Information

As providers of healthcare, System employees have access to highly private and confidential individually identifiable information concerning the patients we serve.

All System employees shall conduct themselves in a manner that will maintain the confidentiality of patient information. System employees shall not disclose any patient specific information unless it is done pursuant to the patient's written authorization or for purposes of treatment, payment or healthcare operations. Upon employment, all System employees shall sign a confidentiality statement to assure patient confidentiality. Any observers, students, or vendors who come into contact with patient information shall sign the Pledge of Confidentiality, which is available on the 'T' drive at Privacy/Policies and Procedures/Forms.

Privacy Rights of Patients

Contained within regulations for the Health Insurance Portability and Accountability Act (HIPAA) are specific rights that patients have regarding the privacy of their protected health information. As a System, we will comply with all HIPAA privacy regulations. The following rights must be complied with upon the patient's request:

- Right to Inspect and Copy
- Right to Amend
- Right to an Accounting of Disclosure
- Right to Request Restrictions
- Right to Request Confidential Communications
- Right to a Paper Copy of the Notice of Privacy Practices

If there are any questions regarding the Privacy requirements, an employee may contact the Privacy Site Coordinator at the applicable facility.

Retention & Disposal of Documents & Records

State and federal laws require that providers and others within the System keep certain records for specified periods of time. It is the policy of the System to keep records for as long as the law requires. The legal requirements are many and varied; therefore, before documentation is discarded, the employee shall verify the standard with his/her manager or supervisor.

All confidential records must be destroyed in a manner so that the information contained in the document is not legible or identifiable. Any third party engaged to destroy such documents shall agree to maintain the confidentiality of such records during the destruction process.

Use of Electronic Systems

Many employees will be provided with access to one or more of the System's computer systems. Computer access codes are the equivalent of a signature. Identification codes and passwords provided to access computer systems must never be disclosed to another. Employees must not attempt to learn another's access code, or attempt to access a computer system with an access code other than their own. Compromised access codes must be reported to your supervisor immediately. Employees must not use any System provided computer outside the scope of their job responsibilities. Using the computer to browse patient records out of curiosity or for any other reason not specific to the employee's job duties is strictly prohibited.

The Internet, electronic mail, voice mail and facsimile machines are also used throughout the System. These electronic messaging systems are for business purposes only. Highly sensitive information must only be transmitted on these systems with caution as per policy. Specific policies have been developed for the use of computers, the Internet and electronic messaging systems.

Principle 4: Customer, Supplier & Third Party Payor Relationships

Billing Reimbursement & False Claims

The System is committed to ensuring that its coding, billing and reimbursement procedures comply with all federal and state laws, regulations and guidelines. All facilities must accurately bill for services provided. Billing or submitting a claim for services that were not provided as stated, not medically necessary, known not to be covered by the Payor or in any way false, misleading or inaccurate is prohibited by law and System policy. If inaccuracies are discovered in bills or claims already submitted to the Payor, the employee who becomes aware of the situation should immediately contact his/her supervisor or the System Compliance Officer so corrective action can be taken.

All facilities must bill for services using codes that accurately reflect the services provided. The use of inaccurate codes to improve reimbursement is prohibited. If inaccuracies are discovered in the coding for bills that have already been submitted, the employee who becomes aware of the situation should immediately contact his/her supervisor or the System Compliance Officer concerning correcting the inaccuracy.

Gifts, Gratuities & Charitable Contributions

It is the System's desire at all times to preserve and protect its reputation and to avoid the appearance of impropriety. Employees are prohibited from soliciting or accepting tips, personal

gratuities or gifts from patients or their families. Employees may accept unsolicited gratuities and gifts of a nominal value from patients or their families. If a patient, family or another individual wishes to make a monetary gift, he/she should be referred to the Saint Luke's Foundation.

Employees shall not accept gifts, favors, services, and entertainment or other things of value to the extent that decision-making or actions affecting the System or the services provided might be influenced or may appear to be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision making process of any purchaser, supplier, customer, government official or other person by the System is absolutely prohibited. Any such conduct must be reported to the System Compliance Officer and may be grounds for termination of employment.

Nothing in this policy shall prohibit an employee or director from accepting a gift from the System in recognition of services rendered to the System.

Government Investigations

It is the System's policy to fully comply with the law and cooperate with any reasonable demands made by a valid search warrant, subpoena or other form of an inquiry from law enforcement representatives and/or agencies. The System's principle of cooperation should be balanced with the belief that it is essential that the legal rights of the System and its personnel be protected. If an employee receives an inquiry, a subpoena, or other legal document regarding System official business from any government agency or person purporting to represent a government agency, the employee shall notify his/her supervisor immediately. If an employee is contacted at home by a government agency or person purporting to represent a government agency concerning System official business, the employee should ask the agency representative or person to contact them at their employment at a later time and immediately contact the System Compliance Officer to discuss the situation.

Retaliatory conduct against any employee who, in compliance with this Plan, cooperates with an investigation is strictly prohibited. Upon an employee's receipt of first notice of an investigation, receipt of a subpoena or warrant, the employee shall immediately notify the System Compliance Officer so that the System document hold processes may be implemented. Employees must never destroy or alter any document or record in anticipation of a request or upon receipt of a request, subpoena or search warrant for the document or record by a government agency or court. An employee must never lie or make false or misleading statements to any government investigator. No employee may ever attempt to persuade any other employee, or any other person, to provide false or misleading information to a government investigator or fail to cooperate with a government investigation or audit.

Principle 5: Workplace Conduct & Employment Issues

Americans with Disabilities Act (ADA)

The System will comply with the Americans With Disabilities Act of 1990 to ensure that qualified applicants and employees with a known disability who are able to perform the essential functions of the job, with or without reasonable accommodation and whose employment does not

pose a threat to their health and safety or that of others, are provided equal employment opportunity.

Discrimination & Harassment

The System is committed to ensuring fair and equitable treatment of employees, patients and all third parties with whom the System deals. The System prohibits discrimination on the basis of race, color, national origin, sex, gender, pregnancy status, age, religion, handicap or disability, veteran status, or sexual orientation or other status protected by law, in any term or condition of employment, in admission or access to treatment, programs or other services or in the provision of physician or other practitioner staff privileges.

Any employee who feels he/she or another employee has been the subject of employment-related discrimination should report the events in any manner described within the body of this Plan.

The System is committed to maintaining a professional work environment free from all forms of harassment. These behaviors include inappropriate jokes, slurs and intimidation. Sexual or other forms of prohibited harassment of one employee by another employee is prohibited and will not be tolerated, including unwelcome sexual advances, request for sexual favors, and other verbal or physical conduct of a sexual manner. Any employee encountering any form of unwanted sexually oriented behavior or unwanted hostile or offensive behavior based on race, color, gender, religion, national origin, age, disability or other protected status should clearly communicate their feelings to the offender and report the matter to his/her manager or supervisor, Human Resources at his/her facility or in any manner described in this Plan.

Environmental Compliance

The System holds in high regard its commitment to providing an environment that minimizes hazards and the risk of injury and occupational illness to patients, visitors and employees. Numerous federal, state and local laws and regulations concerning health and safety and the environment apply to the System and its activities. It is the System's policy to comply with all such laws and regulations.

It is the responsibility of all employees to adhere to all organizational and departmental safety policies, procedures, plans and policies that have been developed based on the following:

- Applicable laws, regulations and accreditation standards (OSHA, EPA, JCAHO, etc.);
- Information derived from monitoring, investigating and evaluation of incidents, accidents and occupational illness;
- External services regarding healthcare safety practices; and
- Employee input and feedback regarding safety issues.

All employees must complete annual training appropriate to their area of responsibility. Completion of this training will be evaluated during the annual performance review. All employees shall report any adverse health or safety conditions to their manager, supervisor or by any other manner described within this Plan.

Employees shall advise the System by notifying their manager, supervisor or facility safety manager whenever any injury or unsafe working condition arises. It is the goal of the System to

comply with any reporting requirements that pertain to any such condition and to take action to correct such condition and to prevent any reoccurrence.

All documents pertaining to environmental conditions or compliance (including permits, inspections and authorizations) shall be retained in accordance with the System's document retention policy.

Excluded or Sanctioned Providers

Federal law prohibits health care providers from employing, having on their medical staff or doing business with a person or corporation that is excluded from providing services in a federal health care program. Prior to employment, the System will verify that the employee is not an excluded or sanctioned provider. Medical staff status is verified upon appointment and reappointment. All employees of the System have an obligation to report to their facility Human Resources in the event the employee becomes excluded or sanctioned by any federal health sponsored program.

Honoraria

Employees are, with the permission of their supervisor, encouraged to participate as faculty and speakers at education programs and functions. However, any honoraria received by the employee shall be turned over or directed to the System unless the employee used paid time off to participate in the program or that portion of the program for which the honoraria is paid. Employees must not accept benefits (travel, lodging, speaker fees) from any vendor including pharmaceutical companies, medical device manufacturers or healthcare providers or related healthcare companies from whom the System may purchase goods or services unless approved for appropriateness by their manager or supervisor, after consultation with the System Compliance Officer.

License, Registration and Certification Renewals

To maintain quality standards of care and to comply with appropriate federal, state or local laws, the System requires employees to provide a current license, registration or certification if reasonably required or related to their job position and duties. The System validates each license, registration or certification upon initial employment and on a periodic basis thereafter. Independent contractors and other businesses that are required to be licensed, certified or hold certain other credentials are responsible for keeping such credentials current. The System will not knowingly allow any employee, business or independent contractor to work in the System without valid credentials as required by law.

Personnel Actions & Decisions

Salary, benefit and other personal information relating to employees shall be treated as confidential. Personnel files, payroll information, disciplinary matters and similar information shall be maintained in a manner designated to ensure confidentiality in accordance with applicable laws.

Political Activity

The System expects each of its employees to refrain from engaging in activity which may jeopardize the tax-exempt status of the organization. All employees must comply with applicable campaign finance ethics laws.

No employee may use System funds to make any contribution to any political candidate, party, organization, committee or individual in violation of law. Individual employees may personally participate in and contribute to any political organization or campaigns, but must do so as individuals and not as representatives of the System.

The System may publicly offer recommendations concerning legislation or regulations being proposed which pertain to healthcare. No System employee shall attempt to influence the decision-making process of any governmental body or official by an improper offer of any benefit. All System dealings with governmental bodies and officials shall be conducted in an honest and ethical manner and in compliance with any state or federal statutes or regulation governing such activity.

Substance Abuse

The unlawful manufacture, distribution, use, possession, or sale of any drug, including controlled substances, on System property is prohibited. The unlawful presence of any detectable amount of any drug, including any controlled substance, in personnel while on System premises or on System business is strictly prohibited. Lawful use of controlled substances, prescription drugs or legally obtained drugs, including over-the-counter drugs, while performing System business or while in a System facility is permitted only when in accordance with directions or prescription; and then only to the extent that such use will not negatively affect the safety of others, job performance, or the secure and safe operation of System property and facilities.

No alcoholic beverages may be brought on to or consumed on System premises unless System or individual facility administration has granted express authorization.

Workplace Diversity and Equal Employment Opportunity

The System is enriched with the diversity of ethnic groups from all segments of our community. This diversity is reflected within the System workforce. Treating employees fairly with respect and dignity is woven into the System culture. The System prohibits discrimination on the basis of race, color, national origin, sex, gender, pregnancy status, age, religion, handicap or disability, veteran status, or sexual orientation or other status protected by law, in any term or condition of employment, in admission or access to treatment, programs or other services or in the provision of physician or other practitioner staff privileges.

Workshops, Seminars and Training Sessions

Attendance at local, vendor-sponsored workshops, seminars and training sessions is permitted. Attendance at vendor-sponsored out-of-town seminars, workshops and training sessions is permitted only with the approval of the employee's supervisor for appropriateness and absence from their duties. All questions should be referred to the System Compliance Officer.

Principle 6: Patient Relationships

Advance Directives

Our patients will be informed of their right to make advance directives and have them followed within the limits of the law. The System shall comply with all policies and procedures and federal and state laws and regulations governing advance directives.

Patient Rights

Patients have a fundamental right to considerate care, which safeguards their personal dignity and respects their cultural and spiritual values. Understanding and respecting these values serve as a guide in meeting patient care needs and preferences.

The patient's dignity will be preserved at all times. In addition, employees will be knowledgeable of the procedure for patient complaint resolution. All employees are responsible for maintaining a clean and recuperative environment for patients and their family members.

The System goal is to improve patient outcomes and maintain high standards of medical ethics in the delivery of patient care by respecting patient rights in an ethical and professional manner. Patients have a right to protective services as required and defined within the JCAHO guidelines.

Patients, families, physicians and employees have the ability to raise concerns or questions about ethical issues at each facility without fear of retaliation or retribution, changes in quality of care or, as it relates to employees, disciplinary action.

Patient Satisfaction

The System has a strong history of excellence and commitment to quality care. Therefore, employees will provide care to patients and families in a courteous and caring manner that is sensitive to social, economic, cultural, age, sex and lifestyle differences.