



Policy /Procedure Document	
Category/Source:	Compliance
Origination Date:	October 2013
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Last Revised Date:	June 2016
Next Review Due:	June 2019
Policy Owner:	Compliance Officer
Required Approvals:	Beacon Health System Compliance Committee Beacon Health System Management as Documented at Signatures of Approval Audit Committee of the Beacon Health System Board of Directors

<b>TITLE:</b>	<i>Code of Business Conduct</i>
<b>SCOPE:</b>	This policy applies to all directors, exempt and non-exempt associates (employees), contracted personnel, employed physicians, Medical Staff members, volunteers, students, and other agents of the Beacon Health System.
<b>PURPOSE:</b>	The purpose of this policy is to document Beacon Health System’s commitment to lawful and ethical behavior.
<b>POLICY/PROCEDURE:</b>	

- A. **Commitment to Integrity and Reporting Non-Compliance:** Beacon Health System is committed to conducting its business legally, ethically, and honestly. Beacon Personnel are required to exercise the utmost honesty, accuracy, fairness, and respect for others when acting on behalf of Beacon Health System, even if contrary practices are “customary” or would serve worthy goals.

Beacon Personnel are required to report suspected violations of law or this code and other wrongful acts to the Beacon Health System Compliance Officer or as otherwise prescribed by Beacon Health System policy. Neither Beacon Health System nor any Beacon Personnel will retaliate against any person who, in good faith, reports putative violations of law or this code or other wrongful acts or who cooperates with an investigation of allegations of such. Beacon Personnel who violate law or this code (including failing to report conduct that a reasonable person would know constitutes a violation under this code) or who commit other wrongful acts (including intentionally making a false report of a violation under this code) are subject to disciplinary action, including termination of employment or other relationship with Beacon Health System.

Beacon Personnel should direct compliance questions to the Compliance Officer.

- B. **Compliance with Laws, Accreditation Standards, and Agreements:** Beacon Health System will comply with the laws (including Medicare, Medicaid, and other federal healthcare program regulations) of the jurisdictions in which it does business, the accreditation standards applicable to its operations, and the agreements which it has made. Beacon Personnel are expected to know and comply with laws applicable to their Beacon Health System responsibilities.
- C. **Compliance with Professional Ethical Standards:** Beacon Personnel will abide by the ethical standards of the professions to which they belong, including those promulgated by commonly recognized professional organizations.

- D. **Excellent and Ethical Patient Care:** Beacon Health System is committed to providing excellent and ethical patient care. Beacon Personnel will treat the organization's patients with the utmost respect and a spirit of kindness; this responsibility includes but is not limited to complying with their rights as described in law and Beacon Health System policies (including those addressing patients' rights and responsibilities and patient communication). Beacon Health System will provide services in a manner that does not discriminate against any person based on gender, age, disability, race, color, religion, national origin, or ability to pay or for any other reason prohibited by applicable state or federal law. Beacon Health System will make every effort to only allow competent, properly qualified persons to provide care to its patients.
- E. **Recordkeeping and Asset Stewardship:** Beacon Health System's business and clinical records will be accurate, complete, and reliable and will be properly stored. Beacon Personnel will maintain the System's records in accordance with applicable laws, United States generally accepted accounting principles, and Beacon Health System policies. Beacon Health System is committed to protecting the System's assets and the assets of others entrusted to it. Beacon Personnel will use Beacon Health System property, including facilities, equipment, software, supplies, and work time, only for Beacon Health System business and will dispose, sell, or otherwise remove Beacon Health System property only in accordance with the organization's policies.
- F. **Confidentiality:** Beacon Health System is committed to keeping trust with the people who and organizations which share information with it and to maintaining the integrity of its own information. Beacon Personnel will maintain the confidentiality of the organization's financial, operational, legal, medical, employment, and other data, including all patient information and information about other Beacon Personnel maintained by Beacon Health System.
- G. **Preventing and Detecting Violations of Law or this Code and Other Wrongful Acts:** Beacon Health System will have an internal control structure to adequately mitigate significant operational, financial, and compliance risks to the organization. Beacon Health System management is responsible for designing and placing in operation internal controls to prevent and detect adverse occurrences; Beacon Personnel will comply with the prescribed internal control structure.

Beacon Health System will have a Compliance Program, directed specifically to compliance risks, as authorized and outlined in the Charter of the Beacon Health System Compliance Program. The Beacon Health System Compliance Officer is responsible for designing, implementing, monitoring, and operating the Compliance Program; management is responsible for implementing internal controls addressing compliance risks. Beacon Personnel will comply with the Compliance Program.

Beacon Personnel will cooperate fully with internal audit, compliance, and other authorized persons reviewing the adequacy and effectiveness of the internal control structure, the compliance program and/or the substantive fair statement of financial records.

- H. **Specific Laws and Issues:** Because of the nature of the healthcare industry, some specific laws and issues warrant mention here. This list is not exhaustive, and the absence of a law or issue from this list does not indicate that it is less important than those which appear. Further, the descriptions are not comprehensive – Beacon Personnel should refer to the statutes, regulations, and other guidance and specific Beacon Health System or subsidiary organization policies for additional information.

**Anti-Kickback Acts:** Beacon Health System and its Personnel will comply with the federal and applicable State Anti-Kickback Acts, which prohibit anyone from knowingly and willfully soliciting, receiving, offering or paying remuneration, in cash or in kind, to induce or in return for referring an individual for services or to induce the purchase of items or services payable under a federal healthcare program.

**Anti-Trust:** Beacon Health System will comply with federal and State antitrust laws. Beacon Health System will strictly limit its business relationships with competitors and will not enter into any understanding or agreement (including any agreement implied from a course of conduct) with any competitor to fix prices, agree on labor costs, allocate markets, or engage in group boycotts. Beacon Personnel will not refuse to deal with customers or suppliers to lessen competition or create or maintain a monopoly.

**Civil Monetary Penalties:** Beacon Health System will comply the Civil Monetary Penalties statute, including the provision prohibiting hospital payments to a physician to reduce or limit services to a Medicare or Medicaid beneficiary under his care and the provision prohibiting anyone from offering or transferring remuneration to a Medicare or Medicaid beneficiary that the transferor knows or should know is likely to influence the beneficiary to order or receive from a particular provider any item or service for which the Medicare or Medicaid program may pay.

**Communication and Marketing:** Beacon Health System is committed to presenting itself truthfully to others. Beacon Personnel will not present information about the organization's services, accreditations, competencies, and/or licenses in a deceitful or misleading manner and all Beacon Health System marketing materials will comply with "truth in advertising" laws.

**Conflict of Interest:** Beacon Health System is committed to avoiding actual or apparent conflicts of interest with its patients and to protecting itself from the conflicts of interest of others. Beacon Personnel will avoid any direct or indirect conflict or appearance of conflict between personal interests and the best interest of Beacon Health System and its patients. A potential conflict of interest exists whenever an objective observer might perceive that an individual's actions are not in the best interest of Beacon Health System and its patients. Beacon Personnel will report unavoidable dualities of interest for management in accordance with the organization's policies. Please see addendum for additional guidance with respect to conflicts of interest.

**Environment:** Beacon Health System will comply with all federal State laws protecting the environment. Beacon Personnel will dispose of all waste and other materials and store all chemicals and substances in accordance with applicable laws and regulations. Beacon Personnel will also file all necessary environmental reports accurately and promptly and cooperate fully with all governmental authorities in the event of an environmental incident.

**Honest Dealing:** Beacon Health System will not obtain or attempt to obtain improper favorable treatment for itself by offering, giving, or promising anything of value to an agent or representative of a business partner, competitor, or a unit of government.

**Health Insurance Portability and Accountability Act:** Beacon Health system is committed to complying with the Health Insurance Portability and Accountability Act of 1996 and its subsequent modifications (e.g., the Health Information Technology for Economic and Clinical Health Act section of the American Recovery and Reinvestment Act of 2009). Beacon Personnel will not improperly disclose protected health information and will comply with all information security policies and procedures.

**Intellectual Property Laws.** Beacon Health System will comply with all applicable intellectual property laws. Beacon Personnel will comply with intellectual property and copyright laws regarding books, trade journals, magazines, and other resources.

**Political Activity:** Beacon Health System will not participate or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. While Beacon Health System supports the participation of Beacon Personnel in the political process, Beacon Personnel must participate as private individuals and not as representatives of Beacon Health System. Beacon Personnel are not permitted to use positions in Beacon Health System to try to influence the personal decisions of others to contribute or otherwise support political parties or candidates.

Beacon Health System may lobby directly or indirectly other otherwise advocate the passage or defeat of certain legislation that pertains to issues that affect the healthcare community. These activities will not constitute a substantial part of the activities of Beacon Health System.

**Stark Act:** Beacon Health System and its Personnel will comply with the federal Stark Act, which prohibits a physician with a financial relationship with an entity from making a "referral to [that] entity for the furnishing of designated health services" for which Medicare or Medicaid may pay and the entity from billing any individual,

third party payor, or other entity for a services furnished pursuant to a prohibited referral, unless a statutory/regulatory exception applies.

<b>DEFINITIONS:</b>	<p><b>Beacon Health System:</b> Beacon Health System, Inc., and its subsidiaries, including Beacon Health Ventures, Beacon Medical Group, Elkhart General Hospital, Memorial Hospital of South Bend, and any future wholly owned subsidiaries.</p> <p><b>Beacon Personnel:</b> All directors, exempt and non-exempt associates (employees), contracted personnel, employed physicians, Medical Staff members, volunteers, students, and other agents of the Beacon Health System. Physicians who provide administrative or management services to Beacon Health System in return for compensation are considered employees for purposes of this policy, even if their compensation for such services is not paid directly from Beacon Health System.</p>
<b>REFERENCES:</b>	<p><i>Charter of the Beacon Health System Compliance Program</i></p> <p><i>Compliance Policy</i></p>

<b>Document Revision History:</b>			
Review Date:	Revised Date:	Reviewed/Revised By:	Summary of Changes:
October 2013	October 2013	Warren R. Mattson, Compliance Officer	Original Document; replaces Elkhart General Hospital policy <i>Code of Business Conduct with Acknowledgement Form</i> and Memorial Hospital of South Bend <i>policy Appropriate Business Conduct – All Employees</i>
June 2016	June 2016	Warren R. Mattson Compliance Officer	Completed periodic review. Switched from two year to three year periodic review. Added provision addressing Civil Monetary Penalties statute to item H, Specific Laws and Issues. Updated Signatures of Approval to reflect current executive leadership.

**SIGNATURES OF APPROVAL:**

Date Signed	Signature	Name	Title
_____	See electronic approvals.	Philip A. Newbold	Chief Executive Officer Beacon Health System
_____	See electronic approvals.	Diane Maas	Vice President Managed Care and Business Development/CHA ACO, LLC
_____	See electronic approvals.	Greg Conrad	President Beacon Health Ventures
_____	See electronic approvals.	Kreg Gruber	Chief Operating Officer Beacon Health System Acting President Elkhart General Hospital
_____	See electronic approvals.	Vincent Henderson	President Beacon Medical Group
_____	See electronic approvals.	Larry Tracy	President Memorial Hospital of South Bend
_____	See electronic approvals.	Warren R. Mattson	Compliance Officer Beacon Health System

## ADDENDUM

### Additional Guidelines for Conflict of Interest

**Gifts and Gratuities:** Beacon personnel must not, and should not expect to receive a gift, gratuity, loan or preferential treatment from any organization or individual, who has or who seeks to have a business relationship with Beacon Health System. Any staff member who receives, or whose family\* receives a gift or other item of more than nominal value (nominal value is dependent upon the circumstances and is generally construed as fair market value of \$100.00 or less in non-cash item) from any organization or individual, will promptly return the gift to the donor and will immediately make a full report of the matter to his or her supervisor. Such reports will be forwarded to the Vice President or Executive Director with responsibility over the staff member's area.

**Entertainment:** Beacon personnel may not accept unusual or extended hospitality such as a trip, cruise, or entertainment at a resort or similar accommodations, or payment of personal or business expenses for such hospitality, from any organization or individual who has or seeks to have a business relationship with the organization. Beacon personnel may from time to time in acceptable and usual business relationships, be recipients of hospitality in the form of a meal, refreshments or local entertainment, including athletic events. Beacon personnel whenever possible, should pay for their portion of the meal, refreshments or local entertainment. If a staff member is offered lavish or extravagant meals, refreshments or entertainment, they will make a full report to his/her supervisor.

**Remuneration for Work or Services Rendered:** Beacon personnel may not perform work or provide services for remuneration for any organization or individual who has a business relationship with Beacon Health System, who seeks to have a business relationship with Beacon Health System, or is a potential client or customer of the services or products supplied by Beacon Health System unless advance approval is received in writing from the Vice President or Executive Director with responsibility over the staff member's department.

**Financial Interest:** Any Beacon personnel, including immediate family members\*, who has a financial or business interest in an organization or company doing business with Beacon Health System, will make such interest(s) known to his or her immediate supervisor.

**All employees of Beacon Health System and its subsidiaries (including Beacon Health Ventures, Beacon Medical Group, Elkhart General Hospital, and Memorial Hospital of South Bend) are expected to devote their best efforts to serving the needs of Beacon Health System and its patients/customers. From time to time, it may be necessary for employees, in the ordinary course of their duties, to deal with outside agencies or suppliers for the procurement of goods and services for or on behalf of Beacon Health System and its patients/customers. Each employee who deals with these agencies or suppliers shall annually certify in writing that he has read and complied with this policy.**

**Exceptions to this policy for gifts and gratuities that are allowed by federal, state and local laws may be approved by signers of this policy, and it is expected that the exceptions will be consistent with sound business conduct that reflects favorably upon Beacon Health System.**

\*Family member is defined as spouse; children (and stepchildren); parents (and stepparents); brother or sister (including stepbrother and sister); a cohabitating person not legally related; in-laws; persons for whom you are legal guardian, foster parents and children; and other relatives or non-relatives with which special relationships or close social contact is maintained.