



CODE of ETHICAL BEHAVIOR

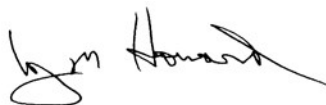


Dear Tanner Health System Colleague,

Tanner strives to provide high-quality healthcare services within our resource capabilities. We also strive to deliver healthcare compassionately and to act with absolute integrity in the way we do our work and the way we live our lives. Therefore, we developed a comprehensive values based compliance program.

Our Code of Ethical Behavior reflects the values that guide our actions. No Code of Ethical Behavior can substitute for each person's internal sense of fairness, honesty and integrity. Therefore, if you have any questions regarding this code or believe that a situation violates the provisions of this code, please do not hesitate to consult your supervisor, a member of the management team, the Compliance office or the Compliance hotline.

We ask you to assist us in our continued journey from "good to great."



Loy Howard

President and CEO,
Tanner Medical Center, Inc., and
Tanner Medical Center Alabama, Inc.



MISSION

To provide quality healthcare services within our resource capabilities; to serve as a leader in a collaborative effort with the community in providing health education, support services, and care for all citizens.

VALUES

Every plan, decision and action shall be guided by these values:

1. Recognize that our CUSTOMERS come first.
2. EDUCATION will be encouraged, supported and made available. If we are to fulfill our dreams and reach our potential, we must all be lifetime learners.
3. TEAMWORK is the basis of our organizational structure.
4. Individual and corporate INTEGRITY shall never be compromised.
5. Improving QUALITY must always be our focus.
6. Our relationships with one another shall be founded on mutual RESPECT.
7. The foundation of everything we do is CARING for people.

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Introduction and Purpose

Individual and corporate INTEGRITY shall never be compromised.

The Tanner Medical Center, Inc., Board of Directors and Tanner Medical Center Alabama, Inc., Board of Directors publish this Code of Ethical Behavior (Code) to provide guidance to all of our Tanner Health System colleagues and affiliates to ensure that we meet our ethical standards and comply with applicable laws and regulations. We have confidence in the loyalty and integrity of our healthcare team. We expect our directors, managers, employees, affiliated physicians, contractors, consultants and vendors to use these guidelines to carry out their daily activities.

This booklet is designed to be comprehensive yet easy to understand. It is one of several tools available to help you perform your job — professionally and ethically. Our Code assists everyone in:

- Avoiding both the fact and the appearance of improper activities
- Assuring that all applicable regulations and laws are followed appropriately

Often, a subject may need additional guidance. We developed a comprehensive Compliance Resource Center located on our internal website, **tanner@work**. The below policies expand on the principles expressed in our Code of Ethical Behavior.

- HIPAA policies
- Patient rights and responsibilities policies
- Determining eligibility for indigent charity care
- Freedom of choice
- Billing, charging and collection policies
- Identification of non-allowable expenses for cost reports

Everyone's Responsibility

Teamwork is the basis of our organizational structure.

Everyone will display good judgement and high ethical standards in their business dealings.

The Tanner Health System Code of Ethical Behavior is designed to educate and deter wrongdoing. All Tanner Health System operations must be conducted with honesty, fairness and integrity. Please remember that the foundation of everything we do is caring for people.

All Tanner Health System colleagues and affiliates are obligated to perform their duties within the prescribed limits of the Tanner Health System Ethics and Compliance Program. It is everyone's responsibility to report any concerns or violations of these policies to any one of the following:

- Immediate supervisor
- Compliance Officer Valorie Comley (770.812.8159)
- Compliance Hotline (1.800.648.1507)

- Privacy Officer Terri Lee (770.812.9602)
- MEC chair

Failure to comply with these provisions may result in:

- Disciplinary action
- Termination of employment
- Revocation of privileges
- Civil penalties
- Criminal charges
- Monetary fines
- Loss of confidence in Tanner Health System's integrity

Leadership's Responsibility

Our relationship with one another shall be founded on mutual respect.

Tanner Health System's leadership is expected to create an environment where all colleagues feel free to raise concerns and ask questions. Management ensures that the personnel they supervise understands and complies with the high standards of business conduct established by these policies. The Compliance Office and all management personnel are responsible for maintaining programs to familiarize employees and other personnel with matters relating to ethical behavior.



Disciplinary actions are necessary for compliance violations when involving any one of the following:

- Employee
- Employee's supervisor
- Anyone directing or approving improper actions
- Anyone aware of improper actions but does not act appropriately to correct them
- Anyone who otherwise fails to exercise appropriate supervision

Management is responsible for promptly advising the Compliance Officer of any reported or suspected violation that needs investigation or resolution. Management throughout the health system should use our Code to incorporate ethics and compliance into all aspects of our organization.

The actions of each Tanner colleague or affiliate are significant indications of judgement and competence. Accordingly, those actions constitute important elements in the annual evaluation of the employee or contractual arrangement as well as for position assignments and promotions.

Physician's Responsibility

The foundation for everything we do is **CARING** for people.

Medical Staff Mission Statement

To provide patients with the highest quality of care that ensures the health and safety of the community it serves by maintaining individual competence and supporting Tanner Health System.

Tanner Health System is committed to providing a work environment with excellent facilities, modern equipment and outstanding professional support. Accordingly, we will not allow any physician to work without a valid medical license or proper credentials.

- Any business relationship with a physician will be in writing.
- Tanner Health System will not pay or offer to pay for referrals.
- Tanner Health System accepts and refers patients based on their clinical needs and our ability render needed services.
- Tanner Health System will not contract with, employ or bill for services rendered by any individual or entity that is excluded or ineligible to participate in federal health programs, or has been convicted of a criminal offense related to the provision of healthcare items or services.
- Tanner Health System requires colleagues to report to us if they become excluded, debarred, or ineligible.
- To participate in federal health programs or have been convicted of a criminal offense.
- Tanner Health System collects information about the patient's medical history, condition, medication and family history in order to provide quality health care. No Tanner Health System-affiliated physician has a right to access any patient information other than that necessary to perform his or her job.

Vendor, Consultant, Contractor and Business Associate Responsibilities

Our relationships with one another shall be founded on mutual RESPECT.

Tanner Health System promotes a competitive environment and is committed to fair competition. Our business decisions are based on our ability to meet the System needs and not on individual personal relationships.

- We will not communicate confidential information to third parties (i.e., bids, pricing, financial information).
- Patient information access will be limited to only what is necessary to perform his or her job.
- Tanner Health System will not do business with any individual or business that is excluded from participating in the Medicare/Medicaid program.

- Tanner Health System will not contract with, employ or bill for services rendered by any individual or entity that is excluded or ineligible to participate in federal health care programs or has been convicted of a criminal offense related to the provision of healthcare items or services.
- Tanner Health System requires colleagues to report to us if they become excluded, debarred, or ineligible to participate in federal health programs or have been convicted of a criminal offense.

HOTLINE

Individual and corporate INTEGRITY shall never be compromised.

An integral part of our compliance efforts is the establishment of a confidential and anonymous Compliance Hotline, through which our Tanner Health System colleagues may anonymously report violations of any laws or regulations. Everyone is responsible to promptly report possible violations to their supervisor, the Compliance office or the Compliance Hotline.

Calls to the hotline are treated confidentially. No retaliation or harassment will be taken against anyone for using the hotline or reporting concerns of improper conduct. Hotline calls will be reported to the TMC, Inc. Board of Directors or the TMCA, Inc. Board of Directors.

The Compliance Hotline phone number is: 1.800.648.1507

Compliance concerns are:

- Suspected wrongdoing
- Illegal or unethical acts
- Breaches of the Tanner Health System Legal Compliance Program
- Breaches of Tanner Health System Code of Ethical Behavior
- Losses related to Tanner Health System operations, properties or employees

Patient care related concerns must always be handled immediately by the appropriate staff, patient representative or director of Risk Management. Our Tanner Health System Grievance Policy will be followed.

Examples of hotline calls are as follows:

- | | |
|--|-------------------------------------|
| ▪ Breaches of confidentiality (HIPAA violations) | ▪ Billing for services not rendered |
| ▪ EMTALA violations (anti-dumping) | ▪ Cost report fraud |
| ▪ Fraud and abuse (billing issues) | ▪ Anti-kickback violations |
| ▪ Upcoding (coding for higher reimbursement) | ▪ Insurance |
| ▪ Fraud | |

Patient Rights

Recognition that our CUSTOMERS come first.

The Tanner Health System healthcare team treats all patients with dignity, respect and courtesy. Our mission is to provide quality healthcare services within our resource capabilities. We also strive to serve as a leader in a collaborative effort with the community to provide health education, support services and care for all our citizens.

Each patient is provided with their rights and responsibilities and a Notice of Privacy Practices in various written formats as well as posted throughout the system.

We are committed to ensuring a healthcare ethic that respects the role of patients in decision-making about care, treatment and services within our capabilities and mission and in compliance with laws and regulations. Also, we are sensitive to respect cultural, psychosocial, spiritual, personal values, personal beliefs, personal preferences, racial, linguistic, religious, age, gender and other differences as well as the needs of persons with disabilities.



Protection of Clinical Decision Making

The foundation for everything we do is CARING for people.

Tanner Health System protects the integrity of clinical decision making regardless of compensation or shared financial risks with its leaders, managers and clinical staff and licensed independent practitioners.

In accordance with the Emergency Treatment and Active Labor Act (EMTALA), the hospital provides a medical screening examination and necessary stabilization to all patients who present to the emergency department with an **emergency medical condition**, including women in labor, suicidal patients and patients under the influence of controlled substances, regardless of their ability to pay. Therefore, treatment will be based on our capacity and capability and we will not delay the medical screening examination or delay the admission, discharge or transfer of patients simply based on the patients' ability or inability to pay.

Tanner Health System does **not** make a distinction on admission, transfer and discharge policies based on a patient's age, gender, disability, race, color, religion, veteran status or national origin.

- Patients whose specific condition or disease cannot be safely treated are diverted or transferred to an accepting organization only when the transfer assures the patient of continuous appropriate care. The risks, benefits and alternative of the transfer are explained to the patient.
- Patients are discharged when acceptable guidelines are met.

Patient Referrals/Physician Arrangements

Individual and corporate INTEGRITY shall never be compromised.

Tanner Health System will comply with fraud and abuse laws, Stark II, private inurement IRS laws and anti-kickback statute.



Tanner Health System protects the integrity of clinical decision making regardless of compensation or shared financial risks with its leaders, managers and clinical staff and licensed independent practitioners.

The health system prohibits the payments of remuneration in return for the referral of patients or to induce the purchase of goods or services to be paid for or by any federally funded program — Medicare or Medicaid. Tanner also prohibits submitting false claims in order to obtain Medicare or Medicaid reimbursement.

- No employee shall solicit or receive payment of any type in exchange for referring any person to another for the purchase of goods or services.
- No employee shall offer or grant any benefit to a referring physician or other referral source on the condition that such physician or referral source refer or agree to refer any patients to the system.
- Every type of arrangement that involves compensation or cross referrals with a physician or other referral source will be reviewed by the Compliance Officer or legal counsel prior to its execution.
- All transactions with physicians must be in writing.

Confidential Information

Our relationships with one another shall be founded on mutual RESPECT.

Information regarding protected health information, bids, employment records and other business information will not be shared with other employees or outside individuals.

Confidential information developed or acquired by Tanner Health System is not generally available to others. It is a valuable asset of Tanner and is kept confidential and protected against theft, loss or improper disclosure.

Tanner Health System colleagues must never use or disclose confidential information that violates the privacy rights of our patients.

- **Privileged information** is all information that results from physician/patient relationships.
- **Protected health information (PHI)** is any information that is individually identifiable and relates to the past, present or future physical or mental health or condition of a patient.
- **Confidential information** includes pricing and cost data, financial data, strategic plans, supplier information, patient lists and clinical information.

Confidentiality is a trust vital to the free and candid communication necessary for effective patient care. No one shall discuss, disclose or permit the disclosure of information which has been deemed confidential unless it **directly pertains to their job**.

- Verbal, written and electronic communications must be protected.
- Conversations regarding patients are discouraged in public areas and are not allowed outside the hospital.
- Information gained in the treatment of a patient is only shared with others on a “need to know” basis (directly pertains to one’s job).

Examples of individually identifiable information:

- Patient name
- Address
- Account number
- Disposition location
- Medical record number
- Clinical data/diagnosis
- Financial information
- Treatment information
- Demographic information
- Picture/image of patient
- Social Security Number
- Date of birth/death
- Date of admission/discharge
- Telephone/fax numbers

Special care is given to maintain the confidentiality of psychiatric/behavior health treatment, chemical dependence treatment, sexually transmitted diseases and HIV/AIDS testing/treatment — all of which are privileged information.

All requests for the release of medical record information will be sent to the Health Information Management (HIM) Department where an authorization must be properly executed.

- Confidential patient health information will be shredded.
- Passwords will not be shared.
- Confidential information will not be left unattended.
- No patient information will be sent through the internet without encryption.

Confidentiality concerns are reported to your supervisor, the Privacy Officer Terri Lee, or the Compliance Officer Valorie Comley.

Billing

Individual and corporate INTEGRITY shall never be compromised.

Always bill correctly for services rendered.

Tanner Health System bills third-party payers for services rendered, and all bills must comply with billing requirements for government-sponsored programs as well as other payors.

- Employees will exercise care in assuring the accuracy of any information, whether written or oral, provided to any government agency or other payer. Tanner Health System prohibits and will not tolerate false information by any employee to a government agency or any other payer.
- All individuals that contribute to the medical record must provide complete, accurate and timely information.
- Deliberately providing false or inaccurate information to government agencies or other payers will expose an employee to civil and criminal penalties, as well as termination of employment and loss of benefits.
- All individuals involved in patient care, billing or coding must abide by our Code of Ethical Behavior.

Tanner Health System will not routinely waive co-payments or deductibles. Waivers are only granted upon analysis of the financial status of the patient. As part of our mission, Tanner Health System may provide free or reduced charge care to uninsured or underinsured patients who are unable to pay for these services based upon set guidelines.



Financial Records

Individual and corporate INTEGRITY shall never be compromised.

Keep honest and accurate financial records.

Tanner Health System is responsible for the integrity and accuracy of our organization's documents. Associates must ensure that any financial record for which they are responsible accurately reflects all transactions. Tanner Health System has written policies to ensure that our financial activities reflect actual transactions, are properly authorized, fairly stated and recorded in accordance with generally accepted accounting principals.

Documents must be retained in accordance to the law and our record retention policy. No one may remove or destroy records prior to the specified date without first obtaining permission.

All expenses defined as "non-allowable" costs for Medicare/Medicaid purposes are excluded from reimbursable costs on the Medicare Cost Report.

Marketing, alcoholic beverages, charitable donations, civic sponsorships and non-patient care related flowers are examples of "non-allowable" Medicare/Medicaid cost.

Personal Use of Tanner Health System Property

Individual and corporate INTEGRITY shall never be compromised.

Tanner Health System property is for business use only.

Tanner Health System is a nonprofit organization and none of its earnings may inure to the benefit of private individuals. Our resources must be used for our mission of providing quality healthcare services and in a collaborative effort with the community to provide health education, support services and care for patients.



Accordingly, property will not be used for personal reasons during business hours or removed from the premises for personal use.

- Improper use of Tanner property would include, but are not limited to, personal use of computers as well as personal use of clinical, dietary or engineering equipment.
- The electronic and voice mail system may not be used to send chain letters or non-organization related communications.
 - Limited and reasonable use of Tanner Health System communication systems is permitted, but users should assume these communications are not private.

- Foul, inappropriate, offensive, abusive, threatening or harassing email or voicemail messages — including but not limited to those of a racial, religious or sexual nature — are prohibited.

Marketing and Advertising

Individual and corporate INTEGRITY shall never be compromised.

Tanner Health System’s services and products will be portrayed fairly and honestly, stressing their value and merits.

Tanner Health System will market and advertise services in a non-deceptive manner, stressing its value and merits to educate the public, provide information to the community and increase awareness of our services.

- All marketing materials must be factual, easy for the reader to interpret, and include no language that intentionally misleads the reader.
- All costs associated with marketing Tanner Health System services are excluded from the Medicare Cost Report.



Conflict of Interest

Individual and corporate INTEGRITY shall never be compromised.

Each employee has a duty of loyalty to Tanner Health System.

Tanner Health System associates will avoid any actions that involve, or appear to involve, a conflict of interest with their obligations to the organization.

- An employee will not realize any profit or gain as a result of their position with Tanner Health System apart from Tanner compensation/benefit programs.
- Associates will not become involved in non-Tanner Health System related interest **during** working hours.

A conflict of interest occurs when your activities or personal interests:

- Appear to influence one's business decisions
- Are detrimental to the business of Tanner Health System
- Result in an improper or illegal gain for you or a third party
 - Non-employed medical staff physicians may continue to have competitive business transactions with Tanner Health System. These situations are considered a part of a normal, healthy competitive environment.

Tanner Health System associates who deal with suppliers will do so in a reputable, professional and legal manner.

- Do not disclose pricing, finances, systems or data to competitors/vendors.
- Do not accept gifts intended to influence decisions.

Behavioral Health Department employees are restricted from conducting intimate, personal and/or financial relationships of any kind with their patients and their families who have been treated within three years of the patient's discharge.

Gifts and Gratuities

Individual and corporate INTEGRITY shall never be compromised.

Use good judgement when giving or receiving gifts that are to/from customers, vendors or physicians.

Employees often receive acceptable gifts from other employees or colleagues for appreciation or holidays. Tanner Health System employees may accept non-cash gifts up to \$50 from anyone with a current or potential business relationship. Furthermore, entertainment may be accepted up to a \$100 limit and shall not include travel costs.

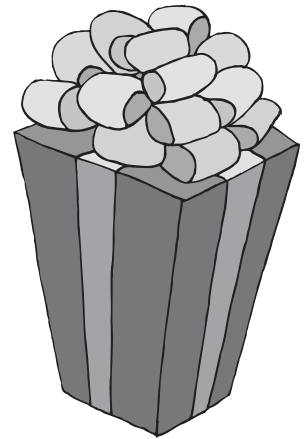
- Cash or gift certificates (redeemable for cash) are considered influences and are never acceptable.

Employees will not directly or indirectly give, accept or solicit any gifts, gratuities, favors, meals or entertainment to/from an individual/business whom the associate knows or should know because of the nature of the associate's work that can:

- Induce referrals
- Alter or appear to alter business outcomes or relationships
- Influence or appear to influence associate's/recipient's judgement or conduct on the job

Acceptable gifts include perishable goods, promotional items or an occasional business meal.

- Tanner Health System gift certificates to employees are acceptable. The accounting department should be contacted prior to initiating a departmental gift in order to determine the tax consequences (i.e., employer to employee holiday gift certificates).
- Door prizes are acceptable.



Anti-trust Laws

Individual and corporate INTEGRITY shall never be compromised.

Tanner Health System will not share information with competitors about matters that reduce competition.

Tanner Health System recognizes that routine communications with competitors are appropriate and reasonable in many instances. Communication with competitors about matters that could be perceived as having the effect of reducing competition will take place only after consultation with legal counsel. Only legal and ethical means will be used to gather information about existing or potential competitors.

Associates may:

- **Not** respond to any inquiry or request any information from a competitor that deals with information on prices, wages, marketing activity, acquisition or development plans or any other competitive information.
- Only collect competitive information from generally available industry sources and from information within the public domain.
- Provide information to third parties such as The Joint Commission, a government entity or hospital association as long as it is gathered confidentially.

Environmental Laws

Improving QUALITY will always be our focus.

Tanner Health System will protect the environment.

Tanner Health System is committed to promoting sound environmental practices that:

- Prevent damage to the environment
- Enhance human and community resources
- Reduce or avoid exposure to environmental liabilities

There are standards for the storage, handling, transportation and disposal of hazardous and infectious waste. Tanner Health System and its associates will comply with all federal, state and local health and safety laws and regulations, including the Occupational Safety and Health Administration (OSHA). It is important that each colleague immediately advise his or her supervisor of any serious workplace injury or any situation presenting a danger so corrective action may be taken.

Safety and Health

Improving QUALITY will always be our focus.

Tanner Health System will maintain a safe and healthful workplace

Tanner Health System and its colleagues are responsible for maintaining a safe and healthful work environment. We have an ongoing, proactive patient safety program for the identification of risk to patient safety and the prevention, reporting and reduction of healthcare errors.

- Tanner Health System is a non-smoking facility.

Equal Employment Opportunity

Our relationships with one another shall be founded on mutual RESPECT

Tanner Health System will not discriminate in its employment practices. Employees will be treated with respect, trust and compassion.

No person will be discriminated against because of such person's race, color, creed, religion, age, handicap, sex, national origin, ancestry, disability, marital status, status as a Vietnam veteran or any other factor prohibited by federal, state or local law. This pertains to the following situations: recruitment, employment, promotion, termination or any other term or condition of employment.

We do not tolerate any form of harassment of or by employees, patients, members of the medical staff or others.

- Harassment includes but is not limited to slurs, jokes and other verbal, graphic or physical conduct relating to an individual's race, color, sex, religion, national origin, citizenship, age or handicap.
- It also includes sexual advances, requests for sexual favors, unwelcome or offensive touching and other verbal, graphic or physical conduct of a sexual nature.

Payments to Government Officials

Individual and corporate INTEGRITY shall never be compromised

Tanner Health System funds will not be used for improper or illegal activities.

Employees will not make payments on behalf of Tanner Health System to government officials in order to secure contracts or obtain favorable treatment.

- Gifts, favors or entertainment to government officials are prohibited because they may be construed as attempts to influence a decision.

Employees are prohibited from using Tanner Health System funds to contribute to a political party, committee, organization or candidate.

- You may make personal political contributions of your own choice, but such contributions are made on a voluntary and personal basis and not subject to reimbursement by Tanner Health System.

Government Request

TEAMWORK is the basis of our organizational structure.

Tanner Health System complies with all legitimate government requests.

Employees will cooperate with reasonable requests from any government agency concerning Tanner Health System's operations. Tanner requests that you advise the director of Risk Management, Compliance Officer or Tanner Health System's legal counsel before responding to any requests that are out-side the ordinary scope of routine inquiries made by governmental authorities.

If a law enforcement agent seeks to contact you directly, you are advised that:

- You have the right to speak or decline to speak, as all such conversations are entirely voluntary.
- You have the right to speak to an attorney before deciding to be interviewed.
- You can insist that an attorney be present, if you agree to be interviewed.
- If you agree to be interviewed, you will be truthful in all of your answers.

Director of Risk Management • patient care related situations

Compliance Officer • federal, state and local laws and regulations

Compliance Acknowledgement

I hereby acknowledge and affirm that I received, read, understood and will abide by the provisions included in Tanner Health System's "Code of Ethical Behavior" booklet. I understand the provisions included in the *Code of Ethical Behavior* and realize that I may ask the Compliance Officer, Privacy Officer, my supervisor or administrative contact any question I have regarding the requirements.

In consideration of my employment or association with Tanner Health System, and as an integral part of the terms and conditions of my employment or association, I hereby agree that I will not at any time during my employment or association with Tanner Health System or after my employment or association ends, access or use protected health information or reveal or disclose to any persons within or outside the Tanner Health System, any protected health information except as may be required in the course of my duties and responsibilities in accordance with applicable regulations and Tanner Health System policies governing proper release of information. Furthermore, I understand that it is my responsibility to comply with the requirements of the *Code of Ethical Behavior*.

I also realize that I am required to report violations to my supervisor, the Compliance Officer, the Privacy Officer or the Hotline. I understand that includes those violations that I witness myself or am informed of by others. I am familiar with both the Hotline telephone number (1.800.648.1507) and the location of the Compliance Officer (Professional Park Building, Suite 305).

I understand that I will not be punished for reporting misconduct of any magnitude or misconduct that involves any level of system personnel. I have been informed that I may be disciplined for failing to report such violations. I also understand that unauthorized use or disclosure of such information will result in disciplinary action up to and including termination of employment/contract/association/appointment, the imposition of fines pursuant and a report to my professional regulatory body.

I further understand that my obligations concerning the protection of the confidentiality of personal health information relate to all protected health information whether I acquired the information through my employment/contract/association/appointment with Tanner Health System or within any of the healthcare facilities within the Tanner Health System. I understand that my obligation outlined above will continue after my employment/contract/association/appointment with Tanner Health System ends.

I certify that I have not been excluded from participation in any federal or state healthcare program. I have not been criminally convicted of any crime regarding federal or state healthcare programs or any offense involving financial misconduct (such as fraud or embezzlement).

Signature _____ Date _____

Name Printed _____

Company/Department Name _____