

TITLE: Code of Business Conduct

Reference: GOV-006

MANUAL: Administrative

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I. PURPOSE

Founded on St. Joseph Health System Values and Value Standards, the Code of Business Conduct/Ethical Business Practices policy promotes the highest ethical business practices by requiring adherence to standards of business conduct and providing examples of appropriate and inappropriate behavior as defined by relevant compliance standards.

II. SCOPE

St. Joseph Hospital (SJH) has established a Code of Business Conduct/Ethical Business Practices policy and procedure as part of the Corporate Responsibility Program to provide employees with the essential guidelines needed to understand their responsibilities in connection with the Corporate Responsibility Program. The policy and procedure shall guide employees in their business interactions with suppliers, vendors, physicians, donors, politicians, and other interested parties. Such parties are a natural extension of St. Joseph Hospital's own resources.

III. POLICY

It is the policy of St. Joseph Hospital to maintain our good name as we develop and maintain good relations with interested parties, and to keep in mind that personal contacts are the basis in forming opinions of the hospital. In addition, it is the policy of St. Joseph Hospital to prevent unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery, and to discipline employees who violate the standards contained in this Code of Business Conduct/Ethical Business Practices

NEW <u>July 2005</u> (DATE)	REVIEWED/REVISED _____ (DATE)	DELETED _____ (DATE)
ORIGINALLY INITIATED BY: John Bokosky	DATE 1/05	INTERDISCIPLINARY PRACTICE COMMITTEE (if applicable) DATE
REVIEWED/REVISED BY:	DATE	POLICY & PROCEDURE COMMITTEE (if applicable) DATE Policy & Procedure Committee 02/05
ADMINISTRATIVE APPROVAL: Alan Garrett	DATE 1/05	BOARD OF TRUSTEES (if applicable) DATE
MEDICAL STAFF (if applicable)	DATE	OTHER DATE
PHARMACY & THERAPUTICS (if applicable)	DATE	OTHER DATE

and all related policies and procedures. Employees are expected to read the Code, understand it, and follow its standards and procedures.

Standards of Business Conduct/Corporate Compliance with Laws

A. BUSINESS CONDUCT AND PRACTICES

Value Standard: *Business is conducted ethically, with integrity, honesty, and confidentiality and in accordance with applicable laws and regulations.*

1. Accuracy of Business Records

Business records must be prepared accurately, honestly and on time. This includes accurate reporting of time worked, business expenses incurred, research test results, billing and all other business-related activities. The law requires that all books, records, and accounts accurately reflect all transactions and disposition of assets. All transactions must be conducted in accordance with management's authorization. Errors or potential errors involving claims already submitted to the government or other payors, must be reported to the hospital Compliance Officer or the SJHS Compliance Officer.

Related Policies and Procedures: Transactions Requiring Corporate Counsel Approval; Governmental Billing Practices; Joint Venture Guidelines; Time Keeping; Travel Policy; Expense Control Policy
Examples of Inappropriate Action:

- billing for services that were not rendered or other fraudulent billing practice;
- non-adherence to the joint venture guidelines.

2. Confidentiality of Information

Information obtained, developed or produced by SJH and its employees, information supplied by outside consultants or vendors for the benefit of SJH, and information about SJH customers is confidential. Confidential information includes, for example: financial data, patient information, proprietary reports, salary and position information, marketing and sales programs. Confidential information should not be disclosed to anyone outside of SJH unless they legitimately need the information and have been properly authorized by management to receive such information. Confidential information should not be shared with other SJH employees except on a "need to know" basis and with the agreement of the recipient to treat the information as confidential.

Related Policies and Procedures: Confidentiality; Computer Network Security; Ethical and Religious Directives for Catholic Health Care Services, HIPAA policies and procedures.

Examples of Inappropriate Action:

- Disclosing information about a former employee's performance without authorization;

- Using e-mail to transmit proprietary information to an outsider;
- Illegally copying software in violation of the copyright or licensing agreement.

3. Use of Resources

Employees must respect and protect company property. SJH assets, such as office supplies, production equipment, and products must not be used for personal reasons. These assets should not be taken out of SJH facilities unless necessary to perform company work. All employees should actively help to control costs through identification of practices that create repeat work or waste.

Related Policies and Procedures: Standards of Conduct; Computer Network Security.

Examples of Inappropriate Action:

- Taking office supplies home for personal use;
- Using the Internet to obtain information for personal use.

B. EMPLOYMENT PRACTICES

Value Standard: *Each entity develops a work environment that promotes mutual respect, participation, equitable compensation, growth, and effective use of talents.*

1. Fair Treatment of Employees

SJH has created and strives to maintain a work environment in which employees are treated with respect, diversity is valued and opportunities are provided for development. SJH is committed to providing a work environment that is free from discrimination. Harassment or abuse of any kind is prohibited in the workplace. Discrimination in any work-related decision on the basis of race, creed, gender, sexual orientation, age, disability status, national origin, or any other illegal basis is also prohibited.

Related Policies and Procedures: Equal Employment Opportunity; Selection and Recruitment; Internal Transfers and Promotions; Prohibition of Harassment; Conflict Resolution.

Example of Inappropriate Action:

- making derogatory comments or jokes of a sexual nature in the presence of fellow employees;
- failure to promote an otherwise qualified employee based on gender;
- refusal to hire a qualified individual because of a physical disability.

2. Workplace Health and Safety

SJH provides each of its employees with a safe and healthy workplace in which applicable health and safety laws and regulations are observed. Employees are expected to abide by all safety rules and practices and

assume responsibility for taking necessary precautions to protect themselves and their co-workers. Employees are also responsible for immediately reporting accidents and unsafe practices or conditions.

Related Policies and Procedures: Standards of Conduct; No Smoking; Fitness for Duty; Workplace Injuries.

Examples of Inappropriate Action:

- failure to dispose of biohazardous or infectious waste in designated containers;
- failure to report defective equipment or unsafe conditions;
- smoking in a non-designated area.

3. **Illegal Drugs and Alcohol**

SJH expects employees to report to work in condition to perform their duties, free from the influence of illicit drugs or alcohol. Reporting to work under the influence of illegal drugs or alcohol, using, possessing or selling illegal drugs while on the job or on SJH property is forbidden.

Related Policies and Procedures: Fitness for Duty; Standards of Conduct.

Examples of Inappropriate Action:

- consuming alcohol while on call;
- being impaired by drug use while on the job.

C. **PATIENT CARE**

Value Standard: *Each entity develops programs and processes to measure and continually improve quality.*

SJH is committed to the compassionate delivery of appropriate, effective and quality care to its patients. Patients must always be treated with sensitivity, respect and professionalism. Employees are expected to observe all applicable standards of professional practice in all SJH facilities and programs.

Related Policies and Procedures: Values Based Core Competencies; Selection and Recruitment; Professional Appearance; Standards of Conduct; Performance Management.

Examples of Inappropriate Action:

- disregard for a patient's wishes regarding treatment decisions;
- degrading a patient by inappropriately treating them like a child.

D. **CONFLICTS OF INTEREST**

Value Standard: *SJHS values and their key role in shaping organizational life are clear and explicit.*

Employees may not participate in any activities that could conflict with their responsibilities at SJH without satisfying the requirements of the conflict of interest policy. A conflict of interest arises when the personal interests or

activities of an employee appear to or may influence that employee's ability to act in the best interests of SJH.

Related Policies and Procedures: Conflicts of Interest Policy; Gifts, Honoraria and Gratuities Policy; Employment of Relatives; Standards of Conduct; Solicitation and Distribution.

Examples of Inappropriate Action:

- conducting business on behalf of SJH with family members without disclosure to and approval of management;
- owning a significant financial interest in a business that competes with SJH;
- accepting a tip from a patient;
- sharing confidential information regarding future SJH business plans for personal gain.

E. SPECIAL LEGAL RESPONSIBILITIES

Value Standard: *Business is conducted ethically, honestly and in accordance with applicable laws and regulations.*

1. Marketing Practices and Antitrust

SJH products and services must be marketed and sold fairly and honestly solely on the basis of quality, capability, price, service level, and other legitimate attributes. SJH and its employees are expected to compete fairly and in compliance with all antitrust laws. Employees should seek advice from their managers before taking any action, which may compromise fair competition or compliance with antitrust laws.

Related Policies and Procedures: Ethical Business Practices Policy; Transactions Requiring Corporate Counsel Approval; Appraisal Policy; Participation in SJHS GPO Contracts; Confidentiality.

Examples of Inappropriate Action:

- sharing pricing information with competitors;
- failure to exercise caution in marketing new medical procedures.

2. Not for Profit Status

SJH and many of its affiliates are not-for-profit, tax-exempt entities. As such, the requirements for organizations not taxed under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state law must be followed. Employees shall not use SJH resources or property for private use or benefit. Transactions must be in the best interest of SJH and negotiated at arms length for fair market value. Employees faced with sensitive situations should consult with management for guidance.

Related Policies and Procedures: Transactions requiring Corporate Counsel Approval; Appraisal Policy; Compensation Policy.

Examples of Inappropriate Action:

- payment of medical director fees at above market value;

- leasing property to a medical group for their private practice at below market value prices;
- contributing money to political action activities beyond advocacy, education and contributions to legally organized PACs without the approval of Corporate Counsel.

3. Government Investigations

Employees shall cooperate with legitimate government investigations. If an employee is approached by any person who identifies himself or herself as a government investigator or receives a subpoena or other written request for information, the employee should contact Corporate Counsel.

Related Policies and Procedures:

Examples of Inappropriate Action:

- destruction of company documents or records in anticipation of a request for the document or record by a government agency or court;
- making false statements to a government investigator;
- attempting to persuade another employee not to cooperate in a government investigation.

IV. PROCEDURE

Procedures/Implementation of the Code

A. Disciplinary Actions

Employees shall conduct themselves in a manner that upholds SJH Values and complies with the Code of Business Conduct/Ethical Business Practices. Candidates for employment shall be subject to inquiry about past compliance violations. Continued employment shall be conditioned upon compliance with the Corporate Responsibility Program. Violations of the Code of Business Conduct/Ethical Business Practices and/or failures to adhere to the requirements of the Corporate Responsibility Program will result in disciplinary action, up to and including termination.

B. Reporting

Concerns regarding compliance with the Corporate Responsibility Program and possible violations of the Code or related policies and procedures are to be promptly reported to the SJHS Compliance Officer. A special resource line that permits anonymous reports of non-compliance or possible violations has been established for this purpose, (877-808-8133). Employees are expected to fully cooperate in any investigation of business conduct, which may violate the Code. Making a false report intentionally for personal gain is a violation of the Code and will result in appropriate disciplinary action.

C. No Retaliation for Good Faith Reporting

The success of the Corporate Responsibility Program depends on prompt, accurate reporting of violations and suspected violations without fear of retaliation. Employees will not be subject to reprisals for reporting, in good faith, actions, which they believe violate the law or do not comply with the Corporate Responsibility Program or conform to the Code of Business Conduct/Ethical Business Practices.

D. Role of the Manager/Supervisor

Managers and supervisors have a special responsibility to act and communicate consistently with the Code of Business Conduct/Ethical Business Practices and to comply with the requirements of the Corporate Responsibility Program. Managers and supervisors shall create and maintain a work environment that encourages ethical behavior and promotes adherence to the elements of the Corporate Responsibility Program. As part of the SJHS Human Resources Management Systems program, managers and supervisors will be evaluated based on their ability to meet the above expectations.

E. Questions Regarding the Code

Questions regarding the Code of Business Conduct/Ethical Business Practices or the Corporate Responsibility Program should be directed to your manager, Director of Corporate Responsibility, SJH Compliance Officer or the SJHS Compliance Officer. Continuing education regarding the Corporate Compliance Program and the Code will be provided to employees.

F. Dynamic Document

This Code of Business Conduct/Ethical Business Practices will be changed as needed to better accomplish SJH mission, values, goals and legal compliance.

V. **RELATED POLICIES:** See text body.