

**Compliance Program
And
Code of Conduct**

United Regional Health Care System

TABLE OF CONTENTS

	Page
MESSAGE FROM OUR PRESIDENT.....	1
COMPLIANCE PROGRAM.....	2
Program Structure	2
Management’s Responsibilities under the Program.....	2
Employee’s Responsibilities under the Program.....	3
OUR DUTY TO ASK QUESTIONS, REPORT CONCERNS.....	4
CODE OF CONDUCT.....	4
BUSINESS CONDUCT	6
Documentation, Coding, Billing and Financial Matters	6
False Claims Laws	6
Conflicts of Interest.....	6
Gifts.....	6
Marketing and Advertising	7
Excluded Parties.....	7
License and Certification Renewals.....	7
Confidential Information and Trade Secrets.....	8
Copyrights.....	8
Antitrust Laws.....	8
Records Retention and Destruction	8
Not-For-Profit Tax Exemption	9
Fundraising	9
PATIENTS.....	9
Quality of Care and Patient Safety.....	9
Patient Information	10
Charity Care and Discounts	10
HEALTHCARE PROVIDERS.....	10
EMPLOYEE RELATIONS	11

TABLE OF CONTENTS
(continued)

Page

Acknowledgement.....11

MESSAGE FROM OUR PRESIDENT

Dear Colleague:

At United Regional Health Care System (“United Regional”), our passion is to provide excellence in health care for the communities we serve, and our purpose is to make a positive difference in the lives of others. To fulfill our passion and purpose, our daily behaviors and activities must support our pillars of excellence – people, service, quality, finance, and growth.

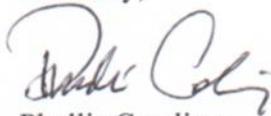
To further support our passion and purpose, we must ensure that we are each consistently acting within ethical and legal standards. As part of our commitment to compliance, we should each strive to build and maintain a culture of compliance and take steps to prevent, detect and respond to compliance concerns of any nature. United Regional is fully committed to compliance with the law and ethical standards. We believe that all members of our team should work collaboratively and respectfully to monitor and address each other’s performance and to provide input into the team’s work and decisions, regardless of tenure or position. The decisions we make and our treatment of patients, families, staff, volunteers and visitors will be in keeping with our passion and purpose. Our standards therefore apply to our interactions with patients, physicians, payers, vendors, consultants and each other.

United Regional has established a Compliance Program, including the enclosed *Code of Conduct* to further these principles. The *Code of Conduct* includes a discussion of certain laws as well as United Regional’s policies and behavioral expectations. However, please remember that no written program or policy can cover all circumstances. We therefore ask that you read this *Code of Conduct* carefully to understand not only its written words, but its intent and meaning as well.

If you have any questions about this *Code of Conduct* or United Regional’s Compliance Program, you should contact our Compliance Officer at 940-764-8235. Alternatively, you can anonymously contact our Compliance Hotline by calling 940-764-2990. You are encouraged to ask questions and to report violations of the *Code of Conduct* or our Compliance Program.

You can count on United Regional to provide the support and environment necessary to make our Compliance Program a success. Similarly, United Regional is counting on you to lead our organization by demonstrating support of, and commitment to, our Compliance Program and *Code of Conduct*.

Sincerely,



Phyllis Cowling
President and CEO
United Regional Health Care System

COMPLIANCE PROGRAM

United Regional is committed to ethical and lawful behavior. In order to achieve our passion and purpose, we have an obligation to establish a framework by which our organization and our employees are able to know about and comply with the ever-changing regulatory environment of health care. To that end, we have established the United Regional Corporate Compliance Program (the Program).

The Program applies to but is not limited to all who work for, or at, United Regional Health Care System and its subsidiaries

- Employees, including: administrative, exempt and non-exempt staff, and professionals;
- Contracted personnel;
- Physicians on staff but not employed by United Regional, residents;
- Volunteers, students;
- Vendors;
- All clinic and satellite locations;
- Physicians and employees involved in any 501(a) either partly or wholly funded by United Regional;
- Third party billing companies and/or any party performing services on behalf of United Regional.

The Program is intended to complement, not replace, other United Regional policies and is designed to comply with all federal, state, and local laws and regulations.

PROGRAM STRUCTURE

The Corporate Compliance Program is intended to demonstrate the absolute commitment of the organization to the highest standards of ethics and compliance and to establish accountability for the adherence and maintenance of the Corporate Compliance Program policies and procedures. Our commitment applies to all levels of the organization. The Compliance Officer has primary responsibility for ensuring the Compliance Program is current, and that our standards are met. The Board of Directors has oversight authority along with the President/Chief Executive Officer.

The Board has authorized a Corporate Compliance Officer to establish, maintain, and monitor the effectiveness of the Corporate Compliance Program. The Compliance Officer will sponsor, oversee, coordinate and deliver continuing education on a variety of compliance topics. The Compliance Officer will chair the Department Level Compliance Committee and will report to the Finance Committee of the Board of Directors at least quarterly.

Management's Responsibilities under the Corporate Compliance Program

Management throughout the organization is responsible for setting the example, ensuring that everyone is provided with appropriate resources, and that they are consistently holding

themselves and United Regional employees accountable for their actions. Specifically, Management will establish and distribute policies and procedures and provide training and education regarding compliance, as appropriate.

Employees' Responsibilities under the Corporate Compliance Program

All employees have an obligation to assure that the Corporate Compliance Program is successful. Employees can help to achieve that success by completing the following actions:

1. Read and regularly review the Code of Conduct and the policies that support it in order to learn the compliance requirements that apply to individual responsibilities.
2. Participate in organization-wide and department specific training designed to help understand employee obligations under the Code of Conduct.
3. Abide by the requirements set forth in the Code of Conduct.
4. Ask questions and seek assistance when uncertain about the proper course of action.
5. Know the Corporate Compliance Officer, and how to reach him/her.
6. Support employees who report suspected violations of the Code of Conduct. Recognize that retaliation against persons who report suspected violations is not permitted.
7. Be alert to situations that could result in illegal or unethical conduct and encourage other employees to consult with supervisors or the Corporate Compliance Officer if it appears that they may be in danger of violating the law or the Code of Conduct.
8. Report suspected violations of the Code of Conduct or the Compliance Program

United Regional's commitment to compliance with all applicable laws, rules and regulations applies to everyone at all levels of the organization. As part of the Compliance Program, United Regional routinely takes actions to help everyone to comply with legal and ethical requirements, including the following actions:

- Developing and implementing written policies and procedures
- Having an empowered Compliance Officer;
- Conducting ongoing education and training programs;
- Maintaining an organizational structure that supports the Compliance Program;
- Conducting ongoing auditing and monitoring activities;
- Identifying, investigating and responding appropriately to potential compliance issues;
- Verifying that those with whom we do business and employ are trustworthy;
- Protecting people who raise compliance issues in good faith from retaliation;
- Maintaining open channels for reporting compliance concerns; and
- Reporting results of compliance activities to the governing body and senior leadership.

OUR DUTY TO ASK QUESTIONS, REPORT CONCERNS

In order for United Regional to have a robust and effective Compliance Program, it is imperative for us to feel comfortable asking questions about potential compliance issues. You should use the *Code of Conduct* as a guide if you are confronted with a situation that raises concerns about ethical business practices or patient care activities. If at any time you think a law, policy, rule or our *Code of Conduct* is not being followed, you must report that concern to the United Regional Compliance Officer by calling 940-764-8235. Failure to report any perceived violation may result in disciplinary action, up to and including termination.

No adverse actions will be taken against someone who in good faith makes a report or cooperates with a compliance investigation. United Regional has a non-retaliation policy which provides that no one is penalized for making a good faith report, where the person honestly believed a compliance concern existed.

Please remember that no United Regional policy can protect you from possible consequences if you have broken the law or violated United Regional's policies and procedures. Such circumstances may subject you to disciplinary action, up to and including termination, as well as possible state and federal actions and penalties.

As part of United Regional's commitment to compliance and our belief that compliance is everyone's responsibility, we will routinely provide education and training to raise compliance awareness and to provide compliance-related information. United Regional's employees and healthcare providers must attend all required compliance training sessions. United Regional will maintain a log of all participants in compliance training sessions.

CODE OF CONDUCT

This *Code of Conduct* provides the groundwork for each of us to act with the highest level of integrity and in accordance with ethical and legal standards. Compliance is everyone's responsibility at United Regional.

The *Code of Conduct* is a critical component of United Regional's overall Corporate Compliance Program. We have developed the *Code of Conduct* to ensure we provide quality patient care and meet our ethical and legal standards. The *Code of Conduct* and United Regional's Compliance Program applies to all who work for, or at, United Regional Health Care System and its subsidiaries:

- employees, including: administrative, exempt and non-exempt staff, and professionals;
- contracted personnel;
- physicians on staff but not employed by United Regional, residents;

- volunteers, students;
- vendors;
- all clinic and satellite locations;
- physicians and employees involved in any 501(a) either partly or wholly funded by United Regional;
- third party billing companies and/or any party performing services on behalf of United Regional,

as well as the corporate board of directors.. If you have any questions regarding our expectations of you, the *Code of Conduct* or United Regional’s Compliance Program, feel free to contact your supervisor, the United Regional Compliance Officer, or call our Compliance Hotline at 940-764-2990.

United Regional is committed to conducting all of our business dealings in compliance with the applicable laws and regulations and avoiding any impropriety, dishonesty, or wrongdoing. We believe adhering to the guiding principles in the *Code of Conduct* and the United Regional Compliance Program will allow us to create and reinforce a corporate culture of embracing compliance and maintain a reputation as a leader in providing innovative, comprehensive, and quality health care to our patients.

United Regional has resources to help you understand expectations related to compliance and to assist you with any questions you might encounter. The following resources are always at your disposal, and we urge you to consult them frequently.

1. Policies and Procedures. The United Regional Policies and Procedures can be found on the United Regional intranet at <http://urpolicymanager.ellucid.com/index.php?act=browse&id=1650>.
2. Compliance Program. The United Regional Compliance Program is overseen by the United Regional Compliance Officer.
3. Compliance Hotline. The United Regional Compliance Hotline number is 940-764-2990. You may call this number any time to confidentially report a compliance issue or concern. Human Resources (“HR”) issues should be addressed through our HR processes.

United Regional’s commitment to compliance with all applicable laws, rules and regulations applies to everyone at all levels of the organization.

BUSINESS CONDUCT

DOCUMENTATION, CODING, BILLING AND FINANCIAL MATTERS

United Regional takes great care to maintain a high standard of accuracy and completeness with documenting, maintaining and reporting financial information. This commitment includes actions to ensure that billings to the government, third-party payors and patients are accurate and conform with all laws and regulations. They include the federal False Claims Act and laws prohibiting arrangements or schemes to defraud healthcare programs or payors. As part of United Regional's commitment to compliance, we will periodically review documentation, coding and billing practices and promptly investigate any inaccurate billing to determine if any remedial steps are necessary. All personnel who provide billing information and all staff who perform billing tasks will receive periodic training and education. United Regional employees and healthcare providers should always seek advice from managers if they have questions about any billing or coding matter.

FALSE CLAIMS LAWS

United Regional is committed to following all laws, including maintaining accurate billing procedures in accordance with the federal False Claims Act and state false claims laws. We will not knowingly present or cause to be presented a false or fraudulent claim to any payor. Further, we will not knowingly make, use or cause to be made or used false records or statements, or keep reimbursement to which we are not entitled.

CONFLICTS OF INTEREST

United Regional employees and healthcare providers must avoid situations in which their personal interests are in conflict, or reasonably appear to be in conflict with, the interests of United Regional. As part of United Regional's Conflicts of Interest Policy, key United Regional employees and healthcare providers are required to complete annual conflicts of interest questionnaires; however, all employees and providers have a duty to report any conflicts of interest that might arise. Potential conflicts of interest can arise in a variety of situations and can take many shapes, including consulting and speaking arrangements, vendor and industry interactions, purchasing decisions, investments and outside positions. Disclosures of potential and actual conflicts of interest help us to ensure that our decisions are free from inappropriate influences.

GIFTS

Accepting and offering gifts of any kind may raise significant ethical issues, if not legal ones. Many factors are taken into account when gifts are involved, including who is offering and accepting the gift. Nothing in this part of the Code of Conduct should be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity

purposes, please note that these limitations govern activities with those outside of United Regional. This section does not pertain to actions between the organization and its employees, or actions between United Regional employees themselves. We will never use gifts or other incentives to improperly influence relationships or business outcomes.

MARKETING AND ADVERTISING

United Regional's marketing and advertising programs will reflect truth in advertising and be consistent with United Regional's ethical standards. All advertising and marketing communications shall be truthful, accurate and compliant with the patient privacy regulations in HIPAA, including the HITECH provision, and Texas Medical Privacy Law. Advertising and marketing campaigns should be reviewed by United Regional's Compliance Officer.

EXCLUDED PARTIES

United Regional does not (1) hire physicians, providers, or other employees; or (2) contract with, or bill for services rendered by, individuals or organizations that have been excluded from participation in federal or state healthcare programs. As part of the United Regional Compliance Program, we will conduct initial excluded party checks and periodic excluded party checks after the commencement of a relationship to ensure continued eligibility to participate in federal and state healthcare programs. All United Regional employees and healthcare providers, and all organizations with which United Regional contracts or otherwise has any relationship, have a duty to report immediately any change in their eligibility status to United Regional's Compliance Officer.

If a United Regional employee or healthcare provider is indicted, convicted, debarred or excluded from participation in federal or state healthcare programs, or receives notice of proposed exclusion or debarment, he or she must immediately report this activity to United Regional's Compliance Officer and President.

LICENSE AND CERTIFICATION RENEWALS

All United Regional employees and healthcare providers who hold positions which require a professional license, certification or credentials are responsible for maintaining the current status of their credentials and shall at all times comply with the federal and state requirements for their discipline. United Regional employees and healthcare providers are responsible for providing evidence of their current and valid licensure, certification, registration, accreditation or credential as set forth in their job description. We will not allow anyone to work without valid and current licensure or credentials if such are required in a person's position.

CONFIDENTIAL INFORMATION AND TRADE SECRETS

In their work at United Regional, employees and healthcare providers will come across a variety of “confidential information” including patient information, third-party information and proprietary information about United Regional’s strategies and operations. Some examples of confidential business information include new projects, financial data, expansion plans, wage and salary data, employee information and management and policy changes at United Regional. We may not share confidential information with other individuals or entities unless there is a legitimate business need for the other individual or entity to know the information to perform a specific job duty or to carry out a business contract, provided that the disclosure is not prohibited by law or regulation. United Regional employees and healthcare providers must be alert to situations where it may be inappropriate to participate in discussions with competitors, such as trade associations. If in doubt, please consult with a member of the United Regional Senior Leadership Team or the Compliance Officer.

It is every healthcare provider’s and employee’s duty to take appropriate measures to maintain the confidentiality of this information. Further, United Regional employees and healthcare providers are expected to refuse improper access to confidential information and trade secrets of any other company, including United Regional’s competitors.

COPYRIGHTS

United Regional employees and healthcare providers should be mindful of copyright infringement and copyright protection issues. We may only use copyrighted materials in accordance with applicable laws.

ANTITRUST LAWS

Antitrust laws are in place to ensure that we compete fairly and that we do not engage in activities or negotiations that would obstruct competition. United Regional employees and healthcare providers should use due care and diligence when discussing the following: United Regional’s business with competitors, terms of supplier relationships, allocation of markets among competitors, or agreement with a competitor to refuse to deal with a supplier. Violations of antitrust laws could subject United Regional employees and healthcare providers to civil liability, treble damages, possible injunctions and individual imprisonment, monetary fines and personal liability. For further guidance, see the United Regional Antitrust Policy.

RECORDS RETENTION AND DESTRUCTION

We are required to create and maintain accurate and complete records. Falsifying records is not tolerated and permanent entries should never be deleted. Whenever litigation or a government

audit or investigation is pending, we will take appropriate steps to protect necessary information. Clinical and billing documents and records must be comprehensive.

NOT-FOR-PROFIT TAX EXEMPTION

United Regional is a not-for-profit tax exempt organization under the Internal Revenue Code. Consequently, we are not organized or operated for the benefit of private interests, and no organizational earnings may financially benefit any private individual. As part of United Regional's commitment to being a not-for-profit organization, our assets and resources should not be used for any purposes other than those that meet United Regional's not-for-profit mission. United Regional assets and resources may include time, personnel, materials and proprietary information. If a private individual or a for-profit organization wishes to use United Regional resources or assets, the United Regional Chief Financial Officer, Chief Executive Officer, or Compliance Officer must review and approve the use. This type of use will only be granted in certain circumstances and on a restricted basis.

FUNDRAISING

United Regional's fundraising efforts enable us to provide needed services. Without the generous support of our donors, we could not accomplish our mission. Our fundraising efforts must be ethical and appropriate. We should disclose relevant information to potential donors and always be truthful in our fundraising materials. United Regional will comply with HIPAA regarding the use of PHI for fundraising purposes.

PATIENTS

QUALITY OF CARE AND PATIENT SAFETY

We must always treat patients and families with dignity, respect and courtesy. We should not make any distinctions in the care we provide or proposed courses of action based on race, color, religion, sex, sexual orientation or marital status. All patients are provided with service and care that is medically necessary and appropriate. All clinical decisions are based upon identified healthcare needs.

Patients, and their families or representatives as appropriate, will be given the information necessary to enable them to give informed consent prior to the start of any non-emergency procedure or treatment. The healthcare providers have a responsibility to inform patients about their proposed plan of care, including the risks, benefits and alternatives available to them. United Regional respects patients' rights to make informed decisions about treatment, as well as to establish advanced directives.

Compassion and care are part of our commitment to the communities we serve. We strive to provide health education, health promotion, and illness prevention programs as part of our efforts

to improve the quality of life of our patients and our communities. Customer service to our patients is a system-wide initiative.

If at any point you have a concern about whether we are taking all appropriate steps in our commitment to providing the highest level of patient quality and safety, you are obligated to raise this concern through the appropriate channels.

PATIENT INFORMATION

In the course of our activities, we gather protected health information (“PHI”) from patients that must be treated with the highest degree of confidentiality. In order to facilitate open and honest communication with our patients, they must recognize that we take all precautions reasonably necessary to protect this sensitive information. We are committed to maintaining this confidentiality and complying with HIPAA and Texas Medical Privacy requirements. No PHI should be revealed to anyone outside United Regional without the express permission of the patient or his/her legal guardian or for a legally recognized and appropriate use. All conversations related to patients must be conducted privately and discreetly and on a need-to-know basis. Patient privacy laws apply to past, present and future health of patients and the laws extend to United Regional as an organization and to our employees and healthcare providers even after they leave United Regional.

CHARITY CARE AND DISCOUNTS

As part of the United Regional Charity Care and Discounts Policy, we may provide services that are medically necessary regardless of ability to pay. United Regional will not grant any routine discounts or waivers to patients based on their relationship with United Regional physicians, officers or directors.

HEALTHCARE PROVIDERS

There are federal and state laws that generally prohibit offering, soliciting, providing or receiving payments or other things of value in exchange for the referral of patients or business to or from other healthcare providers or suppliers. This is a broad prohibition and there may be criminal and civil sanctions for violations of this prohibition. United Regional accepts patient referrals, and makes similar referrals, based on patients’ clinical needs and United Regional’s ability to render needed services. United Regional does not pay, offer, solicit or receive anything of value, directly or indirectly, related to the referral of patients or business.

For example, the federal Anti-Kickback Law prohibits individuals and organizations from knowingly or willfully offering or paying, directly or indirectly, any form of remuneration in return for, or to induce, the referral of any patient or business that is covered by Medicare, Medicaid or any other federal or state healthcare program. Examples of remuneration include kickbacks, gifts, bribes, rebates and other things of value. Further, the Stark Law prohibits

referrals for certain items and services furnished by an organization with which the referring physician or his or her immediate family member has a financial relationship, subject to some specific legal exceptions.

The appropriate member of United Regional's Senior Leadership Team must review all agreements involving patient referral sources, including hospitals, labs, supplies, ambulance services, physicians, managed care organizations and other healthcare organizations and service providers.

EMPLOYEE RELATIONS

United Regional is committed to providing equal opportunities in employment. We will not tolerate workplace harassment or violence. We strive to provide a workplace that is safe, promotes health and well-being, and has a culture of fairness and openness. It is important that all United Regional employees and healthcare providers review all the Human Resources policies and ask questions if they have employee relations concerns.

Acknowledgment

As part of its commitment to compliance and evidence of United Regional's culture of compliance, United Regional requires all who work for, or at, United Regional Health Care System and its subsidiaries:

- employees, including: administrative, exempt and non-exempt staff, and professionals;
- contracted personnel;
- physicians on staff but not employed by United Regional, residents;
- volunteers, students;
- vendors;
- all clinic and satellite locations;
- physicians and employees involved in any 501(a) either partly or wholly funded by United Regional;
- third party billing companies and/or any party performing services on behalf of United Regional,

as well as the corporate board of directors sign an acknowledgment form confirming that they have received the Code of Conduct and understand it represents mandatory policies of United Regional.

New employees, physicians, contractors, volunteers, students, residents and major vendors will be required to complete and submit this acknowledgement form prior to commencing work at United Regional. United Regional will maintain copies of such acknowledgement forms.