



Code of **Compliance**

COMMITMENT STATEMENT

As a member of the SOMC team, I will support the SOMC Mission, Vision, and Values.

I commit to follow and adhere to SOMC's Code of Compliance.

Mission: We will make a difference.

Vision: We will continue to be the leading medical provider in our region.

Cardinal Value: We honor the dignity and worth of each person.

Strategic Values: Safety - Quality - Service - Relationships - Performance

At SOMC, our mission is to make a difference. We strive to live out our mission by providing our region with the highest quality of care, delivered by professionals who are among the best in their fields, and by setting our goals at perfection in each of our strategic values.

Safety

We will build and sustain an exceptionally safe organization.

Quality

We will deliver and sustain exceptional quality of care.

Service

We will deliver and sustain exceptional customer service.

Relationships

We will build and sustain exceptional relationships.

Performance

We will achieve and sustain exceptional financial performance.

Dear SOMC Team Member,

At SOMC we comply with all applicable laws, rules, and regulations. Nearly two decades ago we established a Compliance Program. Our Program rests on our core values of safety, quality, service, relationships, and performance.

Included within the Program is SOMC's Code of Compliance, which reflects our commitment to doing business with integrity. The Code of Compliance is meant to offer guidance to ensure that our work is done in a compliant manner. It contains numerous resources to assist you in resolving questions about being compliant in the workplace. Please review this document carefully; your adherence to the Code of Compliance is critical to the continued success of our organization.

If you have questions concerning this Code of Compliance or encounter any situation which you believe violates any provision of this document, you should immediately contact your supervisor, another member of administrative staff, the Compliance Officer at ext. 8540, the Compliance Department at ext. 6730, the SOMC Compliance Hot Line (1-740-356-RULE), or the SOMC Compliance Email (compliance@somc.org). Rest assured that there will be no retaliation for asking questions, raising concerns about the Code of Compliance, or for good faith reporting of potential questionable issues.

Your personal judgment, integrity, and values are crucial to SOMC's Compliance Program. The Code of Compliance is merely a resource to give you direction should you find yourself in a difficult situation. Your willingness to abide by our Code of Compliance is essential in making sure that SOMC is and remains an ethical member of our community.

Sincerely,



Randal M. Arnett

President and Chief Executive Officer



Dean A. Wray

Vice President and Compliance Officer

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SOMC's Compliance Program

Purpose

SOMC's Compliance Program was implemented to ensure that SOMC and its entities remain compliant with all applicable Federal, state, and local laws, rules, and regulations throughout their day-to-day operations.

Essential Elements

The Compliance Program is founded on seven essential elements:

- » Code of Compliance and Policies and Procedures
- » Compliance Officer and Compliance Committee
- » Education
- » Monitoring and Auditing
- » Reporting and Investigation
- » Enforcement and Discipline
- » Response and Prevention

Code of Compliance

SOMC's Compliance Program includes the Code of Compliance as well as organizational policies and procedures to provide guidance to its employees and anyone acting on behalf of the organization.

Compliance Officer and Compliance Committee

While the Board of Directors of SOMC is ultimately responsible for compliance at SOMC the day-to-day oversight is the responsibility of the Compliance Officer and the Compliance Department as well as the Audit and Compliance Committee.

Education

Education and training of newly hired and current employees is one of the most important elements of our Compliance Program. As such, SOMC will annually and periodically require employees to attend specific training.

Monitoring and Auditing

The Compliance Department, along with the other departments throughout the organization, continuously monitors and audits the essential functions of the organization.

Reporting and Investigation

SOMC fosters an “open door” reporting system where employees feel comfortable in reporting in good faith any potential violation without fear of retaliation. All reports will be investigated in a timely manner.

Enforcement and Discipline

This Code as well as all policies and procedures will be strictly enforced and failure to abide by said Code and policies and procedures will be disciplined in a fair and consistent manner.

Response and Prevention

Should there ever be a reason to believe that misconduct or wrongdoing has occurred SOMC will respond appropriately according to applicable Federal, state, and local laws, rules, and regulations. SOMC will then work to correct the procedures that led to such misconduct or wrongdoing.

Support of Compliance Program

The success and effectiveness of SOMC’s Compliance Program depends on the support and adherence of all individuals associated with SOMC. Our Code of Compliance was created to aid our associates in avoiding improper activities.

SOMC’s Code of Compliance will be distributed to all directors, officers, employees, providers, contractors, vendors, and suppliers. Each person must verify via a statement of attestation that they have read, understand, and agree to abide by the Code of Compliance. Failure to adhere to the Code of Compliance as well as all policies and procedures of SOMC may lead to disciplinary action, up to and including termination of employment or termination of a business relationship. Conduct that violates the law may also result in civil and criminal penalties ranging from fines to imprisonment.

All actions at SOMC are to be governed by the Code of Compliance. Employees are mandatorily obligated to report actual or perceived violations of laws, rules, and regulations or the Code of Compliance. Failure to report may result in termination of employment or other disciplinary action, as set forth in relevant disciplinary policies of SOMC.

Reporting Methods

All employees of and individuals affiliated with SOMC are required to report any activity believed not to be in compliance with applicable laws, rules, and regulations or SOMC policies.

Reports may be submitted to:

- » Your supervisor
- » Another member of administrative staff
- » Compliance Officer at ext. 8540
- » Compliance Department at ext. 6730
- » Compliance Reporting Form located on the SOMC Intranet
- » SOMC Compliance Hotline (1-740-356-RULE)
- » SOMC Compliance Email (compliance@somc.org)

Those employees and individuals reporting in good faith will not be subjected to retaliation by any person affiliated with SOMC. Any such retaliation is in direct violation of the Compliance Program and should be reported immediately to the Compliance Officer.

Employees and individuals making a report under this policy may request information from the Compliance Department regarding the investigation of the report.

Failure to follow the standards of the Compliance Program (including the duty to report) is a violation of SOMC policy and may be grounds for disciplinary action, including termination of employment.

SOMC's Code of Compliance

Introduction

This Code of Compliance is the foundation on which the Compliance Program stands. It sets forth the basic principles that all directors, officers, employees, providers, and any other individuals associated with SOMC must follow while acting on behalf of SOMC.

Business Practices

Accuracy, Retention, and Disposal of Documents and Records

SOMC employees are responsible for the accuracy of our organization's documents and records in accordance with all applicable Federal and state laws, rules, and regulations. No one may alter or falsify information on any record or document. Records must never be destroyed in an effort to hinder a governmental investigation.

Anti-Kickback and Bribes

Under no circumstances may a director, officer, employee, provider, or any other individual associated with SOMC accept or participate in any kickback or bribe. Furthermore, providers who refer patients are governed by Federal and state laws, rules, and regulations pertaining to kickbacks and bribes including the Anti-Kickback and Stark Laws. Providers and employees are prohibited from offering, paying, requesting, or accepting any remuneration in exchange for patient referrals, purchases, leases, or orders.

Antitrust

Antitrust laws are designed to keep free competition in the marketplace and prohibit competitors from entering into agreements to fix prices or to reduce price competition. Violations of antitrust laws carry serious criminal and civil penalties. These laws could be violated by discussing SOMC business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, and allocating markets among competitors. SOMC's directors, officers, employees, providers, or any other individual associated with SOMC may not provide information about SOMC's business or operations to a competitor, or engage in any unfair practices that might restrict competition.

Business Courtesies

Occasionally, employees may have gifts or favors offered to them. Sometimes it is difficult to know what the laws, rules, and regulations are pertaining to the acceptance of gifts or favors.

Any gift or favor given to providers or other persons who are in a position to refer patients to our facility must be done so in accordance with all relevant SOMC policies, which are in compliance with Federal, state, and local laws, rules, and regulations regarding these practices.

SOMC's general policy on accepting gifts or favors from vendors is that employees acting in an advisory capacity pertaining to the selection of any vendor shall not accept any gifts or favors from current or potential vendors under circumstances which might result in a conflict of interest influencing their decision making or actions affecting SOMC.

This policy does not include the acceptance of items of nominal value that are clearly tokens of respect or friendship and are not related to any particular transaction or activity of SOMC. Gifts of more than a nominal value or gifts of cash or its equivalent should be returned with an explanation of SOMC's policy on gifts.

If you are unclear about whether or not a gift or favor is appropriate, you should talk to your supervisor or contact the Compliance Department for guidance.

Coding and Billing for Services

SOMC has implemented policies and procedures to facilitate accurate billing that are compliant with applicable Federal, state, and local laws, rules, and regulations. SOMC employees or its agents are prohibited from knowingly submitting or causing to be submitted, claims for payment or approval which are false or fraudulent.

Bills and claims are only to be submitted when services are actually rendered and fully documented in the patients' medical records. These bills and claims are to contain accurate diagnosis and service codes.

Accurate and timely documentation also depends on the diligence and attention of providers who treat patients in our facilities. We expect those providers to provide us with complete and accurate information in a timely manner.

Copyrights

SOMC employees may only copy and/or use copyrighted materials pursuant to SOMC policy.

Fraud, Waste, and Abuse

Federal, state, and local laws, rules, and regulations, as well as SOMC policies and procedures, prohibit fraudulent claims activity. Laws governing Medicaid program integrity also target fraud and waste reduction. SOMC, its employees, and providers, can be criminally prosecuted for filing inaccurate claims for reimbursement, and can also be subject to civil fines and penalties.

Any such activity must be reported promptly to the Compliance Officer or Compliance Department. There will be no retaliation for reporting these activities in good faith.

Marketing and Advertising

SOMC's marketing and advertising activities will be presented in a truthful, informative, and non-deceptive manner.

Private Inurement Standard

Private inurement is the use of revenues for the benefit of an individual. SOMC does not use any part of its earnings to inure any individual associated with the organization.

Examples of arrangements that would violate the Private Inurement Standard are:

- » Charging providers rental fees at a rate less than fair market value.
- » Intentional purchasing of supplies from a vendor at a premium rate where the vendor receives the excess benefits.
- » Offering free services to employees or other individuals associated with the organization when they do not meet the criteria for charity care.
- » Payments made to providers for referral of patients.

Any employee aware of an arrangement that may violate the Private Inurement Standard must report the matter to the Compliance Officer or the Compliance Department for review.

Research, Investigations, and Clinical Trials

SOMC complies with Federal, state, and local laws, rules, and regulations in any research, investigations, or clinical trials conducted by our providers and professional staff.

Providers participating in research, investigations, or clinical trials are expected to fully inform their patients of the patients' rights and responsibilities of participating in the research or clinical trial. Patients asked to participate in a clinical investigation or research project are given a full explanation of alternative services. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits, and alternatives. Procedures to be followed, especially those that are experimental in nature are disclosed to patients. Refusal of a patient to participate in a research study will not compromise his or her access to services. Patient voluntary informed consent to participate in clinical investigations or research is documented and retained pursuant to organizational policies.

Any SOMC department or employee applying for or performing research of any type must follow applicable research laws, rules, and regulations and maintain the highest standards of ethics and accuracy in any written or oral communications regarding the research project. As in all accounting and financial record-keeping, our policy is to submit only true, accurate, and complete costs related to research grants.

Any SOMC department or employee engaging in human subject research must do so in conjunction with Institutional Review Board (IRB) approval and consistent with SOMC policies regarding such research and IRBs.

Conduct

In addition to this Code of Compliance, all directors, officers, employees, providers, and any other individuals acting on behalf of SOMC must conduct themselves in a manner that reflects SOMC's Code of Conduct.

Confidentiality

SOMC collects and stores information that is confidential. The term confidential information (CI) refers to patient information, information pertaining to our organization's strategies and operations, and third party information. Improper use or disclosure

of CI could violate legal and ethical obligations. SOMC employees may use CI only to perform their job duties and shall not share such information with others unless the individuals and or entities have a legitimate need to know the information in order to perform their job duties or carry out a contractual business relationship, provided disclosure is not prohibited by law, rule, or regulation.

Because most of our CI is stored in our computer systems it is vital that each employee protect these computer systems and the information contained within them by not sharing user names and passwords and by reviewing and adhering to our information security policies and guidance.

Conflicts of Interest

A conflict of interest may occur if an SOMC employee's personal interests influence or appear to influence his or her job duties. Employees must remain free of conflicts of interest in the performance of their duties. Conflicts of interest or potential conflicts of interest must be reported to the Compliance Officer or the Compliance Department.

Potential conflicts of interest may include:

- » Accepting gifts or favors from vendors of more than a nominal value.
- » Working with or for an organization that does business with SOMC.
- » Working with or for a competitor - including a self-owned business.

Legal and Regulatory Compliance

Controlled Substances

SOMC employees, through their job duties, may have access to prescription drugs, controlled substances, and other medical supplies which are governed and monitored by specific regulatory organizations and must be administered by provider order only. These items must be handled properly and only by authorized individuals to minimize risks to SOMC and its patients. If any employee becomes aware of the inadequate security of drugs or controlled substances, or the diversion of drugs from SOMC, the incident must be reported immediately.

Equal Employment Opportunity

SOMC provides equal employment opportunity to all employees and applicants for employment. No person shall be discriminated against because of race, religion, color, sex, age, national origin, disability, veteran status, or other protected status.

Employees believing that they have been subject to employment discrimination should report the act immediately to their department manager or to the Human Resources Department. If the complaint involves a manager or supervisor, or if it is otherwise inappropriate or undesirable to report a complaint to an immediate supervisor, the complaint should be filed directly with Human Resources.

Emergency Treatment

SOMC adheres to the Emergency Medical Treatment and Active Labor Act (EMTALA) in providing an emergency medical screening examination and necessary stabilization to all patients, regardless of the ability to pay. Provided that we have the capacity and capability, anyone presenting with an emergency medical condition will be treated without delay. Patients who present with emergency medical conditions may only be transferred to another facility under certain conditions which are in compliance with Federal and state EMTALA regulatory and statutory requirements.

Environmental Protection

Employees will dispose of and store all chemicals and materials in accordance with all applicable Federal, state, and local laws, rules, and regulations.

Harassment and Workplace Violence

All individuals affiliated with SOMC have the right to work in an environment that is free of harassment and violence. SOMC has a zero tolerance for harassment and violence. Harassment of any kind including sexual harassment is prohibited. Workplace violence includes assault, robbery, stalking, terrorism, and hate crimes. SOMC and its employees must work together to maintain a professional work atmosphere. Employees who observe or experience any form of harassment or violence should report the incident to their supervisor, another member of administrative staff, or the Human Resources Department.

Health and Safety

SOMC provides an environment and supports a safety management program that minimizes hazards and the risk of injury and occupational illness to patients, visitors, and staff. It is the responsibility of all employees to adhere to SOMC's safety policies and procedures. SOMC requires employees to attend safety education and training programs. Incidents, accidents, or reports of occupational illness must be reported. Notices, inquiries, or citations related to safety received from outside regulatory agencies are to be reported. These reports allow for corrections, further education, and improvement throughout our organization.

Ineligible Persons

SOMC does not contract with, employ, or bill for services rendered by individuals or entities that have been excluded or have been deemed ineligible to participate in Federal healthcare programs; suspended or excluded from Federal government contracts; or who have been convicted of a criminal offense related to the provision of healthcare items or services and who have not been reinstated in a Federal healthcare program after a period of exclusion, suspension, or ineligibility, provided that we are aware of such criminal offense. We routinely search the Department of Health and Human Services' Office of Inspector General and the General Services Administration's lists of such excluded and ineligible persons.

Employees, vendors, and privileged providers at SOMC are required to report to us if they become excluded or ineligible to participate in Federal healthcare programs; or have been convicted of a criminal offense related to the provision of healthcare items or services.

Tax-Exempt Status

SOMC is a non-profit tax-exempt organization that is dedicated to being the leading medical provider in our region. While being classified as non-profit this does not mean that we do not make a profit. Being classified as non-profit simply means that our profits cannot be used to benefit any individual person (i.e. dividends). Our profits are used to support our charitable mission in ways such as patient financial aid, community outreach, facility expansion and upgrading, medical equipment purchases, and operation of a full service Emergency Department.

Patient Rights

SOMC neither discriminates against nor refuses its services; the admission, transfer, or discharge of patients; to anyone regardless of age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation and gender identity or expression, including same sex domestic partner. We respect the patients' right to, and need for, effective communication. SOMC provides each patient with a written statement that conforms to all applicable Federal, state, and local laws, rules, and regulations including, but not limited to, the Health Insurance Portability and Accountability Act (HIPAA).

SOMC attempts to involve patients in all aspects of their care, including giving consent for treatment and making healthcare decisions. Each patient and/or representative is afforded appropriate confidentiality, privacy, security, advocacy and protective services, opportunity for resolution of complaints, and pastoral or spiritual care.

Use of SOMC Resources

Organizational assets are to be maintained for business-related purposes. As a general rule, the personal use of any SOMC asset without prior approval by management is prohibited.

In Particular, SOMC's electronic and telecommunications systems are the property of SOMC and are to be used primarily for business purposes in accordance with policies and procedures. In some instances, use is further regulated by Federal law as regards use and disclosure of protected health information in electronic communications. Personal use of these resources should not assume privacy in non-business communications. SOMC reserves the right to monitor and/or access communications usage and content consistent with policies and procedures. Employees may not use these resources to post, store, transmit, download, or distribute any threatening materials; knowingly, recklessly, or maliciously false materials; obscene materials, materials designated confidential by organizational policy or federal regulation; or anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Employees who abuse SOMC's communication systems may lose these privileges and be subject to corrective action.