

## **Texas Spine and Joint Hospital Code of Conduct Guide - A System of Integrity**

### **Mission Statement**

Texas Spine & Joint Hospital is committed to continuously improve the care and the quality of life of our patients, their families and the community we serve.

### **Value Statement**

In pursuit of our mission we hold the following core values true.

- We affirm our organization is committed to serve our customers with compassion and kindness.
- We act with absolute honesty, integrity and fairness in our professional and personal conduct.
- While we recognize the uniqueness of each individual, we value members of our health care team and colleagues and pledge to treat one another with loyalty, respect, and dignity.
- We strive to bring measurable benefits to our patients, our employees, our physicians and our investors.

### **Why We Have a Code of Conduct**

Each of us is obligated to comply with the laws and regulations that govern the health care industry, as well as TSJH policies and procedures. TSJH recognizes that the most effective way to implement measures to reduce wrongdoing is to base them on a set of core values that are embraced by the organization. These values provide an overarching message about the key principles guiding TSJH employee actions. These values provide a platform upon which a more detailed code of conduct is constructed, giving more specific guidance about permitted and prohibited behavior, based on applicable laws and TSJH values. The code of conduct provides guidance to assist us in carrying out our daily activities within the appropriate ethical values and legal standards of conduct. It governs our relationships with patients, hospitals, third-party payers, subcontractors, independent contractors, vendors, consultants, government agencies and one another.

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This code of Conduct Guide is developed to provide guidance to TSJH team members (employees, officers, directors, and where appropriate business associates which include contractors, subcontractors, agents and other persons who provide healthcare items or services) or who perform billing or coding functions in the efficient management and operations of TSJH to assist us in carrying out our daily activities within the appropriate ethical values and legal standards of conduct. These compliance initiatives are especially critical as an internal control in the reimbursement and payment areas where claim and billing operations are often the source of fraud and abuse.

Several topics addressed in this code of conduct are so broad or complex that additional guidance may be necessary for those involved with the particular area, to have sufficient direction. We will attempt to provide such additional guidance through a variety of means, such as, training and education, policies and procedures, and direction from managers and supervisors. Every employee should be aware, however, that he or she has the responsibility to seek guidance and direction whenever he or she is unsure of the propriety of any particular course of action.

While all individuals are obligated to follow the code of conduct, we expect our leaders to set the example. We expect each supervisor to create an environment where all members of their department feel free to raise concerns and propose ideas. We expect leaders to provide those on their teams with appropriate information to comply with laws and regulations.

All TSJH team members are held accountable to act within TSJH Code of Conduct guide, compliance policies and procedures and other TSJH directives. All team members are required to report any questionable violations of business and ethical practices, which include violations of any Federal healthcare programs or TSHG policies and procedures, to the Compliance Officer or call the TSJH hot line 1-800-609-9773. The individual reporting will not be subject to any repercussions when reporting such concerns. Confidentiality and anonymity to the extent permitted by law will be maintained.

### **We Value Your Input**

Please review the Code of Conduct carefully. If there is anything in this Code of Conduct that you do not understand or if you think that

something important is not covered, please let us know. You may do this in one of the ways described below.

## **Providing a Great Work Environment and Treating Each Other with Respect and Dignity**

### Code of Conduct – Provisions Mandatory

It is a condition of continued employment that all employees and physicians comply with the code of conduct and other provisions set forth in this Compliance Plan. In addition, TSJH has adopted many policies and procedures that govern the affairs of TSJH and the code provides that compliance with such policies and procedures is mandatory.

All TSJH team members will receive a TSJH Code of Conduct Guide. Each team member will be required to submit to the Compliance officer a written certification form to be provided at the time the individual receives TSJH Code of Conduct Guide (i) acknowledges receipt of the Compliance Guide (ii) confirming that the person receiving the Guide has read and understood its contents (iii) agreeing to be bound by and to comply with all aspects of the TSJH Corporate Integrity and Compliance Program. The Code of Conduct Guide shall be available to all team members in the Department's Corporate Integrity and Compliance and on TSJH Intranet ("P" Drive )under the Compliance Department.

### How We Treat One Another (Harassment and Workplace Violence)

Each TSJH employee has the right to work in an environment free of harassment and disruptive behavior. We will not tolerate harassment by anyone based on diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation or other harassing conduct is not acceptable in our workplace.

- Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment will not be tolerated at TSJH.

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- Harassment also includes incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism and hate crimes committed by current or former employees.
- As part of our commitment to a safe workplace for our employees, we prohibit employees from possessing firearms, other weapons, explosive devices or other dangerous materials on TSJH premises.
- Employees who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resource Department, a member of management, the Compliance Officer or the Compliance Hotline.

## Employee Privacy and Personal Activities

Treating each other with respect and dignity includes respecting one another's privacy. Of course, you may keep your personal activities outside of the workplace confidential. However, you should always keep in mind that you are a representative of TSJH. For its part, TSJH has the right to access and review all communications, records and information created at work or with company resources.

TSJH communications systems, electronic mail, intranet, internet access and voice mail are the property of TSJH and are to be primarily used for business purposes in accordance with electronic communications policies and standards. Limited reasonable personal use of TSJH communications systems is permitted; however, users should assume these communications are not private. Users of computer and telephonic systems should presume no expectation of privacy in anything they create, store, send, or receive on the computer and telephonic systems, and the TSJH reserves the right to monitor and/or access communications usage and content consistent with TSJH policies and procedures.

- Employees may not use internal communication channels or access to the Internet at work to post, store, transmit, download or distribute any threatening, knowingly, recklessly, or maliciously false or obscene materials including anything constituting or encouraging a criminal offense, giving rise to civil liability, or

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otherwise violating any laws. Additionally these channels of communication may not be used for solicitation, broadcast personal messages, or copyrighted documents that are not authorized for reproduction; nor are they to be used to conduct a job search.

- Employees who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action, including termination.
- Section 33.02 of the Texas Penal Code is designed to punish and deter computer crime. In compliance with the law, TSJH prohibits unauthorized access to its computer system, either directly or by network or telephone. An individual who does not have a legitimate password will be held to know that access is unauthorized. TSJH prohibits the destruction of electronically stored or processed data except in accordance with record destruction policies. Persons who violate these rules will be prosecuted to the full extent of the law.

## Personal Use of TSJH Resources

It is the responsibility of each employee to preserve our Hospital assets including time, materials, supplies, equipment and information. TSJH assets are to be maintained for business-related purposes. As a general rule, the personal use of any TSJH asset without the prior approval of your supervisor is prohibited. Any community or charitable use of TSJH resources must have written approval in advance by your supervisor. Any use of organization resources for personal financial gain unrelated to TSJH business is prohibited.

## Safety and Health

TSJH and its employees, physicians and other business associates must comply with all federal, state and local health and safety laws and regulations affecting workplace health and safety, including the rules and regulations of the Occupational Safety and Health Administration (OSHA). TSJH policies have been developed to protect employees and others from potential workplace hazards. Employees must become familiar with and understand how these policies apply to their specific job responsibilities

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and seek advice from their supervisor or the Safety Officer whenever they have a question or concern. It is important that each employee immediately advise his or her supervisor or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so timely corrective action may be taken to resolve the issue.

### Controlled Substances

The Hospital, through its pharmacy, is registered to compound and dispense narcotics and other controlled substances. Improper use of these substances is illegal and extremely dangerous.

The Hospital requires that its employees comply with the terms of the Hospital's controlled substances registration and with federal and state laws regulating controlled substances. Under Hospital policy, access to controlled substances is limited to persons who are properly licensed and who have express authority to handle them. No health care practitioner may dispense controlled substances except in conformity with state and federal laws and the terms of the practitioner's license. Employees should carefully follow recordkeeping procedures established by their departments and the pharmacy. Unauthorized manufacture, distribution, use, or possession of controlled substances by Hospital employees is strictly prohibited, and will be prosecuted to the full extent of the law. Any employee who knows of unauthorized handling of controlled substances is to provide the information immediately to his or her supervisor or the compliance officer.

### Wage and Hour Rules

As part of its commitment to employees, TSJH has a compensation and benefits package for its employees. As a employee, your job is classified according to the nature of your employment. Your classification affects things like your benefits, eligibility for overtime pay and meal and rest periods.

TSJH is committed to following all applicable minimum wage, overtime wage, child labor and other wage and hour laws and regulations. To assure that all work performed for TSJH is compensated correctly, it is essential that all work time is reported and recorded accurately. Every employee is

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responsible for this important recordkeeping task, both for yourself and any employees whom you supervise. If you have questions about your classification, or any other wage and hour issues, please consult your manager or your *Employee Handbook*. Any problems with recordkeeping or inaccuracies in compensation should be reported promptly to your supervisor or department manager. You also may call the Human Resources Department about any wage and hour issue.

## Equal Employment Opportunity

No person may be discriminated against concerning recruitment, employment, promotion, termination of employment or any other term or condition of employment because of such person's race, color, creed, religion, age, sex, handicap, national origin, ancestry or marital status, or any other factor prohibited by federal, state or local law. No employee of TSJH shall engage in any type of conduct whatsoever that could be construed as sexual harassment or other illegal harassment.

If an employee feels he or she has been discriminated against or harassed on the basis of his or her race, color, sex, or other protected category, he or she should contact his/her Department Manager, the Human Resources Director, or the CEO so that an investigation may be initiated in accordance with hospital policies and procedures.

## License and Certification Renewals

### License and Certifications

Persons employed or retained as independent contractors in positions which require professional licenses, certifications or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with federal and state requirements applicable to their respective disciplines. To assure compliance, TSJH may require evidence of the individual having a current license or credential status. TSJH will not allow employees, physicians, contractors and other business associates to work without the valid, current licenses or credentials if required for their professional duties.

Employees shall advise their Department Manager, or the Human Resource Officer if any action is taken which suspends, adversely impacts or limits their license or credentials.

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### Excluded Individuals or Entities

TSJH does not contract with, employ, or bill for services rendered by an individual or entity that is excluded or ineligible to participate in Federal health care programs; suspended or debarred from Federal government contracts; or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a Federal health care program after a period of exclusion, suspension, debarment, 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 General Services Administration's lists of such excluded and ineligible persons.

An appropriate background search as required by TSJH policies will be performed for each new employee or proposed employee. Retention or contracting of independent contractors, vendors and/or other business associates must also be in accordance with TSJH policy regarding exclusion from government programs.

Employees shall advise their Department Director or the Human Resource Officer if any action is taken which impacts or limits their eligibility to participate in government programs.

### Substance Abuse

To protect the interests of our employees and patients, we are committed to an alcohol and drug-free work environment. All employees must report for work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in your system, or using, possessing, or selling illegal drugs while on TSJH work time or property, may result in immediate termination. We may use drug testing as a means of enforcing this policy.

### **Applying the Standards of Conduct of Excellence to Providing Quality Patient Care and Services to Our Customers**

### Conflicts of Interest

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TSJH Board of Directors, employees, physicians and associates should avoid all potential conflicts of interest. Adherence to TSJH Conflicts of Interest Policies provides that each TSJH employee and associate acts with total objectivity in carrying out their duties for TSJH.

A conflict of interest may occur if outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your responsibility or cause you to use TSJH resources for other than Hospital purposes. Employees and associates of TSJH are obligated to remain free of conflicts of interest in the performance of their TSJH related responsibilities.

Here are a few examples or situations where the possibility of a conflict of interest may occur:

*Financial Interest:* A conflict may exist when an employee or associate, or member of his or her immediate family, directly or indirectly, owns or otherwise engages in the same or similar kind of business in which TSJH engages. Another circumstance may include a significant beneficial interest in a competitor or concern which has a current or prospective business relationship with TSJH if such employee is in a position to influence the business decision of TSJH or such outside concerns. The need to make choices that are in the better interest of patient care is paramount and circumstances that provide financial gain for an employee are to be avoided.

*Outside activities:* A conflict may exist when an employee or associate, or a member of his or her immediate family member, serves as director, officer, employee or agent of an organization that is either a competitor or has a current or prospective business relationship with TSJH. A conflict may also exist when an employee engages in a personal business venture that prevents him or her from devoting the time and effort demanded of his or her position. A conflict may also exist when an employee or agent participates in a charitable or civic organization or serves in public office if the activities of such an organization or public body directly involve the business interest of TSJH.

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If you have any questions about whether an outside activity might constitute a conflict of interest, you should contact the Compliance Officer or your department manager before pursuing the activity or obtaining or retaining the interest.

All TSJH employees and associates that function in a position with a level or authority that could enable them to influence the business decisions of TSJH must disclose all potential conflicts of interest on the “Conflicts of Interest Disclosure” Form.

### Extending Business Courtesies to Non-Referral Sources.

There may be times when an employee or representative of TSJH wishes to extend to a current or potential business associate (other than someone who may be in a position to make a patient referral) an invitation to attend a social event to further or develop a business relationship. Such invitation must be infrequent and the purpose must never be to induce any favorable business action. The cost associated with such an event must be reasonable and appropriate. Prior approval of TSJH CEO is required before extending such an invitation.

TSJH may routinely sponsor events with a legitimate business purpose. Provided that such events are for business purpose, reasonable and appropriate meals, entertainment, transportation and lodging may be offered. However, all elements of such events, including these courtesy elements, must be consistent with TSJH policies and have TSJH CEO advanced approval.

It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or who are seeking to do business with TSJH. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business associates must have prior approval of TSJH CEO.

### Receiving Business Courtesies

There may be times when a current or potential business associate may extend an invitation to attend a social event to further or develop a business relationship. You may accept such invitations provided such invitations are infrequent and the cost associated with such an event is

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reasonable and appropriate. Prior approval of TSJH CEO is required before extending such an invitation.

The limitations of this section do not apply to business meetings at which food (including meals) may be provided. Sometimes a business associate will extend training and educational opportunities that include travel and overnight accommodations to you at no cost to you or TSJH. Similarly, there are circumstances where you are invited to an event at a vendor's expense to receive information about new products or services. Prior to accepting any such invitation, you must receive supervisory approval.

### Gifts

A conflict may arise through the acceptance of gifts from persons having a business relationship with TSJH, if the acceptance or the prospects of receiving gifts tends to limit the employee/recipient from acting solely in the best interest of TSJH. "Gifts" include any gratuitous service, loan discounts, or article of value. It is generally against TSJH policy for employees or agents to accept any gifts beyond modest means from TSJH vendors, suppliers, patients, families of patients, or anyone having or desiring to have a business relationship with TSJH. TSJH employees may never accept cash or financial instruments (e.g., checks, stocks). Perishable or consumable gifts given to a department or group are not subject to any specific limitation. Any questions on this policy should be referred to the Compliance Officer.

Any offer of a gift of material value to a TSJH employee should be reported to their immediate supervisor. The supervisor or the employee may be required to report it to the Compliance Officer.

### Gifts and Fund-Raising among Employees

No employee is compelled to give a gift to another employee, and any gifts offered or received should be appropriate to the circumstances. No employee is compelled to contribute to requests in connection with a fund-raising event.

### Payments or Gifts to Government Officials

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U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. As a TSJH employee you may not make payments to government officials to secure sales or obtain favorable treatment because these actions could be construed as attempts to influence governmental decisions. Gifts, assistance or entertainment provided for any government official or employee should not compromise or appear to compromise that person's integrity. TSJH policy is not to provide any gifts, entertainment, meals, or anything else of value to any employee of the executive Federal or State Government, except for minor refreshments in connection with business discussions or promotional items valued at not more than \$10.

### Hiring of Former and Current Government Employees

The recruitment and employment of former or current U.S. government employees may be impacted by regulations concerning conflicts of interest. Hiring employees directly from a fiscal intermediary requires certain regulatory notifications. Supervisors should consult with the Human Resources Officer and/or Compliance Officer regarding such recruitment and hiring

### Marketing and Advertising

The Hospital is committed to complying with other federal and state laws governing market competition and disclosure requirements. Federal law, particularly the Federal Trade Commission Act, and the Texas Deceptive Trade Practices Consumer Protection Act prohibits the use of “unfair or deceptive act practices,” including the distribution of labeling, advertising, and marketing materials that are false or misleading.

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative and non-deceptive information in these materials and announcements.

### Obtaining Information about Competitors

We only obtain information about other organizations, including our competitors, through legal and ethical means such as public documents,

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public presentations, journal and magazine articles and other published and spoken information.

We do not obtain proprietary or confidential information about a competitor through illegal means. Nor do we seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

### Antitrust Laws

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. They are written to preserve the competitive free enterprise system. These laws also apply to healthcare services provided by hospitals and physicians. TSJH complies with all the applicable antitrust laws and regulations. Employees must seek the advice and guidance of TSJH Compliance Officer with regard to any transactions that may have antitrust implications. Agreements with any competitors to fix prices charged to customers or to allocate territories or customers are strictly forbidden. All employees involved in pricing and other customer related decisions must maintain a basic familiarity with the principles and purposes of these laws as they may be applied to TSJH and to abstain from any activity that might even give the impression of a possible violation. TSJH will assist these employees in learning their obligations.

### Subcontractors and Suppliers

TSJH purchases goods and services from many consultants, independent contractors, and vendors. The Hospital's policy is that all contractors and vendors who provide items or services to the Hospital must comply with all applicable laws and hospital policies.

TSJH must manage the subcontractor and supplier relationships in a fair and reasonable manner, free from conflicts of interest and consistent with all applicable laws and good business practices. TSJH promotes competitive procurement to the maximum extent practicable.

TSJH will not knowingly hire, retain, employ or contract with any individuals or entities that have been excluded from participation in any

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government program. Nor will TSJH knowingly conduct business or continue to conduct business with any individuals or entities, whether independent contractors, subcontractors, suppliers or vendors, who have been excluded from participation in any government program.

- TSJH employs ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. The Hospital is committed to a fair and objective procurement system which results in the acquisition of quality goods and services for the Hospital at a fair price.
- TSJH decisions and selections with respect to subcontractors, suppliers and vendors will be made on the basis of appropriate objective criteria, and not on personal relationships or friendships and must in all instances be made free from any conflicts of interest that could affect the outcome.
- TSJH will not communicate to a third party, confidential information given to it by TSJH suppliers unless directed in writing to do so by the supplier.
- Gifts and entertainment that might be offered by subcontractors or suppliers must be in accordance with TSJH policies and procedures regarding such practices.
- All consultants and independent contractors will be given and required to acknowledge receipt and understanding of those portions of the Compliance Plan generally given to employees and agree to be bound thereby.
- TSJH does not disclose contract pricing and information to any outside parties.

TSJH employees who work with consultants, contractors, and vendors and who process their invoices should be aware that the Hospital's compliance policies apply to those outside companies as well. Employees are encouraged to monitor carefully the activities of contractors in their areas. Any irregularities, questions, or concerns on those matters should be directed to TSJH Compliance Officer (903-525-3332).

**Developing enthusiastically satisfied customers all of the time**

Patient Care

We are committed to providing quality, cost-effective healthcare to all of our patients and delivering health services in an ethical, professional and cost-effective manner. We treat all patients with respect and dignity and provide care that is both necessary and appropriate. We make no distinction in the care we provide based on race, color, religion, age, gender, sexual orientation, disability or national origin. We will observe all applicable professional standards in our services and programs.

- TSJH employees will ensure patients receive a written statement of patient rights and a notice of privacy practices. These statements include the rights of a patient to make decisions regarding medical care and a patient's right related to his or her health information maintained by TSJH. Such statements conform to all applicable state and federal laws, including but not limited to Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- We uphold patient rights to make decisions regarding medical care and other patient rights in accordance with applicable state and federal laws, including but not limited to the Health Insurance and Portability Act of 1996 (HIPAA). We ensure patients' involvement in all aspects of their care and obtain informed consent for treatment.
- Patients, or their representatives, are provided a clear explanation of their care, including but not limited to diagnosis, treatment plan, their right to refuse or accept care, care decision dilemmas, estimates of treatment costs, and an explanation of the risks, benefits, and alternatives associated with available treatment options.
- Patients have the right to request transfers to other facilities. In such cases, the patient is given an explanation of the benefits, risks, and alternatives of the transfer.

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- Patients are informed of their right to make advance directives. Patient advance directives will be honored within the limit of the law and our organization's mission, philosophy and capability.
- Patients and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, and an opportunity for resolution of complaints.
- Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights and involvement in their own care.

### Patient Confidentiality

TSJH employees, medical staff members and allied health professionals possess sensitive, privileged information about patients and their care. TSJH collects information about the patient's medical condition, history, medication, and family illnesses to provide the best possible care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality, consistent with HIPAA. We do not release or discuss patient-specific information with others unless it is necessary to serve the patient, or required by law, unless the patient has consented to such disclosure.

We must never use or disclose confidential information that violates the privacy rights of our patients. No TSJH employee, affiliated physician or other healthcare partner has a right to any patient information other than that necessary to perform his or her job.

Subject only to emergency exceptions, patients can expect their privacy will be protected and patient specific information will be released only to persons authorized by law or by the patient's written authorization.

Medical records should not be physically removed from the Hospital, altered, or destroyed, except in accordance with the Hospital's record destruction policies. Employees who have access to medical records must take pains to preserve their confidentiality and integrity, and no employee is permitted access to the medical record of any patient without a legitimate, Hospital related reason for doing so. Any unauthorized release

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of or access to medical records should be reported to a supervisor or the compliance officer.

### **Contributing Positively to Our Communities and Our Environment**

#### Environmental Compliance

We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate the hospital with the necessary permits, approvals, and controls. TSJH employees must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert supervisors to any situation regarding the discharge of a hazardous substance, improper disposal of hazardous and medical waste, or any situation which may be potentially damaging to the environment. It is a requirement of TSJH that any employees who come into contact with biological waste to be familiar with the TSJH Policies and procedures and report any deviations from the policy to their supervisor or the compliance officer.

The Hospital supports ongoing legal and technical reviews to identify and correct environmental problems. The Hospital will initiate environmental assessments and compliance audits as appropriate.

#### Public Relations

All information disclosed outside of the TSJH (for example, to the media or the general public) must be accurate, complete and consistent. We all represent TSJH; if someone asks you for information, follow these guidelines, and remember to be polite and courteous. If you are asked to provide information about TSJH or its business activities, please refer the individual to Administration or Extension 3330. If the questions are financial in nature, refer the individual to the Finance Department. Inquiries about former employees, such as reference requests, should be referred to the Human Resources Department. If clinical in nature refer the call to the Chief Nursing Officer. Do not attempt to answer these questions yourself. Be sure to advise your department supervisor or manager of the request.

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If a member of the media, or someone else, appears unexpectedly at the Hospital and asks to shoot video, take photographs or makes other inquiries, immediately notify your department supervisor or manager. Do not discuss TSJH business with the individual. Your department supervisor or manager will contact Administration to ensure that the correct procedure is followed.

If you are asked to speak publicly, at a school or before a club, for example, about TSJH or your area of specialty, be sure to notify your department supervisor or manager about the request.

### Interaction with the Government and Serving of Legal Documents

TSJH values its excellent relations with local, state and federal governments. TSJH is committed to being a "good corporate citizen" and is proud of its record of service to the community.

TSJH values the communities where we do business. From time to time, employees may interact with local government officials. TSJH is committed to complying with local laws, regulations and codes and to working fairly and honestly with local officials and others in our community. In doing so, your actions must meet ethical and legal Standards of Conduct. It is against TSJH policy (and may violate the law) to offer or make a payment or gift of any kind in order to facilitate a local process or to influence a local government official.

A representative of the government may seek to interview you regarding TSJH business activities or your work at the Hospital. In such event, you and TSJH have the right to be represented by counsel. If you are contacted by a government agent or representative and asked to provide information, you should contact TSJH Administration and Compliance Department.

TSJH policy is to deal honestly and fairly with government representatives and agents and to comply with valid governmental requests and processes. Employees must be truthful and straightforward in their dealings with the government and may not direct or encourage another employee (or someone else) to provide false or misleading information to any government agent or representative. Employees must not direct or encourage anyone to destroy records relevant to an investigation.

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If someone arrives unexpectedly and attempts to serve legal papers, immediately notify your department supervisor or manager. Make sure all legal documents you receive are forwarded immediately to the CEO and Compliance Department.

### Political Contributions

TSJH believes that our democratic form of government benefits from citizens who are politically active. For this reason, TSJH encourages each of its employees to participate in civic and political activities in his/her own way.

TSJH direct political activities are, however, limited by law. Partnerships may not make any contributions – whether direct or indirect -- to candidates for federal office. Nor may the Hospital make contributions to political action committees that make contributions to candidates for federal office. The Hospital may not require any employee, medical staff member or allied health professional to make any such contributions. Finally the Hospital cannot reimburse its employees for any money they contribute to federal candidates or campaigns.

You also cannot use TSJH funds to contribute to a political party, committee, organization or candidate nor use TSJH resources including financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of TSJH property for use in the political campaign. No use of TSJH resources, including e-mail is appropriate for personally engaging in political activity.

Of course, you may contribute personally of your own funds, but these contributions should be on voluntary, personal basis, and, as indicated previously, they will not be reimbursed by TSJH.

Recognizing that Profitability is Essential to Our Future Success

### Legal and Regulatory Compliance

TSJH provides health care services in the state of Texas. These services may be provided only pursuant to federal, state and local laws,

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regulations and conditions of participation. Such laws, regulations and conditions of participation may include subjects such as, licenses, permits, accreditation, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, patients' rights, terminal care decision-making, medical staff membership and clinical privileges and Medicare and Medicaid program requirements. TSJH is subject to numerous other laws in addition to these health care regulations and conditions of participation.

TSJH is committed to identifying and adhering to all federal and State statutes that carry criminal penalties. Among the legal duties applicable to TSJH are statutes that apply directly to activities engaged in by TSJH as a direct provider of healthcare services in Inpatient and Outpatient services and may apply indirectly to TSJH as a supplier of goods or services to the health industry.

TSJH is committed to complying with federal and State statutes that carry civil penalties, including fines and civil penalties, because the same facts and circumstances that can result in criminal sanctions can also result in civil sanctions. Also, some civil statutes carry punitive measures that could threaten TSJH existence.

In essence, TSJH receives its revenues through the health industry, as a provider of Inpatient and Outpatient health care services. Therefore, from an overall perspective, the body of law that governs TSJH activities is the federal and State health care laws. As such TSJH should avoid even the appearance of impropriety and conduct its operations in compliance with federal and State health care laws.

The fundamental federal health care statute that carries criminal penalties is the Health Insurance Portability and Accountability Act of 1996. This Act establishes "health care fraud" as a separate criminal act and its prohibitions reach to any fraudulent act or false statement which results in the conveyance of any money or property from any health care benefit program, including both private and public programs. Two other legal duties that TSJH must comply are stated broadly, the prohibitions against false statements of material fact and against kickbacks or other improper inducements for referrals from physicians. To meet the duty regarding false statements, the Compliance Plan focuses on the statements that are included in documents submitted in connection with the provision of

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benefits and on the retention of documents which establish that the statements made are not false. To meet the duty regarding kickbacks and inducements of referrals, the Plan must monitor contracts or compensation arrangements to ensure TSJH representatives are not altering their basic terms and creating illegal remuneration arrangements.

Of significant importance is the Civil False Claims Act (FCA). Under the FCA, any person who makes, presents or submits, or causes to be made, presented, or submitted, a claim to the United States Government that the person knows or has reason to know is false, fictitious or fraudulent is subject to a fine of from \$5,500 to \$11,000 for each claim plus penalties of three times the amount claimed. No proof of specific intent to defraud is required. In addition, under certain circumstances, private individuals are protected and can bring “qui tam” (whistleblower) suits in the name of the United States against health care providers. If the suit results in recovery and the individual’s credible evidence substantially contributed to it, the private individual can share in a portion of the recovery. The FCA also protects any employees who are discharged, demoted harassed, or in any manner discriminated against by their employer because of their participation in or furtherance of an action under the FCA. The statute entitles all such employees to all necessary relief to make them whole.

The State of Texas has both civil and criminal liability under several health care related statutes. Any person who presents or causes to be presented a claim that contains a statement or representation the person knows or should know to be false is subject to a fine up to of \$10,000 for each violation. The fine increases to not less than \$5,000 and up to \$15,000 if there was injury to an elderly or disabled person or person under 18 years of age. Along with restitution of the amount paid, the individual can be liable for a civil penalty of up to two times the amount of the payment or value of the benefit. Civil penalties can be less if the individual committing the violation promptly furnishes the State with all known information about the unlawful act. A person can also be held criminally liable for such acts and be prosecuted for an offense ranging from a misdemeanor up to a first degree felony depending on the type of offense and amount of the fraudulent claim. In addition to civil and criminal liability is the revocation of certain occupational licenses and provider agreements.

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Texas statutes also authorize private persons to bring “qui tam” civil actions in the name of the person and the State for certain violations. A person who brings such an action can share in a portion of the recovery and has “whistle blower” protection from retaliation by their employer. Individuals may also be awarded for reporting credible evidence of Medicaid fraud, abuse and overcharges if the reporting results in recovery of the overcharge or termination of the fraud or abuse.

TSJH does not tolerate making or submitting false or misleading claims or statements to any governmental agency, health care program or payer source. TSJH Corporate Integrity and Compliance Plan address numerous health care laws and regulations including the Civil False Claims Act and Texas health care fraud and abuse related statutes (TSJH Compliance Plan, Section X). The various statutes can be accessed on TSJH Intranet system and/or in the department’s policy and procedures manual.

TSJH will comply with all applicable laws and regulations, whether or not they are specifically addressed in TSJH policies and procedures. All employees, physicians and other business associates must comply with all laws, rules, regulations and conditions of participation; and should immediately report violations or suspected violations to a supervisor, the Compliance Officer (903) 525-3332, or the Hotline (1-800-609-9773).

In order to ensure we meet our regulatory obligations, TSJH employees, physicians and other business associates must be informed about stated areas of potential compliance concern. The U.S. Department of Health and Human Services, and particularly its Inspector General, has routinely notified health care providers of areas in which these government representatives believe insufficient attention is being accorded government regulations. We should be diligent in the face of such guidance about reviewing these elements of our system to ensure their correctness.

TSJH will provide its employees, physicians, and other business associates with the information and education they need to comply fully with all applicable laws, regulations and conditions of participation.

### Emergency Treatment

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Operation of the emergency department is an integral part of TSJH service to the community. TSJH follows the Emergency Medical Treatment and Active Labor Act (“EMTALA”) in providing an emergency medical screening examination and necessary stabilization to all patients, regardless of ability to pay. Provided TSJH has the capacity and capability, anyone with an emergency medical condition is treated. In an emergency situation or if the patient is in labor, TSJH will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. TSJH does not admit, discharge, or transfer patients with emergency medical conditions simply based on their ability or inability to pay or any other discriminatory factor. Patients with emergency medical conditions are only transferred to another facility at the patient’s request or if the patient’s medical needs cannot be met at TSJH (e.g., we do not have the capacity or capability) and appropriate care is knowingly available at another facility. Patients are only transferred in strict compliance with state and federal EMTALA regulatory and statutory requirements.

The “anti-dumping” law carries reporting obligations. Any employee who believes that an emergency patient has been transferred improperly must report the incident to the compliance officer. No employee will be reported for reporting a suspected violation of the patient transfer law. If an employee or professional staff member believes that an emergency patient has been transferred to TSJH improperly, the suspected violation must be reported to the compliance officer and to proper authorities within 72 hours of its occurrence. The name and the address of an on-call physician who refuses or fails to appear within a reasonable time to provide necessary stabilizing treatment of an emergency medical condition or active labor is to be reported immediately to the compliance officer.

### Relationship with Potential Patient Referral Sources

Federal and state laws and regulations govern the relationship between hospitals and physicians who may refer patients to TSJH. The applicable federal laws include the Anti-Kickback Law and the Stark Law. It is important that those who interact with physicians, particularly regarding making payments to physicians for services rendered, leasing space, recruiting physicians to the community, and arranging for physicians to serve in leadership positions in facilities, are aware of the requirements of

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the laws, regulations, and policies that address relationships between facilities and physicians.

In accordance with the laws, rules and regulations:

- **TSJH does not pay for referrals** (directly or indirectly). We accept patient referrals and admissions based solely on the patient's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone - employees, physicians or other persons or entities - for referral of patients. Violation of this policy may have grave consequences for TSJH and the individuals involved, including civil and criminal penalties, and possible exclusion from participation in federally funded healthcare programs.
- **TSJH does not accept payments for referrals** (directly or indirectly). No TSJH employee or any other person acting on behalf of TSJH is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to TSJH.

Any entertainment or gift involving physicians or other persons who are in a position to refer patients to TSJH must be undertaken in accordance with TSJH policies, which have been developed consistent with federal laws, regulations, and rules regarding these practices. Employees and other representatives must consult TSJH policies prior to extending any business courtesy to a potential referral source.

### Accuracy, Retention and Disposal of Documents and Records

Each TSJH colleague is responsible for the integrity and accuracy of TSJH documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions. No one may alter or falsify information on any record or document. Records must never be destroyed in an effort to deny governmental authorities that which may be relevant to a government investigation.

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Medical and business documents and records are retained in accordance with the law and TSJH Record Retention and Destruction Policy. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only according to our policy. You must not tamper with records, nor remove or destroy them prior to the specified date.

### Confidential Information

Confidential information may be used to perform your job, but it must not be disclosed to others outside of TSJH unless the individual has a legitimate need to know this information and has agreed to maintain the confidentiality of the information.

- Confidential information about TSJH strategies and operations is a valuable asset.
- Confidential information includes personnel data maintained by the Hospital including, patient lists and clinical information, pricing and cost data. It includes, but is not limited to, information pertaining to acquisitions, divestitures, affiliations and mergers, financial data, research data, strategic plans, marketing strategies, techniques, employee lists and data maintained by the Hospital, supplier and subcontractor information and proprietary computer software.

We exercise due care and due diligence in maintaining the confidentiality, availability and integrity of information assets that TSJH owns or of which it is the custodian. Because so much of our clinical and business information is generated and contained within our computer systems, it is essential that each TSJH employee and physician protect our computer systems and the information contained in them by not sharing passwords and by reviewing and adhering to our information security policies and guidance. If an individual's employment or contractual relationship with TSJH ends for any reason, the individual is still bound to maintain the confidentiality of information viewed, received or used during the employment or contractual business relationship with TSJH. This provision does not restrict the right of an employee and physician to disclose, if he

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or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment.

### Financial Reporting and Records

All financial information must reflect actual transactions and conform to Generally Accepted Accounting Principles (GAAP) and associated Financial Accounting Standards Board (FASB) rules and regulations. All assets and transactions must be properly recorded and disclosed.

- We have established and maintained a high standard of accuracy and completeness in the documentation and reporting of all financial records. These records serve as a basis for managing our business and are important in meeting our obligations to patients, employees, suppliers and others. They are also necessary for compliance with tax and financial reporting requirements.
- TSJH maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.
- Employees shall make full disclosure of all relevant information and fully cooperate with internal and external auditors in the course of financial and/or compliance audits or investigations. Anyone having concerns regarding questionable accounting or auditing matters should report such matters to the Compliance Officer (903) 525-3332 by calling or the Hot Line at 1-800-609- 9773.

### Cost Reports

TSJH is required by federal and state laws and regulations to submit certain reports of our operating costs and statistics. TSJH complies with federal and state laws, regulations, and guidelines relating to all cost reports. These laws, regulations, and guidelines define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. TSJH policies address cost report compliance regarding federal and state laws, regulations and guidelines.

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### Billing and Coding

TSJH operates oversight systems designed to verify that claims are submitted only for services actually provided and that services are billed as provided. These systems will emphasize the critical nature of complete and accurate documentation of services provided (i.e. proper submission of claims for equipment and supplies; identification of double billings if and when it may occur; billing only for covered services; proper use of provider identification numbers; proper bundling of services provided and proper use of coding modifiers).

Claims are only submitted for services that TSJH finds to be reasonable and necessary. It is recognized that various payers (Medicare, Medicaid, etc.) will only pay for services that meet the payer's definition of reasonable and necessary. The Hospital will only bill for those services believed to be reasonable and necessary for the diagnosis and treatment of the patient. All clinical employees shall be trained in Medicare and other payer eligibility and coverage requirements (as appropriate) at the point of hire and annually thereafter.

- As part of our documentation effort, TSJH strives to maintain current, complete and accurate documentation and does not destroy any information considered part of the official medical record. Timely, accurate and complete documentation of all physician and other professional services to support the diagnosis and treatment plan will be maintained and provided to accurately and properly support the appropriateness of a service being billed (i.e., patient's medical records, physician's orders)
- Any subcontractors engaged to perform billing or coding services must have the necessary skills, quality assurance processes, systems and appropriate procedures to ensure that all billings for government and commercial insurance programs are accurate and complete.
- TSJH may contract with such entities that have adopted their own ethics and compliance programs and code of conduct or to adopt TSJH's Code of Conduct as their own. Third-party billing entities, contractors and preferred vendors must be approved in accordance with TSJH's policies.

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- Written policies and procedures regarding proper coding should reflect the current reimbursement principles set forth in the applicable regulations and should be developed in tandem with private payer and organizational standards. If a billing or coding error is detected, immediate notification of your supervisor is mandatory. Any overpayments must be promptly refunded.
- All health care providers within TSJH shall be trained in the preparation of appropriate documentation that accurately and fully charts the status and progress of each patient and prohibits inaccurate charting techniques. Independent contractors will also be included in the training.

### Collection of Medicare Deductible and Co-Insurance Amounts

TSJH shall collect Medicare co-insurance and deductible amounts for each patient encounter. Waivers and write-offs shall be contingent upon appropriate and documented needs analysis.

### Research

TSJH might in the future receive federal funds and grants to conduct scientific research. When doing so, TSJH will comply with the applicable ethical standards and Federal and State laws and regulations in any research conducted by our physicians and professional staff. We do not tolerate intentional research misconduct. Research misconduct includes making up or changing results or copying results from other studies without performing the research. TSJH protects the patients and respects their rights, during research, investigations and clinical trials.

All patients asked to participate in a research project are given a full explanation of alternative services that might prove beneficial to them. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits, and alternatives. The patients are fully informed of the procedures to be followed, especially those that are experimental in nature. Refusal of a patient to participate in a research study will not compromise his or her access to services. Patient

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informed consent to participate in clinical investigations or research is documented and retained pursuant to TSJH policies.

All personnel applying for or performing research of any type are responsible for maintaining the appropriate ethical standards in any written or oral communications regarding their research projects as well as following appropriate research guidelines. As in all accounting and financial record-keeping, our policy is to submit only true, accurate, and complete costs related to research grants.

The federal regulations provide procedures for a thorough and confidential internal inquiry and investigation of any allegations. Because evaluating these claims is complex and depends upon the specific facts and circumstances of each case, TSJH shall appoint an inquiry team consisting of legal counsel and at least two scientists experienced in the particular scientific field to determine whether a violation may have occurred. If further investigation is recommended, the hospital is required to notify the Officer of Research and Integrity of the Department of Health and Human Services, which monitors such investigations and is authorized by law to conduct its own review of the allegations.

### Federally Funded Grant

TSJH from time to time may receive various federal grants such as granting funding from the National Institutes of Health. Federal regulations impose duties and obligations upon the recipients of federal grants. As a recipient institution, TSJH expects its personnel to abide by all applicable federal regulations, including but not limited to regulations relating to accurate reporting and appropriate expenditures of grant funds. Questions relating to matters concerning federal grants should be directed to the Chief Financial Officer to ensure that all regulations are observed.

### Surveys

From time-to-time, government agencies and other entities conduct surveys in our Hospital. TSJH responds with openness and accurate information. In preparation for or during a survey or inspection, TSJH

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employees must never conceal, destroy, or alter any documents; lie; or make misleading statements to the agency representative. Employees also must never attempt to cause another employee to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

### Accreditation

In preparation for, during and after surveys, TSJH employees deal with all accrediting bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the surveyor or its survey teams, either directly or indirectly. The scope of matters related to accreditation of various bodies is extremely significant and broader than the scope of TSJH Code of Conduct. The purpose of our Code of Conduct is to provide general guidance on subjects of wide interest within the organization. Accrediting bodies may address issues of both wide and somewhat more focused interest.

### **Oversight and Enforcement of the Compliance Plan**

#### Investigation of improper conduct:

In order to follow through, Texas Spine and Joint Hospital will enforce the Compliance Plan as follows.

#### Enforcement:

The Compliance Officer will be responsible for enforcement of Texas Spine and Joint Hospital Compliance Plan. Texas Spine and Joint Hospital Compliance Department will report to and advise the CEO, along with members of the Compliance Committee appointed by the Board of Directors, in connection with this policy.

#### Investigation:

Texas Spine and Joint Hospital Compliance Officer will undertake an investigation of any suspected violation of the Compliance plan. However, the Compliance Officer must be provided with sufficient information to enable it to conduct the investigation.

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### Prohibition against Retaliation:

Texas Spine and Joint Hospital prohibits retaliation or adverse action against any employee for reporting a suspected violation of the Code of Conduct. In reporting misconduct, you should be able to substantiate and have direct knowledge and/or documented evidence of the misconduct. Allegations based upon rumor or incorrect information result in unnecessary administrative time and could adversely affect the reputation of innocent people.

### Reviews:

Compliance with many of these policies will be monitored by periodic self-reviews. All Texas Spine and Joint Hospital employees are required to cooperate fully with reviews and to provide truthful and accurate information.

### Requests for Exception:

Any employee who believes that an exception to the Compliance Plan is appropriate should contact their department supervisor or manager first. If the manager agrees that an exception is appropriate, the Compliance Department should be consulted before granting any exception. The Compliance Department will be responsible for maintaining a complete record of all requests for exceptions to any of these policies and the outcome of such requests.

### Interpretation:

Texas Spine and Joint Hospital Compliance Department is responsible for interpreting and applying these policies to specific situations in which questions may arise. The Compliance Department will maintain a record of interpretations issued under these policies so that such interpretations will be consistent throughout Texas Spine and Joint Hospital.

Questions relating to how these policies should be interpreted or applied should be addressed to the Compliance Department.

### Asking for guidance and Reporting Concerns

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Even the most effective compliance training program will not prevent a small number of employees from engaging in activity that does not comply with TSJH policies and procedures or with the law. Every ethics and compliance program needs a method for identifying and resolving this type of conduct. The need for this exception-reporting mechanism is reinforced by the OIG's model compliance guidance as well as the Federal Sentencing Guidelines which encourages the use of hotlines and other mechanisms of information exchange to maintain these open lines of communication. Matters reported through the hotline or other communication sources that suggest that substantial violations of compliance policies, regulations, or statutes should be documented and investigated promptly to determine their veracity. TSJH has developed these guidelines regarding compliance complaints and issues raised:

- TSJH takes all reports of wrongdoing seriously, regardless of the source (employee, management, other), or form (written or oral).
- Illegal acts or improper conduct may subject TSJH to severe civil and criminal penalties, including large fines and being barred from certain types of business. It is, therefore, very important that any illegal activity or violations of the Code of Conduct be **promptly brought to the Compliance Officer's attention**. In many cases, if TSJH discovers and reports illegal acts to the appropriate governmental authorities, TSJH may be subject to lesser penalties.
- Any TSJH employee who believes or becomes aware of any violation of the Code of Conduct or any illegal activity by TSJH or employee or another person acting on TSJH behalf shall promptly report the violation or illegal activity in person, by phone, or in writing to one of the following:
  - The appropriate department manager or any other senior manager.
  - The Compliance Officer: **903-525-3332**
  - Tony Wahl , CEO **903-525-3329**
  - A report to the Compliance Hotline. 1-800-609-9773.
- It is a violation of the Code of Conduct for personnel not to report a violation of the Code of Conduct or any illegal activity. Persons

with questions about whether particular acts or conduct may be illegal or violate the Code of Conduct should contact one of the individuals listed above. It is a violation of the Code of Conduct for personnel to whom a potential illegal act or violation reported to not ensure that the illegal act or violation comes to the attention of those responsible for investigating such reports.

- If the illegal acts or conduct in violation of the Code of Conduct involve a person to whom such illegal acts or violations might otherwise be reported, the illegal acts or violations should be reported to another person to whom reporting is appropriate.
- Employees and others who report should be prepared to provide as much detail as possible regarding the potential violation or illegal activity.
- The person making the initial report may be involved in the review process, unless the report was anonymous.
- It is TSJH policy to promptly and thoroughly investigate reports of illegal activity or violations of the Code of Conduct. No determination of subsequent actions by the Compliance Officer will be made until the investigation has been completed. The Compliance officer may involve legal counsel in the review of the report or in any resulting investigation.
- Personnel must cooperate with these investigations. You must not take any actions to prevent, hinder or delay discovery and full investigation of illegal acts or violations of the Code of Conduct. It is a violation of the Code of Conduct for personnel to prevent, hinder or delay discovery and full investigation of illegal acts or violations of the Code of Conduct.
- Personnel may report illegal acts or a violation of the Code of Conduct anonymously. To the extent permitted by law, TSJH will take reasonable precautions to maintain confidentiality of those individuals who report illegal activity or violations of TSJH Code of Conduct and of those individuals involved in the alleged improper activity, whether or not it turns out that improper acts occurred.

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Failure to abide by this confidentiality obligation is a violation of TSJH Code of Conduct.

- No reprisals or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, illegal acts or violations of the Code of Conduct. It is a violation of the Code of Conduct for personnel to punish or conduct reprisals in regard to personnel who have made a good faith report of, or cooperated in the investigation of illegal acts or violations of the Code of Conduct.
- Good faith reporting does not include reporting of wrongdoing which was knowingly fabricated by the person reporting, or was designed to intentionally harm another through distortion or exaggeration, or was minimized to protect the reporter.
- Personnel who violate the Code of Conduct or commit illegal acts are subject to discipline up to and including dismissal. Personnel who report their own illegal acts or improper conduct, however, will have such self-reporting taken into account in determining the appropriate disciplinary action.
- Based on the report and investigation, the Compliance Officer, shall determine if a violation of the Code of Conduct, TSJH policies or procedures and/or state or federal laws has occurred and take appropriate action including making prompt restitution of any overpayment amounts. The process may involve the assistance of legal counsel or other assistance based on certain factors as determined by the Compliance Officer such as gravity of the violation or the complexity of the information gathered through the investigation.
- TSJH will disclose any criminal activity, uncovered by the investigation or otherwise, to the appropriate governmental agency with assistance from legal counsel.
- The Board of Directors shall receive periodic updates from the Compliance Officer regarding allegations of violations of the Code of Conduct or illegal activities as well as the results of investigations. Actions which result such as disclosure to agencies of misconduct,

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discipline of employees, and repayments shall also be reported to the Board of Directors.

- The Compliance Officer shall maintain all records and documents in accordance with TSJH records retention policies as to maximize legal protection afforded under attorney-client privilege and attorney work-product doctrines.

### Distribution:

Every employee of TSJH will be given a copy of this Code of Conduct and each new employee will receive a copy of the Code of Conduct at the time of hire.

### Amendments to the Plan

TSJH Board of Directors shall approve all substantive changes and amendments to the Compliance Plan. All Department Compliance Programs will be approved by the Board of Directors. The Compliance Officer will report any recommended changes to the CEO prior to submitting to the Board of Directors.

### Non-Exclusivity

The policies stated herein are not all the applicable Texas Spine and Joint Hospital policies nor are they a comprehensive or complete explanation of the laws which are applicable to Texas Spine and Joint Hospital and its employees. All Texas Spine and Joint Hospital employees have a continuing obligation to familiarize themselves with applicable laws relating to their job responsibilities and related policies.

### Implementation

Texas Spine and Joint Hospital takes seriously reports of possible violations of the Code of Conduct; the laws, rules and regulations governing this institution; and other Hospital policies. As appropriate, we will investigate and take action, including taking steps to prevent a recurrence of problems. We will need your cooperation in any investigation.

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Texas Spine and Joint Hospital policy requires all employees to follow the law and to act honestly and ethically in conducting the hospital's business. We are, of course, each responsible for our own conduct. No one has the authority to approve illegal acts, and an illegal act cannot be justified because a superior "ordered it." Texas Spine and Joint Hospital policy does not permit an employee to direct or encourage another employee to violate the law or to otherwise act improperly. If you are ever faced with this situation, speak up. For example, talk to your manager, Human Resources, or the Compliance Department or call the Hotline. Use whatever method you like, but be sure to let us know. Failure to comply with the law and the Code of Conduct can have severe consequences for the Hospital and the employees involved. Any employee who fails to meet the Compliance Plan requirements set forth in the Code of Conduct Guide or the law will be subject to discipline, up to and including dismissal. Discipline also may be imposed if an employee fails to report violations of the Code of Conduct or the law; if an employee retaliates against another employee for reporting a violation or cooperating in an investigation; if an employee lies in making a report or in an investigation; or if the circumstances reflect inadequate supervision. This is a serious matter. Actions that violate the Compliance Plan also may violate federal or state laws. Such violations can subject the individuals involved to prosecution, imprisonment and fines. The hospital also may be subject to prosecution and significant fines for employees' improper conduct.

All employees are required to acknowledge that they have read, understand and are in compliance with the Code of Conduct. Abiding by the Code of Conduct is a condition of continued employment with Texas Spine and Joint Hospital.

### Ongoing Communication and Review:

It is your personal responsibility to ensure that you know and understand what the Code of Conduct requires. As additional guidance to employees, Texas Spine and Joint Hospital offers training and ongoing communications about the matters in the Code of Conduct. You also may receive more detailed training in subjects related to your job (for example, health and safety, antitrust or the environment). To confirm our progress, we will review and monitor these and other areas.

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We expect employees to attend all required training and, where appropriate, to assist and cooperate in our monitoring and reviews. If you are a supervisor or manager, you should ensure that your employees attend the proper training and, when appropriate, assist in reviews.

As you can see, a commitment to integrity, acting honestly and ethically and complying with the letter and spirit of the law are critical to our continued success. We are counting on each of you to do your part. Remember, please, **do the right thing!**

END