



MEMORIAL HERMANN HEALTH SYSTEM

STANDARDS OF CONDUCT

July 1, 2018

Dear Colleagues,

Memorial Hermann Health System is dedicated to providing safe, high-quality health services in order to improve the health of the people in Southeast Texas. A key element of this is having ethical standards and integrity. We are committed to achieving our mission in full compliance with our values as well as all applicable laws. To assist us in fulfilling this commitment while operating in a complex and highly regulated environment, we have a Corporate Compliance Program. An important part of our Corporate Compliance Program is our Standards of Conduct.

The Standards of Conduct create a uniform code and are guidelines to clarify specific ethical questions that may arise in the course of your work. Please become familiar with the basic concepts outlined in the Standards of Conduct. If any aspect of the Standards of Conduct is unclear to you or if you have questions or concerns about a situation you are facing, I hope you will feel comfortable discussing your questions and concerns with your supervisor or senior management. If you do not wish to do so or if your supervisor/senior management is not able to address your issue, you may call the Compliance Helpline or the Chief Compliance Officer, which is discussed in more detail in these Standards.

We are committed to honoring the community's trust at Memorial Hermann and ask you to partner with us in maintaining our uncompromising values.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Stokes".

Chuck Stokes
President and CEO
Memorial Hermann Health System

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INTRODUCTION

Memorial Hermann Health System is committed to the goal of serving our patients, physicians, employees and the communities we serve in an ethical, legal and responsible manner. Further, Memorial Hermann is committed to providing all services in full compliance with all applicable laws, regulations and guidelines, as well as with our own policies and procedures. We are particularly sensitive to requirements applicable to federal health care programs and the submission of accurate billings.

The Standards of Conduct, as well as all statutes, regulations, guidelines, and Memorial Hermann policies and procedures must be observed by everyone, including employees, medical staff, vendors, contractors, suppliers, consultants and agents.

No one, regardless of position, will be allowed to compromise adherence to the Standards, statutes or regulations. Failure to comply can result in serious damage to our standing in the community, regulatory action against the corporation and any individuals involved, and corrective action for any individuals involved.

If you have questions about these Standards or about any Memorial Hermann policies or practices, you should raise the questions with your supervisor first. Our supervisory staff has been charged with a special obligation to be available and responsive to individuals when questions arise about adherence to the Standards. If the response received from the supervisory staff does not resolve the issue(s) concerning applications of the Standards, you are invited to address your concerns to higher levels of management, Human Resources, the Compliance Helpline or the Chief Compliance Officer.

The Standards of Conduct adopted by Memorial Hermann are intended to ensure that we meet our compliance goals in a highly regulated business environment. The Standards are designed to provide general guidance, and do not replace the policies and procedures of the corporation. For additional guidance and direction regarding the topics addressed in the Standards, refer to Memorial Hermann Policies and Procedures. The Standards are a “living document,” which will be updated periodically to respond to changing conditions. Therefore, Memorial Hermann reserves the right to modify or amend the Standards at any time and without advance notice.

MISSION

Memorial Hermann is a not-for-profit, community-owned health care system with spiritual values, dedicated to providing high quality health services in order to improve the health of the people in Southeast Texas.

VISION

Memorial Hermann will be a preeminent health system in the U.S. by advancing the health of those we serve through trusted partnerships with physicians, employees and others to deliver the best possible health solutions while relentlessly pursuing quality and value.

VALUES

- ◆ **Innovative:** We discover, develop and implement new ideas, technologies, partnerships and processes.
- ◆ **Accountable:** We accept responsibility for our actions and decisions and the impact they have on those we serve.
- ◆ **Empowered:** We create and embrace change, readily adapting to new situations and encouraging all to be part of the solution.
- ◆ **Collaborative:** We build trusting relationships through open communication and productive teamwork integrating all parties to create the best solution.
- ◆ **Compassionate:** We genuinely care about people. We are sensitive to the needs of others and strive to make a difference.
- ◆ **Respectful:** We treat everyone with dignity and acknowledge all beliefs, experiences and points of view.
- ◆ **Results Oriented:** We make timely decisions. We take an intentional approach, integrating data and evidence in all decision-making to achieve desired outcomes.
- ◆ **Safety Focused:** We are committed to beliefs, attitudes and actions that promote a safe environment for our patients, physicians and employees.

EMPLOYEE COMPLIANCE RESPONSIBILITIES

The success of Memorial Hermann's commitment to compliance relies on the support of all employees. Key employee and management responsibilities related to Memorial Hermann's culture of compliance, ethics, and accountability include but are not limited to the following:

Employees: Memorial Hermann employees play a key role in assuring compliance. The following responsibilities apply to all employees:

- ◆ Familiarize yourself with and follow all federal, state and local laws, regulations, and Memorial Hermann policies and procedures that relate to your role.
- ◆ Promptly report all instances of suspected noncompliance via the Memorial Hermann Reporting Process.
 - If you do not report a violation, you may be subject to disciplinary action even if you were not directly involved.
 - No disciplinary action or retaliation will be taken against you for reporting a compliance issue in good faith, meaning you believe the information you are reporting is true.
- ◆ Complete required compliance training in a timely manner.
- ◆ Cooperate with investigations of potential compliance concerns.

Management: Management has the following additional compliance responsibilities:

- ◆ Demonstrate and promote a commitment to ethical and legal behavior that is consistent with Memorial Hermann's mission and values.
- ◆ Take steps to proactively prevent compliance problems, such as establishing safeguards within processes to ensure compliance and monitoring your department's functions for compliance.
- ◆ Ensure that employees under your supervision:
 - Comply with the Memorial Hermann Health System Standards of Conduct;
 - Know and follow all federal, state and local laws, regulations, and Memorial Hermann policies within the scope of their responsibilities;

- Know the procedure for reporting suspected or actual violations;
- Are encouraged and encourage others to ask questions and report actual or suspected violations without fear of retaliation; and
- Complete all required compliance training.
- ◆ If an employee comes to you with a question regarding compliance with a federal, state or local law, regulation, or Memorial Hermann policy, you are responsible for:
 - Taking steps to ensure the employee does not experience retaliation;
 - Maintaining the employee's confidentiality to the extent practical;
 - Collecting accurate information regarding the employee's report;
 - Pursuing the right process so that reports of violations or suspected violations can be further investigated; and
 - Informing the employee that you have followed through on his or her report.

PARTNERS IN CARING

Partners in Caring (PIC) is a grass roots process driven by employees from across the System, providing a source of creativity, comfort, support and enthusiasm for our patients, families, physicians and employees. As a process, PIC continuously looks for ways to support the vision of our Health System as we focus on the needs of our employees. PIC serves as a source of energy directed at connecting, inspiring and engaging employees to achieve our vision and deliver on our commitment to advance the health of those we serve.

Core to this process is the philosophy and expectation that all employees will treat everyone with dignity and respect while living and delivering the Memorial Hermann culture. PIC reinforces and celebrates the Memorial Hermann culture on a local level. The success of this process lies in the expectation that all employees will commit to the PIC process and actively demonstrate it at work each day.

PIC contributes its support to the Memorial Hermann Health System Strategies and values. PIC works to achieve this goal by promoting exceptional patient care experiences, a high reliability culture, embracing safety, creating a community of valued employees, and recognizing physicians who demonstrate commitment to our mission, vision and values.

QUALITY OF CARE

STANDARD OF CONDUCT: We are committed to providing quality care and services. Our first responsibility is to the patients we serve and their families.

- ◆ We have a responsibility at every level of the organization to maintain integrity and quality in our job performance.
- ◆ We have a responsibility to address any deficiency or error by reporting it to a supervisor who can assess the problem, take appropriate action and follow the problem to resolution. Knowledge of safety or quality of care concerns are expected to be immediately reported internally to a charge nurse, manager, or director of the unit in which the issue has occurred. If they are not available, hospital administration should be notified. Additionally, if the employee still has concerns, they may contact the Compliance Helpline or The Joint Commission. There will be no retaliation or disciplinary action taken against anyone who reports a concern in good faith.
- ◆ We will encourage employees, medical staff, contractors and vendors to continually evaluate existing methods of delivering services and report any suggestion to their unit or hospital management.
- ◆ We will respect the human dignity of each patient by responding to all patient questions, concerns and needs in a timely and sensitive manner.
- ◆ We will continually monitor and evaluate the delivery of care and related services to assure that appropriate standards of practice are met.
- ◆ We will ensure that patient admissions, transfers, and discharges are medically appropriate and in accordance with legal requirements.
- ◆ We will employ appropriately licensed and properly credentialed health care providers possessing the required expertise and experience to care for our patients.
- ◆ We will not discriminate against any patient based on age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, or gender identity or expression.

COMPLIANCE WITH LAWS AND REGULATIONS

STANDARD OF CONDUCT: We are committed to ethical standards of business and professional ethics and integrity. We will provide patient care and conduct business while following all applicable laws, regulations and policies. We will:

- ◆ Promptly report to management, the Compliance Helpline or the Chief Compliance Officer when any possible violation of law, regulation or policy has occurred. All compliance issues or concerns must be reported and will be acted upon in a fair and truthful manner. Any retaliation or other negative action against any person who in good faith reports a suspected violation is not permitted.
- ◆ Comply with all requirements of the federal and state false claims laws (including the False Claims Act and the Texas Medicaid Fraud Prevention Act) and the role of such laws in preventing, detecting, reporting and correcting incidents of fraud, waste and abuse in government health care programs.
- ◆ Not provide, solicit or receive kickbacks, bribes, rebates, gifts, entertainment or anything else of value in order to influence the referral of patients or services.
- ◆ Ensure all agreements with individuals or organizations that may be possible referral sources are in writing and approved in advance by appropriate management and legal counsel.
- ◆ Bill payors and patients in compliance with all applicable laws, regulations and policies.
- ◆ Process all claims in a timely manner in accordance with provider contracts and Centers for Medicare & Medicaid Services (CMS) guidelines.
- ◆ Compete in the market solely on the merit of our services. Marketing information, both oral and written, provided to patients and others will be clear, correct, and non-deceptive.
- ◆ Maintain complete and accurate patient medical records and keep all such information confidential.
- ◆ Not employ, contract with or bill for services rendered by an individual or entity that is excluded or ineligible to participate in government health care programs. Memorial Hermann routinely reviews the federal and state Office of Inspector General and the General Services Administration's lists for excluded and ineligible persons. Employees have an affirmative duty as a condition of employment to immediately report to the Corporate Compliance Department any potential adverse action taken by an authorized regulatory agency, including those responsible for federal health care programs and the General Services Administration.

- ◆ Ensure employees who are providers of professional health care services are properly licensed and trained prior to providing patient care.
- ◆ Ensure all drugs or other controlled substances used in patient treatment maintained, dispensed, transported and disposed of in compliance with all applicable laws and regulations.
- ◆ Comply with all requirements of the Emergency Medical Treatment and Active Labor Act (EMTALA), including providing a medical screening examination to all who seek emergency treatment.
- ◆ Conduct research investigations and clinical trials in compliance with federal and state laws and regulations and in accordance with accepted professional and ethical standards.

HUMAN RESOURCES

STANDARD OF CONDUCT: We recognize the important role our employees play in ensuring our ability to deliver on our mission. We are committed to creating a workplace where employees are treated with dignity, respect and fairness. We will:

- ◆ Provide a work environment for all employees free from harassment and discrimination, in accordance with the Memorial Hermann Harassment-Free Workplace Policy. Memorial Hermann prohibits all forms of unlawful harassment, including harassment based on race, color, religion, age, national origin, sex (including sexual orientation and gender identity), pregnancy, disability, genetic information, U.S. military service, or any other characteristic protected by law.
 - Harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual based on race, color, religion, age, national origin, sex (including sexual orientation and gender identity), pregnancy, disability, genetic information, U.S. military service, or any other characteristic protected by law, and that:
 - Creates an intimidating, hostile or offensive work environment;
 - Unreasonably interferes with an individual's work performance; or
 - Otherwise adversely affects an individual's employment opportunities.
 - Harassing conduct includes, but is not limited to:
 - Epithets, slurs or negative stereotyping.
 - Threatening, intimidating or hostile acts.
 - Denigrating or insulting jokes and display or circulation of written or graphic material.
 - Sexual harassment occurs when:
 - Submission to conduct such as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature is made either explicitly or implicitly a term or condition of employment;
 - Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
 - Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

- Sexual harassing conduct includes, but is not limited to:
 - Sexual flirtations, touching, advances or propositions.
 - Using sexually degrading words to describe an individual.
 - Making graphic or suggestive comments about an individual's dress or body.
 - Displaying sexually suggestive objects or pictures, including nude photographs.
- ◆ Review and evaluate each employee's performance periodically in an objective and consistent manner.
- ◆ Ensure that our employees are employed, trained, promoted and compensated on the basis of personal competence and potential for advancement.
- ◆ Provide reasonable training opportunities to assist employees to build and maintain professional skills.
- ◆ Continually build confidence and professionalism in every employee.
- ◆ Maintain open lines of communication so that the views of each employee may be considered and their opinions given proper respect.
- ◆ Show respect and consideration for one another, regardless of status or position.
- ◆ Maintain personal employee information with appropriate confidentiality.
- ◆ Apply the Standards of Conduct and policies equally to all employees regardless of position in the workplace.
- ◆ Encourage each employee to continually evaluate existing methods of delivering services in order to discover more effective ways of allocating resources for patient care and support services.
- ◆ Have all employees in a position requiring licensure/certification properly licensed/certified by the appropriate federal, state, local or professional agency.

BILLING AND CODING

STANDARD OF CONDUCT: We are committed to fair and accurate billing that is in accordance with all federal and state laws and regulations. We will:

- ◆ Bill only for services that are medically necessary, actually provided, and documented in the patient's medical record.
- ◆ Bill only for health care services and items that have been provided by qualified individuals in accordance with state or federal laws, and applicable licensing, privileging, and credentialing standards.
- ◆ Only assign diagnostic, procedural, and billing codes that accurately reflect the nature and quantity of services that were provided and documented in the patient's medical record.
- ◆ Submit all claims for services to Medicare, Medicaid and other federally funded or private payor health care programs with accuracy and correctly identify the services ordered.
- ◆ Not knowingly submit an incorrect claim for payment or reimbursement.
- ◆ Periodically review coding practices and policies, including software edits, to ensure they are consistent with all applicable federal, state and private payor health care program requirements.
- ◆ Regularly review our records for patient credit balances and promptly refund any overpayments.
- ◆ Return any overpayments received from governmental health care programs (such as Medicare or Medicaid) within 60 days of identification.
- ◆ Not routinely waive insurance co-payments or deductibles.
- ◆ Maintain all records in a secure location for the period of time required by law. The premature destruction or alteration of any document in response to, or in anticipation of, a request for those documents by any government agency or court is strictly prohibited.
- ◆ Respond in a direct, timely and honest manner to all questions and complaints related to a patient's bill.

PROTECTION AND USE OF INFORMATION, PROPERTY AND ASSETS

STANDARD OF CONDUCT: We are committed to protecting Memorial Hermann property and information against loss, theft, destruction and misuse. We will:

- ◆ Honor the privacy of patients and not reveal or discuss patient-related information except with health care personnel involved in their care, and with payors and others duly authorized to review patient information.
- ◆ Release patient records only in accordance with Memorial Hermann policies.
- ◆ Maintain the confidentiality of quality assurance, peer review and health care services review information in accordance with laws and regulations.
- ◆ Correctly use and care for all property and equipment entrusted to us.
- ◆ Protect confidential corporate information and not use or reveal such information except in the proper performance of duties.
- ◆ Maintain and keep all supplies secure.
- ◆ Dispose of all surplus or obsolete property and equipment according to established procedures.
- ◆ Not permit the creation of unauthorized copies of computer software licensed to Memorial Hermann or use personal software on Memorial Hermann computer equipment.
- ◆ Not knowingly communicate or transfer any information or documents to any unauthorized persons.
- ◆ Not use computers, e-mail, facsimile machines or other technology to communicate privileged and confidential information to unauthorized recipients or to a personal external email account. Further, the use of technology to send offensive, discriminatory or harassing messages is prohibited.
- ◆ Retain records in accordance with Memorial Hermann policies.

CONFLICTS OF INTEREST

STANDARD OF CONDUCT: We are committed to acting in good faith in all aspects of our work. We will avoid situations in which personal interests, activities or relationships create or appear to create a conflict of interest. A conflict of interest may exist whenever an employee or a related party (such as a family member, friend, or business associate) receives a personal benefit from any decision or action taken by the employee on behalf of Memorial Hermann. We will:

- ◆ Not offer, accept or provide gifts or favors, such as meals, transportation or entertainment that might be interpreted as an inducement.
- ◆ Maintain unbiased relationships with actual and potential vendors and contractors.
- ◆ Exercise the duties of loyalty, good faith, honesty and fair dealing in all activities and transactions related to Memorial Hermann.
- ◆ Not misuse our position with Memorial Hermann for personal gain.
- ◆ Not engage in outside business activities, such as employment or contracting arrangements, that conflict with the interests of Memorial Hermann.
- ◆ Not use Memorial Hermann resources and property (including supplies, equipment, facilities or personnel) in conducting outside business activities.
- ◆ Not use or disclose Memorial Hermann information that is confidential, proprietary or not generally known to the public.
- ◆ Ensure that employees, physicians and vendors are not disturbed, interfered with or solicited while carrying out their job duties. Solicitation of patients and visitors is also restricted during their stay or visit.
- ◆ Not employ or have a Memorial Hermann business relationship with a relative without making it known to our supervisor.
- ◆ Not employ a person to be supervised by, or to supervise, another member of the person's family unless the situation is warranted by special circumstances. In such situations, special oversight will be arranged so that a conflict of interest does not occur between family members with respect to their Memorial Hermann duties.
- ◆ Report actual or perceived conflicts of interest to a supervisor.
- ◆ Not accept a gift that violates the Memorial Hermann Receipt of Gifts and Favors from Vendors policy.

PHYSICIAN, PATIENT AND VENDOR GIFTS

STANDARD OF CONDUCT: We are committed to avoiding situations that might create an actual or potential conflict of interest by limiting the offering or acceptance of certain gifts and favors that involve our physicians, patients and vendors. It is never appropriate to give or receive gifts or favors, such as meals or entertainment, that might be interpreted as an inducement. It is always best to seek assistance from your supervisor if you have any questions about the appropriateness of a gift or favor.

Physicians:

We will:

- ◆ Comply with Memorial Hermann's Gifts to Potential Referral Sources (Physicians) policy.
- ◆ Always act in accordance with the federal regulations that limit the cumulative value of gifts that can be provided to physicians in a calendar year.
- ◆ Always obtain preapproval from the hospital department or business unit responsible for tracking physician gifts prior to providing a benefit to ensure that the annual limit is not exceeded.
- ◆ Never provide cash or gift cards of any amount to physicians.
- ◆ Never provide anything of value to a physician that takes into consideration the value or volume of referrals.
- ◆ Never provide anything of value that has been solicited or requested by a physician.

Patients:

We will:

- ◆ Comply with the Memorial Hermann Gifts to Employees from Patients and Patients' Family Members policy.
- ◆ Never accept cash of any amount from a patient/family member.
- ◆ Never accept non-cash gifts (including gift cards) in excess of \$25 from a patient or patient's family.
- ◆ Never accept any gifts that might influence or appear to influence the provision of patient care or our duties and responsibilities to Memorial Hermann.

- ◆ Never solicit gifts from a patient or patient's family member.
- ◆ Never provide any gifts or favors that would be likely to influence patients to seek or continue health care services with Memorial Hermann.

Vendors (including any individual or entity doing business or seeking to do business with Memorial Hermann):

We will:

- ◆ Comply with the Memorial Hermann Receipt of Gifts and Favors from Vendors policy.
- ◆ Never accept merchant-specific gift cards in excess of \$25 from a vendor. Cash or cash-equivalent gift cards (such as a Visa, MasterCard, or American Express gift card) of any amount from a vendor may never be accepted.
- ◆ Never accept substantial gifts, excessive or unusual entertainment, or other favors from an individual/concern which does or is seeking to do business with Memorial Hermann or is a competitor of Memorial Hermann.
- ◆ Never offer, provide or accept a benefit or gift in exchange for referring a patient for health care services to a particular vendor or health care provider.
- ◆ Receive approval prior to accepting reimbursement for expenses related to any educational or training opportunity offered by a vendor.
- ◆ Not accept or retain honorariums (or other payments) offered by a vendor or other outside concern for participating in a speaking engagement.

HEALTH AND SAFETY

STANDARD OF CONDUCT: We are committed to maintaining a workplace that protects the health and safety of our patients and employees. We will:

- ◆ Comply with all safety and health requirements whether established by management, federal, state or local laws, or accrediting organizations.
- ◆ Take all reasonable precautions and follow all safety rules and regulations to maintain a safe environment for our patients, employees, physicians, visitors, and vendors.
- ◆ Provide an environment that is free from violence. Unauthorized weapons of any kind are strictly prohibited.
- ◆ Follow all laws and regulations regarding the disposal of medical waste and hazardous material.
- ◆ Promptly report to a supervisor all spills or accidents involving medical waste or hazardous materials and take appropriate action to help prevent harm.
- ◆ Promptly report to a supervisor, and complete a report in the online reporting system, any accidents involving injury to an employee, patient, physician, vendor or visitor.
- ◆ Provide training in safe work practices to reduce hazards to the health and safety of employees and others.
- ◆ Have supervisors be responsible for inspecting the work area under their control for health and safety risks, eliminating or reporting risks, be familiar with health and safety procedures, and train their employees in health and safety precautions.
- ◆ Not permit the manufacture, sale, possession, distribution or use of illegal drugs or alcohol at work. Reporting to work while under the influence of illegal drugs or alcohol will not be tolerated.
- ◆ Safely store, secure and count all drugs and pharmaceuticals. Missing drugs will be promptly reported to supervisors.

PHYSICIANS AND ALLIED HEALTH PROFESSIONALS

STANDARD OF CONDUCT: Memorial Hermann is committed to providing all health care services in full compliance with all applicable laws, regulations and guidelines, as well as with its own policies and procedures. Memorial Hermann is particularly sensitive to requirements applicable to federal and state health care programs. Compliance by physicians and other allied health professionals (e.g., nurse anesthetists, nurse practitioners, physician assistants, psychologists, etc.) associated with Memorial Hermann is important to our overall compliance efforts.

- ◆ Physicians and allied health professionals associated with Memorial Hermann must comply with all applicable federal and state laws and regulations, professional and accrediting standards and Memorial Hermann policies.
- ◆ The Memorial Hermann Health System Standards of Conduct ('Standards') shall be made available to all physicians and allied health professionals associated with Memorial Hermann upon application for appointment or reappointment for medical staff credentialing and privileging. By their signature, they shall acknowledge receipt of the Standards and that it is their responsibility to read and comply with the procedures and policies set forth in the Standards.
- ◆ All physicians and allied health professionals who practice at a Memorial Hermann facility, or within the Memorial Hermann Accountable Care Organization, are responsible for understanding and complying with the requirements of the Memorial Hermann Health System Standards of Conduct.
- ◆ Physicians and allied health professionals associated with Memorial Hermann are required to participate in compliance training and educational programs that complement the Memorial Hermann Health System Standards of Conduct, compliance requirements, and other rules and regulations. Further, physicians and allied health professionals are encouraged to develop compliance programs in accordance with the OIG's Compliance Program Guidance for Individual and Small Group Physician Practices.
- ◆ All physicians will complete the CMS-required Medicare Part C and D General Compliance Training course annually, as provided by Memorial Hermann. In addition, any physician not enrolled in Medicare will also take the Combating Medicare Part C and D Fraud Waste and Abuse Training course.
- ◆ Physicians and allied health professionals may not practice at Memorial Hermann if they have been excluded, debarred or are otherwise ineligible to participate in government health care programs. Memorial Hermann will have physicians and allied health professionals who provide medical services through Memorial Hermann screened for exclusion, debarment or other ineligible status utilizing the federal and state Office of Inspector General, as well as the General Services Administration's lists of excluded and ineligible persons. Further, physicians and allied health professionals must promptly

report to Memorial Hermann if they have been or will be excluded, debarred or are otherwise ineligible to participate in government health care programs

- ◆ Memorial Hermann will promptly and thoroughly investigate alleged misconduct by physicians and allied health professionals performing services within the Memorial Hermann work environment.
- ◆ The Memorial Hermann Chief Compliance Officer has authority to request and review all documents and other information that are relevant to compliance activities, including those concerning physicians and allied health professionals.

VENDORS AND CONTRACTORS

STANDARD OF CONDUCT: Memorial Hermann is committed to providing all health care services in full compliance with all applicable laws, regulations and guidelines, as well as with its own policies and procedures. Memorial Hermann is particularly sensitive to requirements applicable to federal and state health care programs and the submission of accurate bills for all services provided. Compliance by vendors, contractors, consultants, suppliers and agents (including First Tier, Downstream and Related Entities (FDRs)) conducting business on behalf of Memorial Hermann or in the Memorial Hermann work environment is important to Memorial Hermann's overall compliance efforts.

Memorial Hermann:

- ◆ Will make available the Standards of Conduct to all vendors, contractors, consultants, suppliers and agents with whom Memorial Hermann conducts business.
- ◆ Will provide access to written compliance policies that identify specific areas of risk to the hospital associated with the services. All vendors, contractors, consultants, suppliers, agents and others doing business with Memorial Hermann will be responsible for understanding and fully complying with policies applicable to their activities.
- ◆ Will promptly and thoroughly investigate alleged misconduct by vendors, contractors, consultants, suppliers and agents performing services for or on behalf of Memorial Hermann.
- ◆ Through the Memorial Hermann Chief Compliance Officer, will strive to review all pertinent documents and other information relevant to compliance investigations, including those of or pertaining to outside individuals and entities such as vendors, contractors, consultants, suppliers, agents and others.
- ◆ Will have all vendors doing business with Memorial Hermann screened for exclusion, debarment or other ineligible status utilizing the federal and state Office of Inspector General, as well as the General Services Administration's lists of excluded and ineligible persons.

All vendors and others doing business with Memorial Hermann shall be committed to:

- ◆ Complying with all applicable federal and state laws and regulations, including all applicable state and federal privacy laws (such as HIPAA and the HITECH Act) and CMS Medicare and Medicaid guidance, and professional and accrediting standards.
- ◆ Attesting to and acknowledging receipt of the Standards of Conduct and that it is their responsibility to read and comply with the policies and procedures set forth in the Standards of Conduct.

- ◆ Competing fairly for Memorial Hermann's business without paying bribes, kickbacks or giving anything of value to secure an improper advantage.
- ◆ Following all Memorial Hermann policies applicable to their presence in or relating to the Memorial Hermann work environment and/or work on Memorial Hermann's behalf such as the Receipt of Gifts and Favors from Vendors Policy and the Vendor Management Policy.
- ◆ Participating in, or developing for their own use, compliance training and educational programs which will complement the Memorial Hermann Health System Standards of Conduct, compliance requirements, and applicable rules and regulations. Further, they are encouraged to develop compliance programs in accordance with applicable OIG Compliance Program Guidance documents.
- ◆ Promptly reporting to Memorial Hermann if they become excluded, debarred or otherwise ineligible to participate in government health care programs and ensuring no excluded individuals or legal entities associated with them perform any functions for Memorial Hermann.

In addition to the above, all Medicare FDRs doing business with Memorial Hermann shall be committed to:

- ◆ Pursuing the ethical handling of conflicts of interest when conflicts or the appearance of conflicts are unavoidable, including full disclosure to Memorial Hermann regarding any transaction or relationship that reasonably could be expected to give rise to a conflict.
- ◆ Notifying Memorial Hermann of any employee or contractor disciplinary actions taken as a result of a material compliance infraction.
- ◆ Keeping financial books and records in accordance with all applicable legal, regulatory and fiscal requirements and accepted accounting practices.
- ◆ Processing all claims in a timely manner in accordance with Centers for Medicare & Medicaid Services (CMS) guidelines.

WHEN IN DOUBT

If you are unsure whether an activity or situation is unethical or illegal, pursue it until you are confident that it is either resolved, or that the right person in your organization knows the facts and can take action. A delay on your part could have serious consequences for you, others, and the organization.

The following words and phrases should be a warning sign to you that a problem may exist:

“Well, maybe just this once.”

“Everyone does it.”

“No one will ever know.”

“Shred that document -- no problem.”

“No one will get hurt.”

If you encounter any of these warning signs or are unsure whether an activity or situation is unethical or illegal, the following questions can help you determine if further action is required:

“Does it potentially break a law, regulation, policy or Standard of Conduct?”

“How will I feel about myself afterwards?”

“What would my family, friends, our physicians or patients think?”

“How would it look if it were in the newspaper tomorrow?”

“Is it fair and honest?”

If you are not comfortable with any of your answers to the above questions, or if you are still not sure whether an activity is wrong, contact your supervisor or call the Memorial Hermann Compliance Helpline. The four-step communication and reporting process outlined in the next section is a helpful guide.

COMMUNICATION AND REPORTING PROCESS

Memorial Hermann is committed to creating an open environment for communication for you to be able to address compliance related questions and concerns. A clear process for reporting potential compliance violations is also an important part of the Memorial Hermann Corporate Compliance Program.

Employees have a responsibility to immediately report misconduct, including actual or potential violations of laws, regulations, policies, procedures, or the Standards of Conduct.

If you have a question or concern about an activity being unethical, illegal, or wrong, or suspect a violation, use the following process to get answers to your questions and to report concerns. Throughout this process, your identity will be kept as confidential as possible.

1. Talk to your supervisor first as he or she should be familiar with the laws, regulations, and policies that relate to your work.

If your question or concern involves a human resources related matter, please contact the Memorial Hermann HR Shared Services Employee Hotline at (713) 456-6447.

2. If you are not comfortable contacting your supervisor, or if you don't receive a satisfactory response, talk to another member of your management team.
3. If for any reason you feel you cannot follow the previous steps, or if you want to remain anonymous, you may call the Memorial Hermann Compliance Helpline.

Memorial Hermann Health System Compliance Helpline

713-338-4140

or 1-877-448-4140

Para ayuda en Español: 1-800-297-8592

(Other language translations are also available)

4. You may also choose to report your concerns to the Chief Compliance Officer.

Chief Compliance Officer, Charles Bumpass: 713-338-4113

Patients, medical staff, vendors, contractors, suppliers, consultants, agents, and health plan members are also encouraged to report potential compliance concerns to Memorial Hermann.

COMPLIANCE HELPLINE

We recognize that there are times when questions or problems cannot be addressed through the normal communication and reporting process. When this happens, you should use the Compliance Helpline. We utilize an outside company to take Helpline calls, so callers who do not wish to give their names can remain anonymous. The operators of the Helpline are trained to assist you in resolving questions and reporting concerns. The Helpline may be reached at **1-877-448-4140** or **713-338-4140**. Multiple languages can be accommodated.

Calls to the Helpline will not be traced. You will remain anonymous, unless you choose to identify yourself. If you do give your name, your identity will be protected to the fullest extent practical or allowed by law.

The information from calls made to the Helpline will be reviewed by the Memorial Hermann Chief Compliance Officer and will be responded to fairly. All concerns will be carefully investigated before any action is taken. The rights of all staff, including anyone who may be the subject of a Helpline call, will be respected and protected. Corrective actions taken will not be made public.

NON-RETALIATION

Employees, volunteers, medical staff, vendors, contractors, suppliers, agents and anyone else engaged in work at Memorial Hermann should be able to ask questions, seek clarification and report potential or actual noncompliance without fear of retaliation. Similarly, health plan members should be able to report concerns about plan administration or suspected fraud, waste, or abuse without fear of retaliation. No disciplinary action or retaliation will be taken against you for reporting a compliance issue in good faith, meaning you believe the information you are reporting is true. We value and respect the dignity of the individual; therefore, you will be treated fairly and with respect.

CERTIFICATION AND ACKNOWLEDGEMENT

I have received and I will read the Memorial Hermann Health System Standards of Conduct. I understand that the Standards of Conduct apply to my employment and/or contractual relationship and that following all laws, regulations, policies and the Standards of Conduct is a condition of that relationship. I will seek advice from my supervisor, another manager, a Human Resources representative or the Chief Compliance Officer, or I will call the Compliance Helpline with any compliance questions or issues.

My signature means that I have received the Memorial Hermann Health System Standards of Conduct, and that I acknowledge that it is my responsibility to read and comply with the procedures and policies set forth in the Standards of Conduct and with any new or revised policies located therein.

Signature

Employee Number/Tax I.D. Number

Printed Name

Company/Organization Name

Position and Department/Division

Date