

NOTHING CONTAINED IN THIS POLICY OR IN ANY OTHER POLICY CREATES A CONTRACT RIGHT. CONSISTENT WITH SOUTH CAROLINA LAW, ALL EMPLOYEES ARE EMPLOYED "AT WILL," WHICH MEANS THAT THE EMPLOYEE HAS THE RIGHT TO TERMINATE HIS OR HER EMPLOYMENT AT ANY TIME, WITH OR WITHOUT NOTICE OR CAUSE, AND THAT PALMETTO HEALTH RETAINS THE SAME RIGHT. EXCEPTIONS TO THE POLICY THAT ALL EMPLOYEES ARE EMPLOYED "AT WILL" MAY BE MADE ONLY BY WRITTEN AGREEMENT SIGNED BY THE CEO OF PALMETTO HEALTH.

Code of Conduct

Effective: March 5, 1998

Reviewed:

Revised:

August 10, 2004

December 1, 2010

October 1, 2007

December 1, 2011

October 1, 2008

October 1, 2012

October 1, 2009

Policy Statement: Palmetto Health is committed to conducting its business lawfully and ethically; it is a place of business where an environment of trust, integrity and the highest ethical standards are maintained at all levels of the system. To protect Palmetto Health's vision and reputation and to assure uniformity in standards of conduct, Palmetto Health has established this Code of Conduct (Code) as part of its Corporate Compliance Program (Program). Compliance Officers have been appointed to ensure compliance with the Program, to serve as contacts for workforce members to report any potential violations and to take appropriate action against violators when appropriate.

This Code establishes the general policy and procedure that all workforce members must comply with as a condition of employment with Palmetto Health. This Code exists to ensure that workforce members' conduct conforms to the highest ethical standards and is in accordance with all applicable laws, rules and regulations. This policy is not meant to cover all situations. Any doubts whatsoever as to the propriety of a particular situation, whether or not the situation is within this Code, should be submitted either to an immediate supervisor or to one of Palmetto Health's Compliance Officers. The intent of the Program is to safeguard Palmetto Health's tradition of strong moral, ethical and legal standards of conduct

Definitions

1. **Anti-trust Laws:** for the purposes of all policies contained in the Compliance Program, refer to laws that prohibit competitors from entering into agreements to fix prices or to reduce price competition. In general, the Anti-trust laws benefit consumers by protecting competition.
2. **Anti-kickback Laws:** for the purposes of all policies contained in the Compliance Program, refer to laws that prohibit the offer or receipt of certain compensation in return for referrals for or recommending purchase of supplies and services reimbursable under government health care programs.
3. **Family Member:** an individual who is the spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent or grandchild or a member of the individual's immediate family.
4. **Workforce Members:** for purposes of all policies contained in the Compliance Program, refers to employees, independent contractors, volunteers, students, trainees, medical residents, fellows and other persons whose conduct in the performance of work for Palmetto Health is under the control of the organization.

Policy Specifications:

1. Every Palmetto Health workforce member is required to understand and fully comply with the principles of the rules and approved procedures established by this Code.
 - 1.1 The standards of conduct that govern Palmetto Health's relationship with the government are applicable to all workforce members whether or not the member is directly engaged in performing activities relevant to any federal, state or private contracts.
 - 1.2 Decisions regarding requests for interpretation of or exception to this Code may be made only by the Chief Compliance Officer. Any workforce member violating any provision of this Code will be subject to disciplinary action, up to and including discharge from employment, in accordance with Human Resources' *Disciplinary Action* policy.

- 1.3 Promotion of and adherence to this Code and to the Program will be one criteria used in evaluating the performance of personnel.
 - 1.4 Any additional policies set forth in any other Palmetto Health manual should be consistent with this Code. In the event any inconsistency is discovered, the provisions of this Code will govern.
2. These guidelines are designed to assist workforce members in making the right choices. We clearly understand that the responsibility for ethical behavior rests with each of us through the judgments we make and the actions we take. We are all expected to recognize and avoid activities and relationships that involve, or might appear to involve, conflicts of interest or behavior that may cause embarrassment to the organization or compromise its integrity.

Workforce Members

1. Palmetto Health workforce members must comply with all applicable federal, state and local laws and government regulations. Any actual or perceived violation of this Code or the Program must be immediately and directly reported to a Palmetto Health Compliance Officer.
2. Workforce members must comply with all policies and procedures in this and all other Palmetto Health manuals.
3. All Palmetto Health workforce members must exercise absolute candor in providing facts and information requested by a Compliance Officer, other Palmetto Health personnel or other external personnel with authority to investigate any suspected violation of any law, regulation or this Code.
4. All patients are to be treated properly, respectfully, with dignity and as described in the Patients' Bill of Rights.
5. All Palmetto Health workforce members must comply with all policies governing patient care including, but not limited to patient confidentiality, continuity of care and one level of care for all patients.

Dealing Honestly With Customers, Suppliers and Consultants

1. Palmetto Health envisions a healthcare system where quality service for patients and their physicians is relentlessly pursued, and there is a continuous effort to strengthen quality and improve cost effectiveness. Palmetto Health is committed to providing services that meet all contractual obligations and quality standards.
2. All data delivered by Palmetto Health to a government or commercial provider will be accurate, complete and current to the best belief of the workforce member involved in its preparation.
3. Palmetto Health will not distort the truth or make false claims when conducting marketing and advertising activities.

Anti-trust Activity

4. Anti-trust laws prohibit competitors from entering into agreements to fix prices or to reduce price competition. Price fixing has been interpreted broadly to include any type of joint action between two competitors which influences the price of products or services that the competitors sell either directly or indirectly.
 - 4.1 Because it is often difficult to determine what activities may result in price fixing, Palmetto Health workforce members should adhere to the following principles:
 - 4.1.1 Workforce members should not provide Palmetto Health business information to a competitor, unless the provision of this information is necessary to consummate a bona fide customer/supplier relationship or to serve particular customers jointly or unless Palmetto Health has already disclosed this information to the general public. Workforce members may supply pricing information to customers even though a competitor may obtain this information through the customer. However, workforce members should limit the pricing information provided to customers to only that information which is necessary for the particular customer.
 - 4.1.2 Workforce members should not obtain information about a competitor's business directly from the competitor unless the provision of this information is necessary to consummate a bona fide customer/supplier relationship or to serve particular customers jointly. Workforce members will not

obtain such information directly from a competitor in order to perform market analyses. However, workforce members may obtain information from public sources or other parties.

- 3.1 Anti-trust laws apply to commercial transactions by Palmetto Health, and they are designed to ensure that competition exists and to preserve the free enterprise system. In general, the Anti-trust laws benefit the consumer by protecting competition. As these laws can be very technical and are applied in a highly complex area, this Code cannot cover all situations in which Anti-trust laws may apply. Workforce members should take special care in this area and promptly refer any questions to the Chief Compliance Officer who will consult legal counsel as appropriate. Anti-trust issues that a workforce member may encounter include the areas of pricing, boycotts and trade association activity.
- 4.3 The following examples of actions that violate the Anti-trust law and are absolutely prohibited, under any circumstance, include entering into or negotiating an agreement with one or more competitors to:
 - 4.3.1 Fix prices at any level or to fix other terms of service;
 - 4.3.2 Allocate customers or markets; or
 - 4.3.3 Boycott a supplier or customer.
- 4.4 Workforce members must refrain from engaging in unfair practices that might restrict competition. For example, workforce members should refrain from any discussion of pricing schemes or market divisions with competitors to avoid violating these prohibitions. Also, workforce members must refrain from reciprocal agreements and must not require purchasers to buy from Palmetto Health under any kind of coercion, expressed or implied.

Anti-kickback Activity

5. Federal and state laws prohibit Palmetto Health and its workforce members from offering a kickback to any entity or person to induce customers or potential customers to purchase services from or refer a patient to Palmetto Health. Federal and state laws prohibit accepting a kickback and prohibit the filing of false claims. As this is a highly complex area of law, this policy cannot list all situations in which the anti-kickback or false claims act may apply. Therefore, workforce members must take special care in this area, and promptly refer any questions to a Compliance Officer who may refer the question to legal counsel if appropriate.
 - 5.1 Examples of the types of actions that could violate the Medicare/Medicaid anti-kickback statute and similar state laws include the following:
 - 5.1.1 Offering or paying anything of value to induce someone to refer a patient to use Palmetto Health's services;
 - 5.1.2 Offering or paying anything of value to anyone (patient or referral source) in marketing Palmetto Health;
 - 5.1.3 Soliciting or receiving anything of value for the referral of Palmetto Health patients to others; or
 - 5.1.4 Receiving free goods, other than pursuant to volume purchase discounts, samples and other normal marketing material of minimal value when purchasing products.
 - 5.2 Palmetto Health has adopted various policies designed to ensure compliance with federal and state anti-kickback laws. Examples of the types of actions that could violate the Federal False Claims Act (see the Corporate Compliance *Detecting and Preventing Fraud, Waste and Abuse* PGR) and other federal false billing laws include:
 - 5.2.1 Filing a false claim for services that were not rendered at all or that were not rendered as described on the claim form;
 - 5.2.2 Filing a claim for services that were rendered but were known to be medically unnecessary;
 - 5.2.3 Submitting a claim containing information you know to be false; or
 - 5.2.4 Misusing Social Security or Medicare symbols, emblems or names in marketing.

Billing and Finance

- 5.3 Patient Financial Services (PFS) personnel must comply with Palmetto Health's *Billing and Reimbursement PGR*; this PGR should be referred to for further guidance when questions arise.
 - 5.3.1 Workforce members reporting data used for billing purposes will report such data accurately and in accordance with applicable guidelines and regulations.
6. Palmetto Health strives to ensure billing and reimbursement practices comply with all federal and state laws, regulations, guidelines and policies and that bills are accurate and reflect current payment methodologies.
 - 6.1 Efforts will be made to distribute bills timely and answer subsequent questions.
 - 6.2 All billing departments will maintain current billing and reimbursement policies and procedures.
 - 6.3 Appropriate and accurate documentation of physicians' orders is required in accordance with approved billing and reimbursement practices.
7. Workforce members are required to review their timesheets for accuracy and report any errors to their immediate supervisor.
 - 7.1 Workforce members must be particularly careful that hours worked and costs incurred are applied to the department or account for which the effort was required.
 - 7.2 Timesheets must be submitted in a complete, accurate and timely manner.
 - 7.3 The supervisor's signature/approval on a timesheet or expense report signifies his/her review and verification of the validity and appropriate allocation of the hours and expenses reported.

Emergency and General Patient Care

8. Palmetto Health will provide treatment to all individuals who have an emergency medical condition (see Corporate Compliance *Emergency Care PGR*).
 - 8.1 Palmetto Health may not delay the treatment or provision of appropriate medical screening in order to inquire about the individual's method of payment or insurance coverage.
 - 8.2 Palmetto Health will comply with all federal and state laws, rules and regulations pertaining to the transfer of patients to another facility.
 - 8.3 Patients needing admission will be admitted without discrimination because of age, sex, race, religion, handicap, or national origin.
 - 8.4 All patients will be treated without discrimination in regard to charges and medical care.
 - 8.5 Workforce members will comply with all Palmetto Health policies and procedures and federal and state regulations governing advance directives and right to die issues.

USING PALMETTO HEALTH'S RESOURCES PROPERLY

1. Workforce members may not contribute or donate Palmetto Health's funds, products, services or any other resource to any political cause, party or candidate without the advance written approval of the Chief Compliance Officer (CCO) and Chief Executive Officer (CEO).
 - 1.1 Workforce members may make voluntary personal contributions to any lawful political cause, party or candidate as long as the workforce member does not represent that the contribution comes from Palmetto Health and as long as the individual does not get the money for the contribution from Palmetto Health for the sole purpose of making such a contribution.

Business Courtesies and Gifts

2. Palmetto Health's success results from providing quality services at competitive prices. Palmetto Health will not seek to gain an advantage by improperly offering business courtesies such as entertainment, meals, transportation or lodging to referral sources or purchasers of Palmetto Health's services. To avoid even the appearance of

impropriety, workforce members must not provide any referral source or purchaser with gifts or promotional items of value.

- 2.1 Except for additional restrictions that apply in the federal or state government area and are noted below, workforce members may pay for reasonable meal, refreshment and/or entertainment expenses for referral sources and purchasers of Palmetto Health services which occur only occasionally, are not requested or solicited by the recipient, and are not intended to or likely to affect the recipient's business decisions with respect to Palmetto Health.
 - 2.2 Workforce members may provide or pay travel or lodging expenses of a customer or source of customers only with the advance approval of the vice president or corporate officer responsible for the department and a Compliance Officer if the travel or lodging is not for a business-related purpose.
 - 2.3 Reasonable meals and/or refreshments may be provided to appropriate community groups by Palmetto Health only with advance approval of a vice president or corporate officer responsible for the department. The fact that the group may include actual or potential referral sources or purchasers of Palmetto Health services will not prohibit Palmetto Health from providing such courtesies, as long as the person receives the same treatment as all other participants in such group functions.
3. All payments, benefits or gifts provided to any member of Palmetto Health's workforce or his/her family member must comply with the *Potential Conflicts of Interest, Business Courtesies and Gifts* and *Charitable Contributions* policies.
 - 3.1 Workforce members will not request, coerce or in any way solicit vendors or others to make gifts or charitable contributions to Palmetto Health or its for-profit or not-for-profit subsidiaries.
 - 3.1.1 All unsolicited charitable contributions received must be processed through a Palmetto Health Foundation and must directly benefit Palmetto Health, its for-profit or not-for-profit subsidiaries.
 - 3.1.2 A check may not be made payable to an individual at Palmetto Health or its for-profit or not-for-profit subsidiaries.
 - 3.1.3 Donations will not be accepted if Palmetto Health, its for-profit or not-for-profit subsidiaries are required to purchase supplies from the contributing vendor.
 - 3.1.4 Donations will not be accepted if they are tied in any way to marketing activities initiated by the vendor.
 - 3.2 Palmetto Health workforce members will not receive any financial subsidies for educational activities that create the appearance of impropriety or conflict with Corporate Compliance's *Business Courtesies and Gifts* PGR.

Research

- 3.3 Palmetto Health will ensure any funds provided to support healthcare research or consulting agreements are provided in a manner clearly separating such payments from referrals.
 - 3.3.1 All research awards from sponsors must be reported and approved by the Vice-President and/or Department Head and must be for legitimate, bona fide research.
 - 3.3.2 All research conducted must meet the criteria outlined in institutional and federal guidelines, which can be found on the Palmetto Health website.

Billing and Finance

4. Palmetto Health is a party to numerous government contracts or subcontracts with various governmental agencies. Examples include provider contracts wherein Palmetto Health supplies services to or on behalf of Medicare/Medicaid programs, either directly or as a subcontractor to a Medicare/Medicaid contractor. It is essential that workforce members are knowledgeable of, and comply with, all of the applicable laws, rules and regulations of all such governmental agencies and their contractors.

- 4.1 Billing Personnel must comply with the Corporate Compliance *Billing and Reimbursement* PGR.
 - 4.2 Any workforce member with a concern or question concerning compliance with any standard of care or services, governmental contract or subcontract should contact his/her supervisor or a Compliance Officer.
5. All Palmetto Health payments and other transactions must be properly authorized, accurate and completely recorded in accordance with generally accepted accounting principles and established corporate accounting policies. No false, incomplete corporate entries may be made. No undisclosed or unrecorded corporate funds will be established for any purpose, nor will Palmetto Health's funds be placed in any personal or non-corporate accounts. All corporate assets must be properly protected and asset records must be regularly compared to actual assets with proper action taken to reconcile any variances.

Avoiding Abuses of Trust

Potential Conflicts of Interest

1. Palmetto Health workforce members must not engage in any activity that interferes or appears to interfere with his/her judgment in situations where the employee's personal interest might detract from or conflict with the best interest of Palmetto Health, its customers and/or suppliers.
 - 1.1 Workforce members will not use his/her position, or any knowledge gained from his/her position, in such a way that a conflict of interest, the appearance of impropriety or personal gain might arise between the interest of Palmetto Health, the interest of the workforce member, members of the workforce member's family, individuals with whom the workforce member is associated and/or businesses with which the workforce member is associated. Outside employment is included in this definition.
 - 1.1.1 Workforce members will disclose any situation where a potential conflict of interest might arise. Examples include but are not limited to moonlighting, second businesses, and family/friend/employment/ownership with a competitor, vendor and/or government agency.
 - 1.1.2 Workforce members will not in any way attempt to use his/her employment to influence a Palmetto Health decision in which the workforce member, a member of his/her family, an individual with whom he/she is associated or a business with which he/she is associated or has an economic interest in or where the workforce member may experience personal gain. For Richland Memorial Hospital workforce members leased to Palmetto Health, these terms are defined in the State Ethics Act. A copy of the State Ethics Act is available in the Office of the General Counsel, the Human Resource office and the office of the Chief Compliance Officer.
 - 1.1.3 Should a situation arise wherein any of the above scenarios exist, full disclosure to a vice president, corporate officer or Compliance Officer is required in addition to disclosure on the Potential Conflict of Interest form, see *Potential Conflict of Interest* PGR.
 - 1.2 Palmetto Health workforce members will not trade in the securities of any company, or buy and/or sell any property or assets, on the basis of information acquired through his/her employment, whether such information comes from Palmetto Health or a company with which Palmetto Health has a confidential relationship.

Confidentiality

2. The dissemination of Palmetto Health's proprietary information is closely controlled. Except as specifically authorized by management pursuant to established policy or procedure, workforce members should not disclose to any outside party any non-public business, financial, personnel, commercial or technological information, plans or data acquired during employment at Palmetto Health.
 - 2.1 Palmetto Health workforce members should disseminate these types of information only to individuals with a "need to know" and should protect such information from access by unauthorized personnel.
 - 2.2 Upon termination of employment, an individual may not copy, take or retain any documents containing Palmetto Health's restricted information. The prohibition against disclosing Palmetto Health's restricted information extends beyond the period of employment as long as the information is not in the public domain.

An individual's agreement to continue to protect the confidentiality of such information after the term of employment ends is considered an important part of that person's obligation to Palmetto Health.

- 2.3 Workforce members must strictly safeguard all confidential information with which they are entrusted and must never discuss such information outside the normal and necessary course of Palmetto Health's business.
- 2.4 All workforce members must protect the confidentiality of all patient records and the information contained therein. Records containing documentation related to sensitive information like alcohol abuse, drug abuse, psychiatry, HIV status, etc. are to be kept extremely confidential.
- 2.5 Workforce members must also respect and protect the confidential nature of personnel and employee health records.
- 2.6 Those associated with Palmetto Health shall not seek, use, or disseminate information for which they do not have a need or right to know to perform their direct responsibilities. This also applies to employees accessing their own personal information.
- 2.7 Workforce members agree to abide by Palmetto Health policies regarding confidentiality of information as well as federal and/or state law including the Health Insurance Portability and Accountability Act known as HIPAA.
- 2.8 Palmetto Health does not solicit any sensitive proprietary internal government information, including budgetary, program or source selection information before it is available through normal processes.

Substance Abuse

3. Palmetto Health provides its workforce members and customers with an environment that is free of abuse of controlled substances and alcohol. As a part of this commitment, Palmetto Health has an established Human Resource *Substance Abuse* policy that workforce members should abide by.

Implementation of Palmetto Health's Code of Conduct

1. Upon initial adoption by the Board, a copy of this Code was provided to all workforce members. Thereafter, workforce members will sign a Statement of Understanding (Exhibit A) both at the time of employment and on an annual basis thereafter.
 - 1.1 Signing of this Statement will be done in conjunction with the training requirements set forth in the Corporate Compliance *Compliance Education and Training* PGR and in accordance with Organizational Development education requirements.
 - 1.2 New workforce members will sign the Statement within (30) days of initial employment and then on an annual basis in conjunction with the training requirements set forth in the Program.
 - 1.3 All signed original Statements will be included in the workforce member's Human Resources personnel file.

Training

1. In consultation and coordination with Palmetto Health's Chief Compliance Officer, the Senior Vice President of Human Resources will ensure all workforce members participate in annual compliance training dealing with laws, the Program and/or this Code.
2. The Compliance Officer for Human Resources will establish other training or dissemination of information to all workforce members concerning the necessity to comply with all applicable laws and with this Code, including the continuation of existing compliance programs such as Medicare/Medicaid billing compliance.
3. Individual departments will provide department-specific training to workforce members as appropriate.

Report to the Board of Directors

1. At least annually, the Chief Compliance Officer or his/her designee will report to the Board concerning:
 - 1.1 Palmetto Health's adherence to the standards of legal and ethical conduct contained in this Code; and
 - 1.2 The Program, in general.

Reporting Violations and Discipline

1. Strict adherence to this Code is vital. Supervisors are responsible for ensuring workforce members are aware of and adhere to its provisions. For clarification or guidance on any point in the Code, consult a Compliance Officer.

2. Workforce members must report any suspected violations of the Code or other irregularities to their supervisor or a Compliance Officer.
 - 2.1 If the workforce member wishes to remain completely anonymous, that workforce member may submit his/her report through the Compliance Hotline ((1-888-398-2633 or <http://palmettohealth.silentwhistle.com>). The number and website address have been posted throughout Palmetto Health and have been communicated to workforce members through various Palmetto Health publications. All reports must contain sufficient information for the Chief Compliance Officer to investigate the concerns raised.
3. No adverse action or retribution of any kind will be taken by Palmetto Health against any workforce member because he/she reports in good faith a potential violation of this Code or other irregularity.
4. Palmetto Health will treat such reports confidentially and protect the identity of the workforce member who has made a report to the maximum extent consistent with fair and rigorous enforcement of the Code unless state and/or federal law require they be divulged.
5. Upon receipt of one or more credible reports of potential violations or irregularities, the Chief Compliance Officer will investigate and implement corrective action where appropriate.
6. Violations of the Code may result in discipline ranging from warnings and reprimand to discharge or, where appropriate, the filing of a civil or criminal complaint. Disciplinary decisions will be made according to Human Resources policy, and may be reviewed by the Chief Compliance Officer. Workforce members will be informed of the charges against them.
7. Management may be sanctioned for failure to adequately instruct their subordinates or for failing to detect non-compliance with applicable policies and legal requirements, where reasonable diligence on their part would have led to the discovery of any problems or violations and given Palmetto Health the opportunity to correct them earlier.

Reservations of Rights

1. Palmetto Health reserves the right to amend the Code, in whole or in part, at any time and solely at its discretion.

October 1, 2012 _____

Approved

Signature on File _____

William L. Freeman, III

Chairman of the Board

Signature on File _____

Charles D. Beaman, Jr.

CEO

Sponsoring Department: Corporate Compliance 803-296-5044

Palmetto Health
Exhibit A
Corporate Compliance Program
October 1, 2012

**Statement of Understanding of and Compliance With
Palmetto Health Code of Conduct**

I have attended Palmetto Health’s Corporate Compliance Program training and agree to abide by its policies and procedures during the entire term of my employment. I acknowledge that I have been provided a copy of the Code of Conduct and have a duty to report any alleged or suspected violation of this Code of Conduct or the Corporate Compliance Program to a Compliance Officer. Unless otherwise noted below under Comments, I am not aware of any possible violation of the Code of Conduct or the Corporate Compliance Program. I will report any potential violation of which I become aware promptly to a Compliance Officer. I understand that any violation of the Corporate Compliance Program, the Code of Conduct or any other corporate compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment.

I also certify that I have not been convicted of, or charged with, a criminal offense related to healthcare nor have I been listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federally funded healthcare programs.

Comments: _____

Please check the appropriate box:

- I certify that this is my first review of this Code of Conduct Policy and Corporate Compliance Program following either initial adoption of this Policy or my initial employment.
- I certify that this is my annual review of this Code of Conduct Policy and Corporate Compliance Program.

Date

Signature

Department

Print/Type Name

Campus

ID Number