



KALISPELL REGIONAL HEALTHCARE

Code of Conduct



Improving health,
comfort, and *life*.

As a guardian of
this

Uphold **INTEGRITY** in my
words and actions.

Show **COMPASSION** to
every person, every

Provide **SERVICE** to my
patients, my co-workers,
and my community.

Demonstrate **EXCELLENCE**
every day, in every

Take **OWNERSHIP** for all I

ABOVE ALL...
do the right thing!

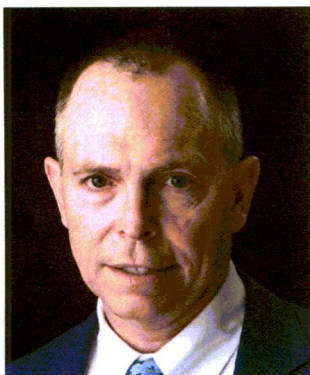
Dear

At Kalispell Regional Healthcare our mission is, "To improve health, comfort, and life." In order to achieve that mission, we must first and foremost be a people of integrity and honesty. To assure this ongoing commitment to integrity and honesty, we are pleased to introduce the Kalispell Regional Healthcare Code of Conduct.

The Kalispell Regional Healthcare Code of Conduct is part of our overall Compliance Program. It serves as a guide for each of us – board members, employees, volunteers and service providers – as we strive to conduct all of our business dealings with a high degree of honesty and integrity. Medical and business decisions can be complex. The Code of Conduct is a guide to using good judgment and making the right choices. We expect all of us to know and follow it. We all have a role to play and every one of us can make a real difference. Everyone has individual responsibility and accountability to follow our legal and regulatory compliance policies, and to conduct activities in an ethical manner. To help you, our Code of Conduct sets out our standards on how we should behave with our stakeholders, patients, fellow employees, community, physicians and regulators. However, no code of conduct can spell out appropriate behavior for every situation. Kalispell Regional Healthcare relies on each of us to use good judgment of what is right and proper in any particular situation. If there is any doubt, ask yourself:

1. *Does it comply with Kalispell Regional Healthcare standards, including this code and our policies and procedures?*
2. *How would my action look as a headline in tomorrow's newspaper?*
3. *How would my family or friends view my behavior?*
4. *Does it follow the letter and spirit of the law and regulation?*

You are a critical member of our team and play an important role in our future. Thank you for your



Sincerely

A handwritten signature in dark ink, appearing to read "Craig Lambrecht".

Craig Lambrecht, MD
President/Chief Executive
Officer

Compliance Mission Statement

The mission of the compliance department is to support Kalispell Regional Healthcare and our facilities as a trusted advisor providing information and support regarding regulatory requirements. We promote an ethical environment, protect our organizations' integrity, and promote adequate controls. While working collaboratively, we perform audits, conduct investigations, provide education, and promote the values of honesty, integrity, respect, and professionalism as outlined in the Code of Conduct.

By fulfilling this mission, we help to ensure outstanding patient care and stand as valuable partners in the communities where we serve. The Kalispell Regional Healthcare compliance department guides our employees by setting forth ethical and legal standards through our Code of Conduct and policies. Working together, we create awareness of these standards among everyone in our company. Compliance is everyone's job at Kalispell Regional Healthcare and we appreciate your contributions to making us an outstanding health care provider.



Table of Contents

CHAPTER 1: Program Overview and Standards of Behavior	6
CHAPTER 2: Patient Care	7
CHAPTER 3: Patient Privacy and Information Security	8
Questions and Answers	9
CHAPTER 4: Laws and Regulations	10
Anti-Kickback and Stark	10
Anti-Trust and Unfair Competition	10
Billing and Coding	10
Contracts	11
False Claims Act	11
Ineligible Individuals and Entities	11
EMTALA	11
Environmental Compliance	12
Questions and Answers	12
CHAPTER 5: Workplace Rules	13
Confidentiality of Business Information	13
Conflicts of Interest	13
Copyrights and Intellectual Property	13
Diversity and Equal Opportunity	14
Harassment	14
Duty to Report	14
Gifts, Vendors, Patients, and Physicians	15
Entertainment	15
Information Technology Systems	15
Personal Use of KRH Resources	16
Substance Abuse	16
Workplace Violence	16
Questions and Answers	16
CHAPTER 6: Reporting Violations and Addressing Integrity Concerns	18
How to Report Infractions or Concerns	18
Suggestions for Effective Reporting	18
Non-Retaliation/Retribution for Reporting Compliance Issues	19
Questions and Answers	19
Resources	20
Acknowledgement of the Code of Conduct	21

Chapter 1:

Program Overview and Standards of

Kalispell Regional Healthcare's (KRH) Compliance Program is designed around the seven elements of an effective compliance program, as set forth by the HHS Office of Inspector General (OIG) in its model hospital compliance program guidance. These seven elements are also reflected in the federal sentencing guidelines established by the U.S. Department of Justice. The following summarizes the structure of our program and its relevance to the seven elements.

1. Governance and Oversight — Our compliance program is governed at the highest levels of KRH. For example, the hospital compliance committees have access to the KRH board of trustees and the compliance officer. The compliance officer reports directly to the KRH CEO and board of trustees.

2. Standard and Procedures — We have adopted policies and procedures that aim to address various areas of regulatory risk and compliance. This Code of Conduct booklet is intended to be a high-level summary of some of those policies. Each workforce member is responsible for fully understanding the compliance policies that affect their role in the organization.

3. Education Programs — We have established various education modules to ensure our workforce members are properly trained on the requirements of the compliance policies that impact their respective jobs. These training programs are provided through a variety of platforms, including HealthStream, webinars, live training and self-study courses.

4. Auditing and Monitoring — We routinely audit and monitor adherence to our compliance policies, especially in areas we deem to be at high risk of potential non-compliance.

5. Standards of Discipline — To ensure that our compliance policies are followed and workforce members are treated equally, we have adopted standard levels of disciplinary action for violations of our compliance policies. These standards also state that workforce members, who self-report accidental or non-purposeful violations of our compliance policies, generally will not be disciplined but instead, will be provided additional education on the policies in question.

6. Reporting Options for Compliance Issues — As set forth in this booklet, we have established various means to report compliance issues, including the operation of a secure, third-party hotline that is staffed 24 hours a day, every day of the year. All workforce members who file a

report with the hotline can choose to remain anonymous. We have a strong non-retaliation policy which states there will be no retaliation against any workforce member for contacting the hotline or otherwise reporting a compliance concern. Retaliation against a person who reports a compliance issue will be subject to disciplinary action up to, and including, termination. Civil penalties may also apply.

7. Response and Prevention — Our compliance policies state that we will respond to all compliance issues raised by our compliance program, whether it is a hotline call, an audit finding or a referral from an outside agency. We will remediate the issue raised, take steps to mitigate the risk of a future occurrence and, if necessary, pay back any excess payments we may have received as a result of non-compliance.

Standards of Behavior

Everyone must commit and adhere to the following standards of behavior:

- I will treat all people with respect, dignity and respond to their needs.
- I will provide patients with quality care. I will build positive relationships with patients, guests and fellow employees.
- I will address patients by name and identify myself to them. I will answer all call lights and telephones promptly and courteously.
- I will present myself to patients and guests in a professional manner.
- I will take the time to explain all tests, procedures and treatments to the patient, within the scope of my authority.
- I will comply with patient/staff privacy and confidentiality requirements.
- I will respect the privacy of patients. I will be committed to patient safety as my first priority.
- I will be committed to positive behavior by promoting cooperation throughout the facility.
- I will be a responsible team member who is honest, trustworthy, ethical and accountable for all my actions. I understand not only my role on the team, but also the larger goals of other departments and KRH, as we strive to meet our community's needs.

Chapter 2: Patient Care

Quality of Care and Patient Safety

KRH's primary purpose is to provide high quality care in a cost-effective manner. We are committed to providing health care services that meet the needs of each individual, family and community where we have facilities in a safe and productive environment. We provide patient care designed to achieve the intended outcome of the patient's treatment plan in an appropriate manner. We treat patients with respect and professionalism and in a manner that preserves their dignity and self-esteem. We will involve patients in decisions about their health care and continue to seek new approaches to increase the quality of care we deliver.

We are responsible for providing health services and products while complying with all applicable laws, regulations and standards, including state and federal legislation regarding patients' rights. Clinical assessments of prospective patients will be undertaken by individuals qualified to conduct such assessments. KRH will seek out and employ only health care professionals with proper experience and expertise in meeting the needs of our patients.

At KRH, the safety of our patients is our highest priority. It is our duty to protect patients that are under our care. For example, we must remain diligent to protect patients from falling, ensure patients are given the correct medications, and safeguard them when they are under sedation. Patient safety is everyone's responsibility; not just the doctors, nurses and others directly involved in patient care. Individuals in other occupations, such as housekeeping or food services, must also stay alert for any potential for harm which may jeopardize our patients.

To achieve a strong culture of safety, all of us (physicians, nurses and others) must work together to develop an environment of self-respect and trust. A culture of safety is free from harassment, retaliation, accusation and blame, and requires individual willingness to take responsibility for our actions. We are all on the same team and the safety of our patients is paramount.

It is essential that all employees bring knowledge of any deficiencies or errors in health care services to the attention of someone in authority within KRH who can properly assess and correct any problems. It is each employee's responsibility to ensure that only the best care be provided, and this responsibility cannot be ignored.



Chapter 3:

Patient Privacy and Information

Patient Privacy

One of the most important rights of our patients is the right to privacy. This right is protected by the Health Insurance Portability and Accountability Act (HIPAA) and its accompanying regulations. HIPAA protects a patient's Protected Health Information (PHI) from unauthorized access, use and disclosure.

We discuss or share protected patient information only with those who have a right or need to know, only if necessary authorizations have been received, and only in a manner consistent with legal requirements. We will avoid discussing protected patient information in public areas. We proactively safeguard patient information by adhering to the HIPAA regulations and our privacy and security policies and procedures. KRH employees must never use or disclose confidential patient information in a manner that violates the privacy rights of our patients. Violation of this policy may result in disciplinary action up to and including immediate termination.

Information Security

Information security addresses how we protect electronic patient and company information. Examples include firewalls, email and hard drive encryption, and reviewing user access to our systems and applications. However, our processes for handling and using this type of information are also part of information security. Everyone plays a role in keeping information safe.

KRH defines information assets as any computer, application, system, database, storage or device, that is connected to the corporate network and/or has access to the corporate networks and any associated protected or sensitive information. Information assets must be protected from unauthorized access and exposure of sensitive or protected information. It is important for you to understand this concern and the important role you play in protecting our information assets. KRH information security policies exist to provide requirements and guidance for securing information assets.

The HIPAA Security Rule mandates that we protect all patient health information by having a secure system that controls access.

Passwords

Passwords and other personal security codes are to be kept confidential. You are responsible for the actions resulting from the use of your accounts. Do not share your password or let others use your computer while you are logged in. For additional information, review KRH Information Security policies.

Encryption

Any time protected health or other sensitive information needs to be sent or made available to someone outside of the KRH network, it must be encrypted.

Encryption is a way to make this information unreadable by outside parties, thus protecting it from unauthorized exposure. Keep in mind the following when handling protected or sensitive information:

- When emailing, use KRH's health information technology (HIT) advised methods. If unsure of the best way to encrypt, please contact HIT for proper instructions.
- If attachments are too big for email, contact HIT for secure ways to send this information outside of KRH.
- Protected or sensitive information must be encrypted before storing on any mobile/removable media (ex. USB drives, CD/DVD, etc.). Encryption software is available for this purpose. Contact HIT for assistance.
- If ever in doubt on how to properly handle protected or

Paper Records

While the push has been to use electronic systems and information, there are still situations where paper-based use and exchange is necessary. When handling protected or sensitive information on paper:

- Do not leave on desks, printers, or any other open areas while unattended.
- Use designated shred bins to properly dispose of paper.
- File or storage areas must have adequate safeguards including locks, limited access, and fire-proofing/natural disaster protections.

Inappropriate Access to Protected or Sensitive Information

Inappropriate access can occur when someone gains access to protected or sensitive information without the need or permission to do so. Information assets are monitored on a continuous basis to identify abuse, misuse, or unauthorized access. KRH policies dictate disciplinary actions for inappropriate access. Common examples of inappropriate access include:

- Looking at the electronic medical record of a patient with whom you have no involvement
- Looking at your own medical record without following proper request processes through the health information management (HIM) department
- Accessing user or department file shares that are not yours or part of your department

We are committed to providing the best possible care to all of our patients. This includes treating our patient's information with care, including maintaining every patient's confidentiality and keeping their protected health information secure.

Social Media

Most likely, you have an account with Facebook, Twitter, LinkedIn or some other type of social media. Posting any protected or sensitive information on social media can be grounds for dismissal, if the appropriate authorization processes have not been followed. Other infractions include using social media to bully or embarrass fellow staff members, post false information about KRH and associated facilities, engage in illegal activity or divulge confidential business information. Be sure to read KRH's policies and guidelines on use of social media.

Questions and Answers

Q: *Who has access to my personnel records and wage information?*

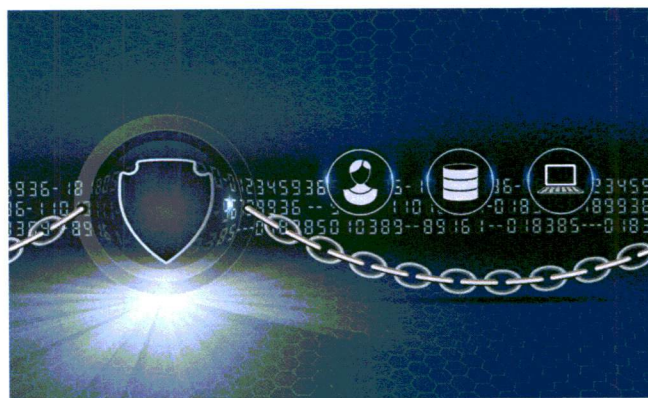
A: Personnel records and wage information are confidential. Access to personnel files is limited to management and human resources. Individuals who have access to personnel files are held accountable for protecting the privacy of that information.

Q: *I am an employee of KRH. May I access my family member's electronic health record to monitor them? How about if I am the minor patient's parent or designated agent?*

A: No. When you have a family member or friend receiving care, you may not use your status as an employee to access records. You must go through the process to obtain medical information like any non-employee family member or friend. When you are a parent or a family member, you must act like any other patient or family member.

Q: *When I am speaking to a patient, and friends or family members are in the treatment room, do I assume the patient has given permission to speak of their PHI in front of these persons, or do I need to ask them to leave the room?*

A: Do not assume it is okay to speak in front of other people in the room with the patient. Ask the patient if it is okay to discuss their PHI, such as diagnosis, medications, treatment plans, etc., in front of other person(s). If highly sensitive information needs to be discussed, then ask the person(s) to leave the room before beginning any discussion about the sensitive information.



Chapter 4:

Laws and Regulations

The health care industry is complex and heavily regulated. There are numerous laws and regulations that apply to health care and hospitals. It is very important that you understand the specific laws that apply to your role in our organization. The purpose of this chapter is not to explain every applicable law in great detail, but to briefly highlight the laws of greatest compliance concern and give you the tools to get further information.

We will uphold all laws and regulations. If there is a doubt as to the legality of any action, seek advice from your supervisor or manager, and, as appropriate, the KRH compliance officer and/ or general counsel before taking that action.

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

If relationships with physicians are properly structured, but not diligently administered, this failure may result in violations of the law. Issuance of payments to physicians under agreements must be supported by all required documentation (e.g., time sheets). Any arrangement with a physician must be structured to ensure compliance with legal requirements, our policies and procedures, and with any operational guidance that has been issued.

KRH adheres to all state and federal laws and regulations governing the health care industry.

Anti-Trust and Unfair Competition

We believe that the welfare of consumers is best served by economic competition. Our policy is to compete vigorously, aggressively, and successfully in today's increasing competitive business climate; and to do so in compliance with all applicable anti-trust, competition, and fair dealing laws. We seek to excel while operating honestly and ethically, and not by taking unfair

advantage of others. Each employee should endeavor to deal fairly with our customers, suppliers, competitors and other employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Anti-trust laws are designed to preserve a competitive economy and promote fair and vigorous competition. These laws could be violated by discussing our business with a competitor (such as how our prices are set), disclosing the terms of supplier relationships, allocating markets among competitors, agreeing with a competitor to refuse to deal with a supplier, or disclosing the wage rates we pay our employees. Employees involved in marketing, sales and purchasing, contracts, or in discussions with competitors have a particular responsibility to ensure that they understand our standards and are familiar with applicable competition laws. Because these laws are complex, employees should consult with the KRH general counsel when questions arise.

Billing and Coding

KRH employees are responsible for ensuring our bills accurately reflect the services rendered and supplies used to treat our patients. We have implemented policies, procedures, and systems to facilitate accurate billing to government and other payers in compliance with federal and state laws and regulations. We prohibit any employee or agent from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious or fraudulent. Services must be billed with codes that accurately describe the care provided and must be supported by documentation in the medical record. Employees involved with the billing and coding functionalities must understand and follow our policies in this area.

Only bill for services which are properly ordered and performed.

KRH facilities must only bill for services that have been properly ordered and performed. Employees are expected to understand and comply with all billing related policies and procedures established by KRH, as well as all third-party carriers, including Medicare, Medicaid and other governmental programs. KRH facilities will not routinely waive co-payments or deductible payments, except in strict conformity with specific KRH policies.

When any payer agreement requires the collection of co-payments and/or deductible amounts, these amounts will be collected as required by the agreement. Decisions to waive any co-payment or deductible must be disclosed and implemented in accordance with KRH policy.

Code what you do, do what you code.

Contracts

We will accurately specify the services to be provided, benefits to be received, realistic time commitments, and reasonable compensation rate(s) in all contracts.

All contracts must be reviewed prior to issuance in accordance with established KRH policy. Various factors determine the required level of review. Many contracts require review by general counsel or outside counsel approved by general counsel.

All contracts must be in writing and current.

False Claims Act

The Deficit Reduction Act contains specific requirements regarding entities that receive more than \$5 million annually from Medicaid. The law requires that entities covered by the law have specific policies dealing with matters of fraud and abuse. In addition, employees and contractors are to be

informed about a federal law known as the False Claims Act, a civil anti-fraud statute providing that any person who knowingly submits or causes the submission of false claims for government funds or property is liable for damages and penalties. Entities that knowingly violate this law can be liable for triple damages and penalties in excess of \$10,000 to \$20,000 per claim. The False Claims Act contains provisions for individuals who are known as “relators” or whistleblowers. The law provides certain protection for employees who are retaliated against by an employer because the employee filed a whistleblower lawsuit. Many states have enacted False Claims Act statutes that contain provisions that are similar to the federal statute, including whistleblower provisions. Individuals who have

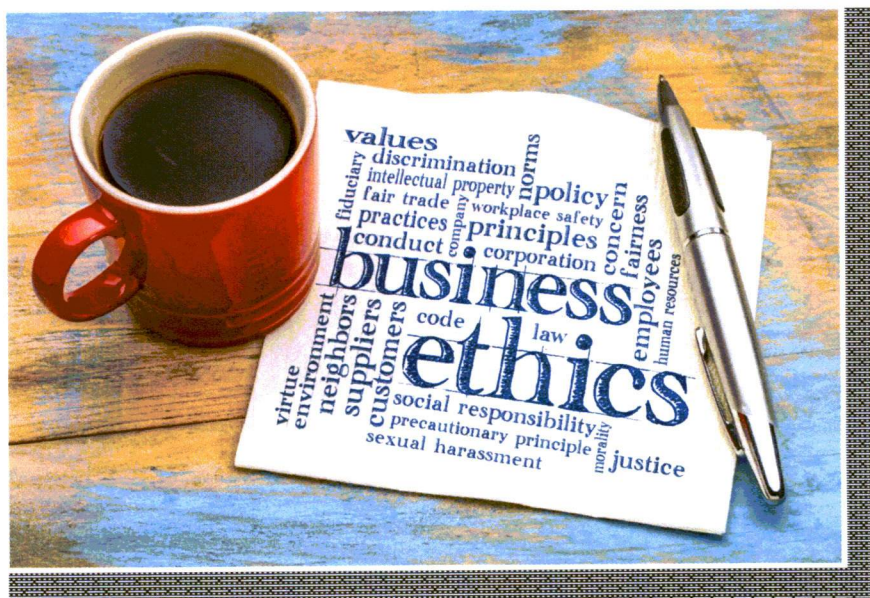
questions regarding the specifics should refer to KRH’s policies

Ineligible Individuals and Entities

We do 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; or is suspended or debarred from federal government contracts and has not been reinstated in a federal health care program after a period of exclusion, suspension, debarment, or ineligibility. Ineligible individuals or entities include anyone who has defaulted on a federal loan or contract or anyone who has been debarred from the Medicare and Medicaid programs for violating billing and other regulations. We routinely search the Department of Health and Human Services’ Office of Inspector General and General Service Administration’s list of excluded and ineligible persons. Employees, vendors and privileged practitioners are required to report to us if they become excluded, debarred, or ineligible to participate in federal health care programs.

EMTALA

The Emergency Medical Treatment and Labor Act (EMTALA) is a federal statute that addresses how hospitals deliver emergency medical services to the public. Known as the “anti-dumping” law, it prohibits a hospital emergency department (ER) from delaying care, refusing treatment, or transferring a patient to another hospital based on the patient’s ability to pay for services.



A significant portion of our patients enter the hospital through the emergency department. Anyone with an emergency medical condition is provided a medical screening examination and necessary stabilization. In an emergency situation or if the patient is in active labor, we will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. We do not admit, discharge, or transfer patients with emergency medical conditions simply based on their ability or inability to pay.

Patients with emergency medical conditions will only be transferred to another hospital at the patient's request or if the patient's medical needs cannot be met at the KRH hospital (e.g., we do not have the capacity or capability) and appropriate care is knowingly available at another hospital. Patients will only be transferred after they have been stabilized within the capabilities and capacity of the transferring hospital, and are formally accepted for treatment at the receiving hospital. Patients are only transferred in strict compliance with state and federal EMTALA regulatory and statutory requirements.

Environmental Compliance

It is our policy to comply with all environmental laws and regulations as they relate to our operations. We will act to preserve our natural resources to the fullest extent reasonably possible. We will comply with all environmental laws and operate our facilities with the necessary permits, approvals, and controls. We will diligently employ proper procedures to provide a good environment of care and to prevent pollution.

Always err on the side of caution when handling chemicals that might be harmful to you or others.

In helping KRH comply with these laws and regulations all employees must understand how their job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert their supervisor of any situation regarding the discharge of a hazardous substance, improper disposal of medical waste or any situation that may be potentially damaging to the environment.

Questions and Answers

Q: *I discovered a coding error in the billing system and corrected it. What obligations do I have to determine if other claims were submitted in error?*

A: It is KRH's policy to refund any overpayment made as a result of coding errors and to notify the appropriate payer of the problem. You should immediately notify your supervisor or a higher level KRH official of your discovery so the nature and magnitude of any potential error can be determined and corrected.

Q: *I work in the business office and have noticed that rent is not being paid by a physician who is renting office space from the hospital. Is this a problem?*

A: This could be a violation of the Anti-Kickback Statute and subject to both the hospital and the physician to criminal penalties. Rent must not only be collected, it must be at fair market value. You should bring this matter to the attention of your supervisor.

Q: *I sometimes attend trade shows or professional meetings where I run into old friends who work for our competitors. Are there any subjects that I should avoid?*

A: Avoid anything that affects competition in the marketplace, included pricing, profit margins or credit and billing practices. Stay away from any business discussions with our competitors.

Q: *As a newly hired nurse in our home health agency, I noted that some of the patients I visit did not appear to be homebound. Should I report this?*

A: Yes, you should report your observation to your supervisor so they can take action to ensure these services are not being billed until the issue is resolved.

Q: *I have a friend in the managed care department of one of our competitors. She has been asked by her company to survey managed care prices in the region. Can I give her copies of price lists and bids?*

A: Absolutely not. Any sharing with competitors of pricing information not normally available to the public could be perceived as, or be legally treated as, an effort to fix fees or limit competition.

Chapter 5: Workplace Rules

Our goal is to create a positive work environment for all workforce members based on mutual respect and open lines of communications. We need you to help us create that environment by your working with your co-workers and peers to create a culture where patient safety and quality will flourish. This chapter covers the required workplace rules to ensure we continue to be a great place to work.

If you observe anyone violating these rules, you have a duty to report the violation to your supervisor, the human resources department or the Compliance and Ethics Hotline (See Chapter 6 for more on the hotline). We will not tolerate retaliation or harassment against any workforce member in response to the member filing a report with the hotline or reporting workplace concerns through other channels.

Confidentiality of Business Information

As a workforce member, you must safeguard our business information. Business information includes, but is not limited to, billing records, computer data, contracts, emails, financial records internal communications, letters, marketing plans, personnel records, and prices. If you use business information as part of your job, you have a duty to safeguard this information and keep it confidential. The same measures of safe-guarding PHI also apply to safeguarding business information.

Do not disclose confidential or proprietary company information.

Conflicts of Interest

A conflict of interest is any activity which involves, or appears to involve, an arrangement that could be detrimental to KRH. You may have a conflict of interest if your outside activities or personal interests influence, or appear to influence, your ability to make objective decisions on behalf of KRH. There may not be anything wrong with having a conflict of interest. Our objective is to manage conflicts of interest.

Conflicts of interest not only extend to your personal interests, but also the interests of your spouse, your spouse's family, your grandparents, your children, and your brothers and sisters. For example, if your sister-in-law owns a catering company and you were in charge of arranging for a catered event at the hospital, you have a conflict of interest with the catering company. What this

means is you must remove yourself from the decision to select the caterer; however, it does not mean the hospital cannot use the caterer. In this example, there is a conflict of interest and removing yourself from the catering decision is a way of properly managing that particular conflict of interest.

If a deal or relationship feels or looks like a conflict of interest, it probably is and should be avoided, or disclosed and resolved.

In order to properly manage any potential conflicts, and to protect you from any accusations that you may have improperly acted on a conflict of interest, we have established a policy that requires all workforce members to annually report any actual or potential conflicts they may have now or might have in the future. This annual disclosure is accomplished by noting the conflicts on the attestation card attached to this Code of Conduct. By properly disclosing your conflicts, we will be able to manage the conflicts of interest and ensure our business transactions are fair to all parties involved.

Copyrights and Intellectual Property

Print and electronic materials (including photography, audio recordings, video recordings, and software) are usually protected by copyright laws. KRH workforce members are expected to respect and comply with these laws, which ensure those who created these materials receive proper credit and compensation for their work. We will not reproduce articles, pamphlets, software or other electronic materials without written permission from the writer or publisher.

- We will maintain proper licenses (such as BMI, ASCAP or MPAA) to play copyrighted music or video in public areas.
- We will not make copies of copyrighted magazines, books, or other publications without having prior permission or a blanket license.
- We will not use trademarks or logos of other organizations without prior permission.
- We will not make copies of licensed software for distribution without having a license.
- We will not use photographs of people in our promotional

Diversity and Equal Opportunity

Our workforce is diverse, and includes people from many places and many ancestries. Their talents and different viewpoints contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. Accordingly, we will not discriminate based on sex, race, religion, creed, color, national origin, age, sexual orientation, gender identity, genetic information, disability, family medical history, or any other protected category. Our policy applies to all personnel actions such as hiring, staff reductions, terminations, transfers, evaluations, recruiting, compensation, corrective action, discipline, promotions, and training.

Harassment

We are committed to providing a work environment that is free of harassment. Harassment of any kind is strictly prohibited; including harassment on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, disability, genetic information, veteran status, or other characteristic protected by law.

Harassment may take on many forms, but the most common forms include:

- verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- physical conduct such as assault, unwanted touching, blocking normal movement or interfering with another person because of sex, race, or any other protected

characterist

***KRH will not permit
discrimination in any form.***

KRH strongly urges the reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offenders' identity or position. Individuals who believe they

have experienced conduct contrary to KRH policy or who have concerns about such matters should file their complaints with any member of management, a human resources representative, or the Compliance and Ethics Hotline. Reporting harassment to an Employee Assistance Program ("EAP") counselor is not sufficient since all information an employee provides to the EAP is kept confidential. KRH cannot intervene and rectify inappropriate situations unless it is made aware of them.

Duty to Report

If you experience or observe any form of harassment, violence, or discrimination in the workplace, or become aware of threats of potential violence, you have a duty to immediately report the incident to a supervisor, the human resources department, the compliance officer or call the hotline. We take all complaints of workplace violence and/or harassment very seriously. All reports will be promptly investigated.

***Report all cases of discrimination
to the proper KRH official to
ensure appropriate resolution.***

Gifts

KRH employees are expected to remain above reproach in their business dealings, are encouraged to err on the side of prudence, and to avoid even the appearance of impropriety. It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business with or are seeking to do business with KRH. We will never use gifts or other incentives to improperly influence relationships or business outcomes.

Accordingly, KRH's policies set forth the parameters for receiving and giving gifts with those with whom we do business. If the gift or entertainment would influence, or reasonably appear to others to be capable of influencing the employee's judgment in conducting business affairs with the donor, then it should not be accepted. Should there be any question regarding this policy you should seek advice from your supervisor or the compliance officer. This policy applies to family members of an employee as well. You must never offer a gift to, or accept a gift from, an agent of any governmental or accrediting agency. This does not affect gifts given to an employee by KRH.

Vendors

You are allowed to accept gifts from vendors, generally not to exceed \$75 per year per vendor. This gift must be for an item or service, such as a clock or sporting tickets. You cannot accept cash or cash equivalents, such as check cards or savings bonds. However, you may accept a "targeted" gift card to a specific restaurant or store. If a vendor offers you free overnight travel, you must get advance permission from the compliance officer.

Patients

Gifts from patients or patients' families should be avoided. Where courtesy requires acceptance of a gift, it should be of modest value and shareable with co-workers if possible. Gifts to patients must follow specific guidelines such as of nominal value: less than \$15 individually or an aggregate value of \$75 per year per patient; to promote access to care; for financial need; or for preventive care. The intent of any gift or service is not to influence patients to receive items or services payable by the federal or state programs. Gifts should not be provided in cash or by checks. Gift certificates that can be exchanged for goods or services are acceptable; but gift certificates that can be exchanged for cash are not. Contact the compliance officer to assure guidelines are followed accordingly prior to any gifting.

Physicians

Under federal law, it is unlawful for any person to solicit, offer, pay for, or receive anything of value that would induce the referral of business to a hospital or other medical facility. If the item or service is reimbursable directly or indirectly, in whole or in part, under Medicare, Medicaid or another federal program it should not be accepted.

Therefore, since physicians are individuals who refer patients to our facilities, any gifts to a physician must fall under the restrictions of the Stark Law and Federal Anti-Kickback Statute, and are not to exceed those limitations. Under no circumstances will any gift, payment, or other thing of value be provided to a physician or physician's family that in anyway could be construed as a payment for the referral of a patient or other business to KRH.

Gifts must never be offered to influence the referral of a patient or business.

Any questions related to these guidelines should be resolved by contacting KRH corporate general counsel or compliance officer.

Entertainment

Entertainment is generally a social event (e.g., a meal, attendance at a sporting or cultural event, participation in a sporting activity, etc.) where business matters are discussed but is not the main purpose of the event. All business entertainment events must include some business discussion and a host from KRH must be present. The cost associated with such an event must not be excessive or extravagant in frequency or amount in any calendar year. Entertainment may not be offered for the purpose of influencing or inducing the referral of business.

Any entertainment involving physicians or other persons who are in a position to refer patients or other business to our health care facilities must be undertaken in accordance with KRH policies and government regulations.

A host from KRH must accompany a physician during any event where entertainment is involved.

Information Technology Systems

Because our information technology systems contain sensitive and private information, it is critical that you understand our concern about properly safeguarding electronic information. These systems should be used primarily for business purposes.

Our KRH computer systems are monitored on a continuous basis. This monitoring includes emails, internet access, medical record access, systems access, etc. KRH systems may not be used for viewing or transmitting pornographic or other offensive material, or for threatening, harassing, spreading rumors, or actively supporting or opposing a candidate for public office. The HIT and compliance departments will work collaboratively to monitor KRH systems. If they detect that you have viewed inappropriate websites, sent explicit emails, or accessed protected health information inappropriately, human resources and the department manager will be in contact with you. Various levels of discipline will apply.



Personal Use of KRH Resources

KRH resources, such as photocopiers, computers and paper, are meant for KRH use. However, it is permissible to use KRH resources, in a very limited way, as long as your supervisor consents to such use. Some examples of limited use include making occasional copies or limited personal use of email.

Treat all KRH property and equipment with care and respect.

Substance Abuse

For the safety of our patients, it is vital that we have a drug and alcohol-free workforce. Our policy is to perform drug testing upon hiring. We may also perform drug or alcohol testing randomly, if there is an on-site accident or other incident, or if there is a reasonable suspicion that a workforce member is under the influence of drugs or alcohol.

If you are taking a legally-prescribed prescription that may impair your performance, you must advise your supervisor immediately. Occupation Health Services can be contacted for the full list of medications that you must communicate to your supervisor. If you report to work under the influence of alcohol or drugs, you will be subject to disciplinary action, up to and including termination of employment.

Employees are prohibited from using, selling, distributing, possessing, or manufacturing illegal drugs, controlled substances, narcotics, or alcoholic beverages on KRH premises (including parking lots or work sites).

Employees subject to the Drug-Free Workplace Act who are convicted of any criminal drug violation occurring in the workplace must report the conviction to the human resources department within five days. Human resources will take appropriate action as required by law.

Employees may be subject to disciplinary action, up to and including termination, for violations of this policy. Violations include, but are not limited to, possessing illegal or controlled substances and narcotics, or alcoholic beverages at work; being under the influence of those substances while working; using them while working; or distributing or illegally manufacturing or selling them on KRH premises and work sites.

Workplace Violence

We will maintain a violence-free work environment. Workplace violence may include harassment, assault, blackmail, and other acts that may threaten the safety of another person, impact another person's physical or psychological well-being, or cause property damage. Any workforce member who commits an act of violence will be subject to discipline up to and including termination.

Firearms, explosive devices, fireworks, lasers, tasers, and other dangerous materials are prohibited on our property (with the exception of law enforcement officers and on-duty KRH security members).

Questions and Answers

Q: *What qualifies as sexual harassment and what can I do if*

A: *I believe that it is happening to me?*

Sexual harassment includes any unwelcome or unwanted conduct of a sexual nature (verbal or physical) when submission to, or rejection of, this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, promotion, or other aspects of employment; or the conduct substantially or unreasonably interferes with an individual's employment or creates an intimidating, hostile, or offensive work environment. You should report this conduct to management, your human resources business partner or call the Compliance and Ethics Hotline.

Q: *What are my options if I feel that I have been discriminated against in my performance review?*

A: You should discuss your concerns directly with your supervisor who should be prepared to give you a candid and honest appraisal of your performance. If this does not resolve your concern, you should bring your concerns to your human resources department or another appropriate KRH executive team leader.

Q: *I work in the accounts payable department, I noted we purchased a gift of several hundred dollars for a physician who refers a lot of patients to us. Is this acceptable?*

A: Gifts to physicians by a hospital are strictly limited by provisions of the Stark Law and Anti-Kickback Statute. Should there be a question about such a gift, the matter should be brought to the attention of your supervisor or the compliance officer.

Q: *Are the results of drug tests kept confidential?*

A: Yes. Drug test results will be carefully monitored to protect employee privacy and will be used only as needed to address the employee's particular situation, or as otherwise required by law.

Q: *There is one office in my facility where offensive pictures are displayed. I have expressed my objections to the person responsible and the response I have received is, "Grow up." What should I do?*

A: You should contact your supervisor or the human resources business partner to have it investigated.



Chapter 6:

Reporting Violations and Addressing

KRH and its affiliates include a multitude of different businesses: hospitals, outpatient centers, home health agencies, clinical laboratories, and skilled nursing clinics, to name a few. Within each of these businesses there are complex, ever changing, rules and regulations that govern each type of service. We recognize that this can create areas of uncertainty for employees who carry out daily operations. Questions and concerns about the correct way to handle different situations may, and often do, arise. Open discussion of these issues without fear of retribution is vital to the effectiveness of our Compliance Program. KRH will not tolerate retaliation against any employee who reports issues or concerns. Our Code of Conduct requires you to report infractions of our policies. A few examples of infractions or concerns you should report without delay include:

- Patient safety concerns or patient endangerment
- Patient complaints and grievances
- Performance of unnecessary procedures or surgeries EMTALA violations
- Billing or coding errors and lack of willingness to correct these
- Harassment or a hostile workplace environment
- Stealing or other criminal acts
- Intentional non-compliance with internal control systems Breaches of patient privacy
- Substance abuse or someone who is intoxicated at work
- Failure to safeguard narcotics

How to Report Infractions or Concerns

Always consider reporting infractions first to your direct supervisor. If you are not comfortable doing this, the following suggestions will assist you in reporting infractions and concerns in an effective manner.

- Reports of a human resource nature, such as sexual harassment or a hostile workplace, should be directed to the human resources business partner.
- Reports involving breaches of patient privacy should be directed to the privacy officer.
- Reports involving potential identity theft should be directed to the compliance officer.
- All other reports should be directed to administration or the compliance officer.

**COMPLIANCE AND
ETHICS HOTLINE: 1-
833-590-0002**

**[www.lighthouse-
services.com/krhs](http://www.lighthouse-services.com/krhs)**

The hotline is answered by an outside company that allows you to report your concerns anonymously without fear of retribution

KRH has established a hotline that is answered by an outside company to enable employees to report problems or concerns involving ethical or compliance issues. This toll-free number 1-833-590-0002 allows employees to report a concern anonymously and without fear of retribution. Callers are not required to identify themselves. All calls will receive immediate attention and will be investigated in an appropriate manner. The hotline is intended to supplement existing internal communication channels. It is not intended to replace your management team, senior management or other KRH resources outlined under the KRH resources section. The hotline is available when you believe that you have exhausted normal KRH channels or feel uncomfortable about bringing an issue to your supervisor, manager, human resources business partner or compliance officer.

The KRH hotline is your opportunity to report concerns or infractions that you believe are not being handled properly by the facility or in cases where you are uncomfortable discussing these issues with KRH personnel.

Suggestions for Effective Reporting

Whether you bring your concern to a person at the facility level, the KRH hotline or report via the internet, it is a good idea to have all your facts together first. Gather documentation. This could include:

- Copies of erroneous bills
- Examples of privacy breaches
- Evidence of theft or other illegal acts

Organize your account of the situation. Often times, there may not be physical evidence that you can easily obtain to demonstrate a concern. In this case, it is especially important

that you organize the details of your concern. Writing out your story often helps you to think through the actual history of your concern. When organizing your facts, be as factual and specific as possible.

Non-Retaliation/Retribution for Reporting Compliance Issues

KRH's policy prohibits any employee from retaliating against or engaging in harassment of another employee who has reported suspected wrongdoing. Every KRH supervisor and manager has the responsibility to create a work environment in which ethical and legal concerns can be raised and openly discussed without fear of retaliation or retribution. This includes avoiding any action that might constitute retaliation, retribution or harassment against an employee who has reported a concern. If you suspect that any KRH employee is engaging in acts of retaliation, retribution, or harassment against another employee for reporting suspected wrongdoing, immediately notify the compliance officer, or call the hotline. Harassment, retaliation, or seeking retribution against a reporting employee may lead to disciplinary action, up to and including termination of employment on the first offense.

Every supervisor and manager has the responsibility to create an environment in which concerns can be openly discussed.

It is the responsibility of every employee to report concerns about actual or potential wrongdoing and employees are not permitted to overlook such actions. If an employee has knowledge of actual wrongdoing and does not report the activity, it will be considered a serious offense which can lead to disciplinary action, up to and including termination of employment.

It is the responsibility of every employee to report concerns about actual or potential wrongdoing.

No one will be punished or terminated simply for calling the hotline or reporting a compliance-related problem in good faith.

Questions and Answers

Q: *What happens when I call the Compliance and Ethics Hotline?*

A: The hotline is available 24 hours a day, 7 days a week. You can communicate your concern through phone or web-based services. The hotline is a confidential option provided by a third-party reporting service. Your concern is documented by an interview specialist which is then sent to the KRH compliance department or an independent investigator. Each matter is closely reviewed before being submitted to KRH's compliance department. If a department or individual is named within a submitted concern, the third-party reporting service directs the case to be investigated by an independent person.

Q: *I had a dispute with my supervisor; therefore, I made a call to the hotline alleging things I knew not to be accurate just to cause a problem for this supervisor. Are there consequences for my actions?*

A. Yes, there can be serious consequences. The hotline is for making legitimate complaints about suspected or possible wrongdoing by KRH or someone else. By making false or unfounded allegations, you may have caused undue hardships for a fellow employee and unnecessary use of valuable resources of KRH. We would consider this type of behavior unacceptable, and could lead to disciplinary action (up to and including termination of employment).

Q: *I suspect that due to my poor work performance my supervisor is going to fire me at the end of the month. Knowing this, I called the hotline to make several unfounded allegations of wrongdoing at my facility. Since KRH has a policy that prohibits retaliation or retribution against me for calling the hotline, Kalispell Regional Healthcare could not fire me in this situation, correct?*

A. You could be fired under these circumstances as the reason for your termination is for poor work performance, not from retaliation for calling the hotline. Your complaint would be investigated to determine the legitimacy of the allegations before closing the investigation.

Q: *How will I know if anything has been done about my complaint?*

A: If there were improprieties occurring, you will most likely see a change in the activities which you have reported. You can also call the hotline to make inquiry into the status of the investigation. During your initial call or web-based submission, you will receive instructions how to retrieve available updates concerning your inquiry.

Q: *I did not receive pay for the overtime I worked during the last pay period. Should I call the hotline to get this resolved?*

A: No. Calling the hotline is not the place to address routine administrative matters. You should work with your supervisor and the KRH's human resources business partner to resolve the issue. Should you call the hotline, the investigation will begin by contacting your human resources business partner and supervisor, which could delay faster action had you gone to the supervisor and HR manager in the first place.



Resources

The following contacts may be utilized to help you find an answer to your questions. In most cases you first should have contacted your supervisor, the human resources business partner or the compliance officer. If you believe it is inappropriate to contact one of these individuals, then you should consider contacting one of these resources.

KRH website: www.krh.org

KRH intranet: wire.krhc.org

Kalispell Regional Healthcare

Corporate Integrity Agreement

What is a Corporate Integrity Agreement (CIA)?

- The Office of Inspector General of the U.S. Department of Health and Human Services (OIG) negotiates CIAs with health care providers and other entities
- CIAs are part of the settlement of the Federal health care program investigations arising under a variety of civil false claims statutes
- Providers and entities agree to the obligations in the CIA
- In exchange, the OIG agrees not to seek their exclusion from participation in Medicare, Medicaid, and other Federal health care programs

Kalispell Regional Healthcare's Settlement and CIA

- Settlement Agreement
 - The Federal government filed a lawsuit against Kalispell Regional Healthcare and several subsidiaries and related entities
 - The lawsuit was based on allegations that the company violated the False Claims Act by paying physicians more than fair market value, and by conspiring to enter into arrangements that improperly induced referrals
 - Kalispell Regional Healthcare settled the lawsuit and entered into a Settlement Agreement with the Federal government

Kalispell Regional Healthcare's Settlement Agreement and CIA

- Corporate Integrity Agreement (CIA)
 - Kalispell Regional Healthcare also entered into a CIA with the OIG on September 24, 2018 as part of the settlement
 - The CIA has a 5 year term
 - The CIA sets forth specific compliance and reporting requirements that Kalispell Regional Healthcare must satisfy
 - The CIA includes specific deadlines for meeting requirements
 - The CIA requires Kalispell Regional Healthcare to engage an Independent Review Organization (IRO) to conduct reviews in accordance with the CIA

Independent Review Organization

- The CIA requires Kalispell Regional Healthcare to engage an Independent Review Organization (IRO) to perform certain reviews to:
 - Assess Kalispell Regional Healthcare's Arrangements systems, processes, policies, and procedures relating to the initiation, review, approval, and tracking of Arrangements
 - Review 50 randomly selected Focus Arrangements that were entered into or renewed by Kalispell Regional Healthcare to assess whether Kalispell Regional Healthcare has complied with the Focus Arrangements Procedures and CIA requirements

Arrangements

- “Arrangements” is a defined term in the CIA:
 - (a) every arrangement or transaction that involves, directly or indirectly, the offer, payment, solicitation, or receipt of anything of value; and is between KRMC, HC, or NOSM and ***any actual or potential source of health care business or referrals*** to KRMC, HC, or NOSM or any actual or potential recipient of health care business or referrals from KRMC, HC, or NOSM; or
 - (b) every financial relationship (as defined at 42 C.F.R. §411.354(a)) that is between KRMC, HC, or NOSM and a physician (or a physician’s immediate family member (as defined at 42 C.F.R. §411.351)) who makes a referral (as defined at 42 U.S.C. §1395nn(h)(5)) to KRMC, HC, or NOSM for designated health services (as defined in 42 U.S.C. §1395nn(h)(6)).

Focus Arrangements

- “Focus Arrangements” is a defined term in the CIA and is every Arrangement that :
 - (a) is between KRMC, HC, or NOSM and ***any actual source or recipient of health care business or referrals*** to KRMC, HC, or NOSM and involves, directly or indirectly, the offer, payment, or provision of anything of value; or
 - (b) is between KRMC, HC, or NOSM and any physician (or a physician’s immediate family member) (as defined at 42 C.F.R. §411.351)) who makes a referral (as defined at 42 U.S.C. §1395nn(h)(5)) to KRMC, HC, or NOSM for designated health services (as defined in 42 U.S.C. §1395nn(h)(6)).

Breach and Default Provisions in the CIA

- The CIA includes specific penalties for failure to comply with the CIA requirements:
- For example,
 - \$2,500 for each day Kalispell Regional Healthcare fails to establish and implement any of the following:
 - Compliance Officer and Committee
 - Board of Directors' Compliance Obligations
 - Management Certifications
 - Written Policies and Procedures
 - Training
 - Focus Arrangements Procedures
 - Risk Assessment and Internal review process
 - Disclosure Program
 - Ineligible Persons Screening and Removal
 - Notification of Government Investigations or Legal Proceedings
 - Overpayment Policies and Procedures
 - Reporting Reportable Events

Exclusion for Material Breach

- A material breach of the CIA by Kalispell Regional Healthcare constitutes an independent basis for Kalispell Regional Healthcare's exclusion from participating in the Federal health care programs

How does the CIA impact our Compliance Program?

- Kalispell Regional Healthcare's Compliance Program existed before the Settlement Agreement and CIA
- It was updated and enhanced to meet the CIA requirements
- The next section of the presentation will identify the components of Kalispell Regional Healthcare's Compliance Program and emphasize the connection with CIA requirements