



Corporate Compliance

CODE OF CONDUCT

*Covenant HealthCare
Corporate Compliance Program*



Extraordinary care for every generation.

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Covenant HealthCare Code of Conduct

Covenant HealthCare is committed to providing quality care to our patients. As part of this, we must consistently demonstrate that we act with absolute integrity in the way we do our work and conduct our business.

By Resolution of the Covenant HealthCare Board of Directors, Covenant has in place a Compliance Program to ensure that all of Covenant's colleagues (i.e., employees, medical staff, volunteers, directors, officers, suppliers, vendors, contractors, consultants and agents) conduct themselves in a manner consistent with the mission, vision and values of Covenant, including complying with ethical, professional, and legal obligations.

This Code of Conduct is an integral part of the Covenant Compliance Program, and has been developed to provide guidance to all Covenant colleagues in carrying out our daily activities within the appropriate ethical and legal standards. No document or code will cover every situation that a colleague may encounter, nor is it a substitute for personal integrity, common sense, or sound judgment.

Accordingly, each colleague is expected to discuss any situation with his or her supervisor, the Corporate Compliance Officer, or another appropriate person, a situation that he or she feels may not be in compliance with the law, or which is deemed to be unfair or unjust.

Covenant's Compliance Program is designed to be a resource to all Covenant colleagues, providing guidelines, education, and tools to help you "do the right thing." The Compliance Program is built on basic principals such as:

- Treating others with respect and dignity
- Using good judgment
- Maintaining high ethical standards
- Raising concerns when appropriate





Message from the CEO

Dear Covenant Colleague;

At Covenant HealthCare we have always had a tradition of caring – for our patients, our communities, and our colleagues. We must demonstrate consistently that we have a commitment to act with absolute integrity in the way we do our work and the way we live our lives. Unwritten, but certainly understood in our mission statement is our continual pledge to comply with all federal, state and local laws, regulations and rules.

In further demonstration of our commitments, Covenant HealthCare has published a Code of Conduct, which reflects our tradition of caring and provides guidance to ensure that our work is done in an ethical and legal manner. This Code of Conduct has to do with our corporate character and puts our practices into words. It emphasizes the shared common values which guide our actions. It also contains resources to help resolve any questions about appropriate conduct in the work place. Please review it thoroughly. Your adherence to its spirit, as well as its specific provisions, is absolutely critical to our future.

If you have questions regarding this Code or encounter any situation which you believe violates provisions of this Code, you should immediately consult your supervisor, another member of your management staff, or a member of the Corporate Compliance department. You may also contact

the Compliance Hotline at 1-888-421-5776 or 583-4499. You have my personal assurance there will be no retribution for asking questions or raising concerns about the Code or for reporting possible improper conduct.

We have a rich heritage of integrity and ethics, which are reflected in our Mission, Vision and Values here at Covenant HealthCare, as well as in our Code of Conduct. We are equally committed to assuring our actions consistently reflect our words. In this spirit, we want this organization to be a family of men and women of shared values, and we expect all of our colleagues' actions to reflect the high standards set forth in this Code of Conduct.

No Code of Conduct can substitute for our own internal sense of fairness, honesty, and integrity. Please read the Code of Conduct carefully. Corporate Compliance is not the responsibility of one person, one department or one unit. To have a successful program, we need everyone's help.

Sincerely,

A handwritten signature in black ink that reads "Ed Bruff". The signature is written in a cursive, slightly slanted style.

Ed Bruff
President

Vision

With a culture built upon an organizational promise of caring and a commitment to service, Covenant HealthCare is a leading, accessible, and comprehensive health care network serving our communities with extraordinary health care. In achieving our vision, we are guided by these principles:

- **We commit** to providing extraordinary care through competence, compassion, spiritual and ethical values.
- **We maintain** financial strength while encouraging risk taking and exploration; creating solutions to anticipate and meet the changing needs of our environment and the needs of our patients.
- **We believe** alignment and integration of our corporate entities, physicians, teams and providers of care are required for the success of our network.
- **We support** an empowered and accountable workforce that embraces change in the pursuit of excellence.
- **We reach** out to the communities we serve through the development of health care enterprises, wellness programs and the provision of care to our communities.
- **We embrace** research, education and technology and have an evolving role in helping our communities to improve their health.
- **We value** a workforce that is diverse and representative of the communities we serve, and we strive to understand and appreciate our diversity.

Mission

Extraordinary care
for every generation.

Values

- **Working together** – We understand that teamwork is the foundation of our success. We diligently work together as a team while balancing work and home life.
- **Excellence** – We strive through empowerment to do and be the very best in all of our endeavors.
- **Customer service** – We recognize that our very existence is to serve. We commit to an unsurpassed level of service to all our customers.
- **Accountability** – We are responsible to our communities, our organization, and to each other.
- **Respect** – We display a high regard for the personal dignity, diversity, and the uniqueness of those served and those serving. We treat all others as we would want to be treated.
- **Enthusiasm** – We project a spirit and attitude that is positive and optimistic. We seek to find good in all people and all situations.

Conflict of Interest

Covenant colleagues are expected to conduct business in a manner that promotes the integrity and reputation of Covenant in order to avoid situations that may be perceived as inappropriate. If you or a member of your household has a financial interest in an organization (e.g., vendor, contractor, or competitor) that creates a potential to support the outside organization or influence decisions that you may make for Covenant, you must complete the “Ethics of Business Conduct Disclosure Statement” and give it to your supervisor.

Business Courtesies/Gifts

- Gifts of cash or cash equivalent (e.g., gift certificates, checks and gift cards) cannot be accepted.
- Gifts must never be accepted or used to improperly influence relationships or business outcomes.
- Colleagues may not accept a gift of any value during a decision-making process.
- Perishable or consumable gifts given to a department may be acceptable.
- Gifts given to or accepted from potential referral sources (physicians) must be in accordance with all federal laws and regulations, and are subject to the guidelines described in Covenant’s Business Courtesies policy (#805).
- Vendor relationships are subject to the guidelines in Covenant’s Business Courtesies policy.

Honoraria

Honoraria for speeches and articles given or prepared by colleagues as part of their duties for Covenant are to be paid to Covenant. The colleague may only retain honoraria if:

- His/her speech or article is totally prepared outside of work and outside of the scope of his/her Covenant duties, and;
- There is a prior written agreement with the colleague.

Outside Business Activities

Activities related to business outside of Covenant, to include personal interests, must be conducted on an employee’s own time and must not conflict with job responsibilities at Covenant. A conflict of interest may occur if:

- Decisions while working at Covenant may be influenced or appear to be influenced.
- Covenant resources are used.
- Business is solicited for another organization while working at Covenant.

Confidentiality

Confidentiality is a right of every patient at Covenant HealthCare, and guarding patient confidentiality is an obligation of every Covenant HealthCare employee. It is Covenant's policy to adhere to all laws and regulations pertaining to the privacy and confidentiality of patient information or any other sensitive information or records. Patient information can be accessed or shared only when there is a legitimate business need for such information.

Confidential information includes employee data maintained by the organization, patient lists and clinical information, pricing and cost data, information pertaining to affiliations, financial data, research data, strategic plans, marketing strategies and techniques, employee lists, and proprietary computer software. The inappropriate release of confidential patient or employee information may be subject to civil and criminal prosecution as well as disciplinary action that may include termination. You are expected to limit access to patient information and obtain appropriate release of information forms when required by applicable laws.



Contracts with Physicians

To insure compliance with the Federal Anti-Kickback and Stark laws, contracts or agreements with physicians of a financial nature (including but not limited to employment agreements, independent contractor agreements, medical director agreements, purchase agreements and/or leases) may only be executed by appropriate designated persons and, only after such agreements have been reviewed and approved in writing by the Committee on Business Ethics and Compliance.



Documentation Accuracy, Retention and Destruction

Each Covenant employee or colleague is responsible for the integrity and accuracy of our organization's documents. We will comply with regulatory and legal requirements, ensuring that records are available to reflect and/or defend our business practices and actions. No one may alter or falsify information on any document. Medical and business documents are retained in accordance with the law and our record retention policy. It is important to retain and destroy records appropriately according to our policy. Records or documents that have satisfied the required period of retention will be destroyed in a manner to preserve patient confidentiality.

Use of Corporate Property

An employee of Covenant HealthCare shall not utilize the equipment, supplies, funds, or other assets or property of the Organization for any personal purposes or for the direct or indirect benefit of any member of his or her family or household.

Your Responsibilities as a Colleague

Covenant colleagues have a responsibility to:

- Conduct themselves in an ethical manner.
- Abide by hospital and department policies.
- Abide by applicable laws and regulations.
- Comply with all mandatory educational requirements.
- Report to your supervisor or the Corporate Compliance Officer, violations of law or unethical practices.
- Use the reporting system appropriately and refrain from making allegations you know to be untrue.

If at any time you are faced with a situation in which you are unsure of what is expected of you (what is the right thing to do), it is your duty to discuss your questions or concerns with your supervisor, the Corporate Compliance Officer, or another appropriate person.

If you don't know the right thing to do – ask – and keep asking until you are satisfied that you know what is the right thing to do.

An obligation to report illegal or unethical practices

Covenant HealthCare has established a Compliance Hotline to report suspected violations or compliance concerns to the Corporate Compliance Officer.

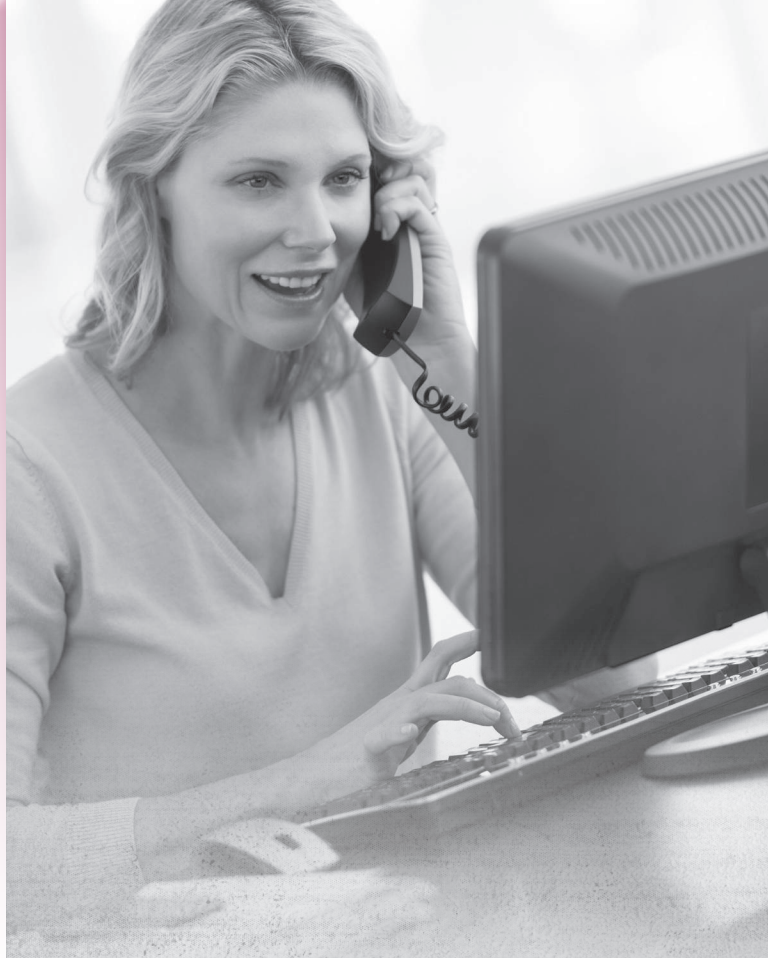
Three-Step Reporting Process

1. Discuss questions or concerns with your supervisor or Human Resources.
2. If you are not comfortable talking with your supervisor, or are not satisfied with the answer received, contact a higher-level manager or Corporate Compliance.
3. If you would like to report a concern anonymously, you may contact the Covenant HealthCare HOTLINE:
 - **Internal Compliance Hotline: 989.583.4499**
 - **Toll-free Compliance Hotline: 888.421.5776**
 - **Michele McDonald, Compliance Officer: 989.583.4580**
 - **Ashley Sosnoski, Compliance Administrator: 989.583.4582**

Covenant shall, to the extent possible, protect the confidentiality of all persons filing reports through the Hotline and/or through other communication methods established under the Compliance Program.

Non-Retaliation for Reporting

Covenant's Non-Retaliation Policy supports the Federal and State of Michigan Whistleblower Acts that establishes protection against retaliation for employees who in good faith report a possible regulation violation. This policy prohibits any employee, physician, or other corporate representative from taking retaliatory action against an employee or colleague who reports compliance related concerns. Any employee who conducts or condones retribution, retaliation, or harassment in any way will be subject to discipline, up to and including termination of employment. The Corporate Compliance Officer or Administrator will actively assist any employee who feels that he or she is being treated unfairly as a result of actions taken by them in good faith under the Compliance Program.



Regulatory Compliance

While a colleague is not required to have full knowledge of all such laws, the expectation is that he or she will have a general knowledge of prohibited activities relating to his or her own work responsibilities, and that all colleagues will seek guidance from his or her supervisor or from the Corporate Compliance Officer with respect to any matter on which he or she has any reasonable concern.

Listed at the right is a brief explanation of regulations that impact health care:

ANTITRUST

We do not share price or wage information with competitors to fix prices.

ANTI-KICKBACK

Offering or receiving anything of value that may influence a patient's decision to use services from Covenant is a violation of this regulation.

DEFICIT REDUCTION ACT

Requires hospitals to provide policies and education related to fraud, abuse or waste of Medicare/Medicaid benefits and the Federal and State whistleblower protections.

EMTALA (EMERGENCY MEDICAL TREATMENT AND LABOR ACT)

Patients presenting with an emergency medical condition will be provided stabilizing treatment or an appropriate transfer regardless of ability to pay.

FALSE CLAIMS ACT

Knowingly submitting a claim for services not provided; for services more complicated and costly than the service that was provided; providing substandard care.

HIPAA

Information regarding patients may only be shared with colleagues who have a legitimate business need for such information.

PATIENT PROTECTION AND AFFORDABLE CARE ACT

The Patient Protection and Affordable Care Act was enacted with the goals of increasing the quality and affordability of health insurance, lowering the uninsured rate through expansion of public and private coverage options and reducing the costs of healthcare for individuals and the government.

STARK

Impacts business relationships between physicians and the hospital.

TAXATION

Covenant is a tax-exempt, charitable organization that operates for the benefit of the public and not for any private interest.



Extraordinary care for every generation.

Covenant HealthCare

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Saginaw, MI 48602

www.covenanthealthcare.com

Corporate Compliance information can
also be accessed through our website
www.covenanthealthcare.com or our
departmental intranet site.