

Cumberland County Hospital System, Inc.

Administrative Policy - Procedure

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CODE OF CONDUCT:

Cape Fear Valley Health System (“Cape Fear Valley”) is committed to full compliance with all Federal and state laws and regulations, including all Federal and state health care program requirements, and with Cape Fear Valley’s own policies and procedures. In particular, Cape Fear Valley is committed to preparing and submitting accurate claims consistent with such program requirements and to adhering to the requirements of its Corporate Integrity Agreement (“CIA”) with the Office of the Inspector General of the Department of Health and Human Services. In furtherance of this commitment, Cape Fear Valley requires all of its Covered Persons, as defined by the CIA and restated below, to comply with all Federal and state health care program requirements, all Cape Fear Valley policies and procedures, and all requirements of the CIA. Covered Persons are expected to promptly report any transactions or events that appear to be violations of any Federal health care program requirements or of its policies and procedures, including this Code of Conduct.

PURPOSE:

To set forth the standards by which all Covered Persons of Cape Fear Valley are expected to conduct themselves. Covered Persons are defined to include employees, officers, and trustees of Cape Fear Valley, and all contractors, subcontractors, agents, and other persons who provide patient care items or services, including ambulance transportation services, or who perform billing or coding functions on behalf of Cape Fear Valley. Covered Persons do not include vendors whose sole connection with Cape Fear Valley is selling or otherwise providing medical supplies or equipment to Cape Fear Valley.

GENERAL GUIDELINES:

Compliance is the act of fulfilling, submitting, obeying, observing, agreeing and/or conforming to laws and regulations. Cape Fear Valley has confidence in its employees and expects the highest standard of personal integrity in the operation of the business affairs of the organization. This policy is intended to protect the assets of Cape Fear Valley, the individuals associated with the organization, the organization’s tax-exempt status, and its public reputation, as well as to help guard against actions that could result in criminal prosecution and/or civil litigation.

Cape Fear Valley requires candor and honesty from all employees and contractors in the performance of their responsibilities on behalf of Cape Fear Valley and in discussions with attorneys, auditors, consultants, other employees, staff of government agencies and other regulatory or accreditation bodies, and others who rely on the information provided by the organization in making decisions or understanding aspects of the organization or its operations.

All transactions of Cape Fear Valley are properly recorded in the period during which the activity occurred, and accounting records accurately reflect the financial status of the organization and the results of its operations.

Revised Effective	Reviewed/No Change 11/23/09, 10/25/10	Originating Department: Corporate Compliance	Did this Policy Replace Another Policy? Yes X No	If Yes, Old Policy Title:
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All Covered Persons are expected to report concerns about health care providers, practitioners, entities, and other persons who are engaging in improper activities or arrangements or who are suspected of having violated any Federal health care program requirements or Cape Fear Valley's own policies and procedures.

All Covered Persons are required to certify, in writing or in electronic form, as applicable, that they have received, read, understood, and agree to abide by this Code of Conduct. Newly affiliated Covered Persons shall receive the Code of Conduct and complete the certification within 30 days after becoming a Covered Person. On an annual basis employees are required to complete compliance training and certification of that training, as well as the Conflict of Interest Questionnaire, disclosing any potential code violations, outside employment, business venture, personal activity, or other relationship that may be a potential conflict.

INELIGIBLE PERSON SCREENING:

Cape Fear Valley does not hire, consult with or engage the services of Covered Persons who have been excluded from participation in Federal or state health care programs. Excluded refers to having been suspended, debarred, excluded, or otherwise deemed ineligible to participate in a Federal health care program or other procurement program.

Cape Fear Valley screens all prospective Covered Persons prior to engaging their services and then annually after hire or engagement. Covered Persons are required to disclose immediately whether they are or have been debarred, excluded, suspended or otherwise deemed ineligible to participate in any Federal or state health care program.

PROHIBITED BEHAVIORS:

Covered Persons are specifically **prohibited** from the following activities:

1. Knowingly authorizing payments or activities that violate provisions of Federal and state health care program requirements or the Internal Revenue Code (in particular, those provisions regarding permissible transactions for tax-exempt organizations).
2. Making political contributions or other illegal or improper payments with the funds of Cape Fear Valley in an attempt to influence the outcome or decisions of others regarding a transaction or business. In cases where the law is ambiguous or in conflict, an opinion from Cape Fear Valley's legal counsel should be obtained.
3. Appropriating, using or permitting others to appropriate or use any funds, property, equipment or time compensated by Cape Fear Valley for unlawful purposes or for personal gain.
4. Soliciting or accepting gifts, premiums, favors, invitations or services ("items of value") from any supplier, service provider, financial institution or other persons or

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entities seeking to retain or obtain business from Cape Fear Valley. Such items include, but are not limited to, the acceptance of items or services for prices below their reasonable fair market value or otherwise below a cost that could be obtained by the general public or any other employee of the organization at the time of receipt or purchase.

- a. Meals provided by a Contractor in connection with an on-site promotional, training or educational session may be accepted if the meal is of nominal value and is secondary to the event.
 - b. Employees are not to solicit or accept gratuities, gifts or supplemental compensation from patients, relatives of patients, visitors or physicians. Flowers or candy presented on an occasional basis to a department or nursing unit may be accepted.
 - c. The receipt of any gifts, favors or other items of value are required to be documented on the department's gift log by the Department Director or designee. The log is made available for review by the Vice President or the Corporate Compliance Officer. Documentation includes the nature of the item, the date, the source or grantor, and the approximate value.
 - d. At times, a vendor may offer to pay for the travel, lodging or seminar fee associated with an educational event. The expenses of attending such training or education may be borne by the Contractor only to the extent such training and education and specified expenses related thereto are explicitly included in the services provided pursuant to the contract between Cape Fear Valley and the Contractor. Refer to the Cape Fear Valley "Gifts or Other Items of Value From Vendors, Contractors or Suppliers" Policy.
5. Knowingly providing false or inaccurate information to other employees, management, auditors, legal counsel, the authorities, government agencies, accreditation organizations, consultants of the organization or others who rely on the receipt of accurate information to perform some act or make decisions for Cape Fear Valley. This includes, but is not limited to, the preparation of false records or fictitious documents (e.g., inflated expense reports, claiming personal expenses as reimbursable business expenses, incorrect cost reports) and the failure to properly disclose, record or account for any assets, funds, liabilities, revenues or expenditures in an accurate and timely fashion.
 6. Making or initiating any transaction involving Cape Fear Valley funds for a purpose other than as described by the documentation that supports payment or authorizing a transaction that knowingly circumvents an internal policy or procedure.

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7. Discrimination in the selection, hiring, retention, promotion or transfer of qualified individuals on the basis of race, gender, religion, national origin, age or persons with disabilities.
8. Modifying computer software, inserting code, or otherwise affecting any computer system, its data and/or the information used by Cape Fear Valley in a willful or intentional manner to the employee's benefit or to the detriment of the organization.
9. Establishing, in the name of Cape Fear Valley or one of its related entities, a bank account using Cape Fear Valley's tax identification number; referencing its tax-exempt status; using its stationery or letterhead; or undertaking, in the name of Cape Fear Valley, its member organizations, and/or its joint ventures, any activity without prior approval or for an unauthorized purpose.
10. Participating in outside activities that could reasonably be expected to significantly interfere with work time commitments to Cape Fear Valley, such as during normal work hours, performing a task or speaking engagement for another organization and receiving a fee for that work while simultaneously being paid as a Cape Fear Valley employee.
11. Engaging in any activity that creates an actual conflict of interest or the appearance of a conflict between personal interests and the interests of Cape Fear Valley. Staff members are expected to declare any outside employment on the Conflict of Interest Questionnaire. Refer to the Cape Fear Valley "Conflict of Interest" Policy.
12. Disclosing, or permitting others to disclose without prior authorization, confidential information including non-public business information, personnel records, patient records, computer access codes and system information, peer review data, and other information protected by law. No information shall be used for personal benefit.
13. Participating in any other circumstance that could reasonably have an affect on a Covered Person's independence of judgment as it relates to Cape Fear Valley business matters.

DISCLOSURE PROGRAM:

It is the right of all Covered Persons to use Cape Fear Valley's Disclosure Program to report concerns or issues of non-compliance. Many reports of non-compliance result from misunderstandings or lack of communication. Prompt disclosure of such violations minimizes potential hardships and morale problems that can adversely impact effective operations. Covered Persons are required to make prompt and full disclosure of any activity that either violates or may potentially violate Federal or state health care program requirements or the Cape Fear Valley Code of Conduct.

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The following procedures are to be observed to assure full, adequate disclosure:

Duty to Report Violations

Individuals who know of a potential violation of the Code of Conduct are to immediately report the situation to the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and/or the Corporate Compliance Officer. If the situation is deemed a reportable condition, a written summary may be requested. The summary should include an accurate and full disclosure of all facts.

Individuals may also contact the Corporate Compliance/Internal Audit/HIPAA office to report concerns regarding actions that may violate Federal, state or local laws and regulations or any part of the Corporate Compliance Policy and Cape Fear Valley's Code of Conduct.

Under no circumstance is a supervisor, manager, director, or any other member of management or Cape Fear Valley's workforce to instruct any Covered Person not to report information to or to withhold information from the Corporate Compliance Officer.

Confidential Message Line 615-6140

A Confidential Message Line flyer is displayed in a prominent location in each department throughout the Health System, including all locations not on the main campus. The purpose of the Confidential Message Line is to allow employees, physicians, and others to confidentially ask questions or express concerns about Cape Fear Valley's policies, business practices, or procedures related to a Federal or state health care program that are believed to be a potential violation of criminal, civil or administrative law. The Corporate Compliance Officer, or designee, monitors the Confidential Message Line and is committed to maintaining confidentiality and anonymity, as requested and appropriate.

It is the right of all individuals when faced with a compliance issue that they do not wish to report to their supervisor or others in the chain of command, to report the concern by calling the Confidential Message Line at 615-6140. If the individual chooses to remain anonymous, the information that is provided should be detailed enough to allow an inquiry into the matter to be initiated and to provide for a resolution.

Additional supporting documentation may be mailed anonymously to:

Corporate Compliance Officer
Cape Fear Valley
P. O. Box 2000
Fayetteville, NC 28302-2000

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Non-Retaliation for Disclosure

Under federal and state law and Cape Fear Valley policy, no Covered Person is to experience retribution, retaliation, or harassment of any kind by the Health System as a result of reporting a violation of law, including violations related to Federal health care program billing rules and regulations. This provision, however, cannot be used to absolve or clear personal confessions of wrongdoing. Cape Fear Valley protects an individual who discloses, in good faith, non-compliant activity up to, and including, the suspension of the accused, as the facts may warrant.

INVESTIGATION OF ALLEGED VIOLATIONS:

Reports of alleged violations are promptly investigated, with consideration to the nature of the alleged violation involved. Investigations involve appropriate resources including, without limitation, the Corporate Compliance/Internal Audit/HIPAA Department, internal and/or external legal counsel, or internal management. All Covered Persons have an obligation to cooperate in such investigations. The Corporate Compliance Officer, or designee, maintains a disclosure log that includes a record and summary of each disclosure received, the status of the respective internal reviews, and any corrective action, including education activities, taken in response to the internal reviews.

DISCIPLINARY ACTION:

Failure to comply with Federal and state health care program requirements and the failure to report such noncompliance can result in severe consequences for Cape Fear Valley and its Covered Persons, including potential criminal and civil actions, fines, penalties, and exclusion from the Medicare and Medicaid programs.

Violations of Federal and state health care program requirements, Cape Fear Valley's own policies and procedures, as well as other incidences of non-compliance, are addressed through the use of disciplinary measures that are case specific and may subject the employee or other Covered Person to disciplinary action up to, and including, discharge and/or legal action. Additionally, individuals responsible for the failure to detect improper conduct may be subject to disciplinary action.

Related policies:

Administrative Policy Manual:

- Corporate Compliance Policy
- Gifts or Other Items of Value From Vendors, Contractors or Suppliers

Human Resources Policy Manual

- Conflict of Interest #808
- Employee Responsibilities #706