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CODE OF ETHICS AND BUSINESS
CONDUCT HANDBOOK

GUIDELINES, RESPONSIBILITIES AND RESOURCES



HEALTH SERVICES

Always Caring. Always Here.

Corporate Compliance Hotline

1-800-214-8428

CODE OF ETHICS

AND

BUSINESS

CONDUCT

HANDBOOK

Dear Colleague:

This booklet has been adopted by Nanticoke Health Services as our Code of Ethics and Business Conduct. It summarizes the virtues and principals that guide our actions in providing outstanding patient care and serves as a “quick” reference guide to assist you in performing your job responsibilities. The ultimate goal in adhering to these virtues and principles is to provide quality healthcare and recognize outstanding employee performance.

We will achieve this goal through six principles:

Honesty: Be truthful in all endeavors; be forthright with one another and with our patients, communities, suppliers and Board.

Integrity: Say what you mean, deliver what we promise and stand for what is right.

Respect: Treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee.

Trust: Build confidence through teamwork and open, candid communications.

Responsibility: Perform our jobs efficiently and report concerns in the workplace, including violations of laws, regulations and company policies.

Citizenship: Obey all federal, state and local laws and regulations and do our part to enhance the communities where we live.

Providing and environment that supports these principles gives us the opportunity to achieve excellence in our workplace.

While everyone who works for Nanticoke Health Services must contribute to the creation and maintenance of such an environment, our leadership personnel assume special responsibility for fostering a context for work that will bring out the best in all of us. You can count on us to do everything in our power to meet Nanticoke Health Services' standards and we are counting on you to do the same. We are confident that our trust in you is well placed and we are determined to be worthy of your trust.

A handwritten signature in black ink, appearing to read 'Steven Rose', written in a cursive style.

Steven Rose

President & CEO

**Nanticoke Health Service's
Mission Statement**

-Our Mission-

To positively impact our communities' quality of life
through superior health service.

-Our Values-

Respect and dignity for every individual.

Excellence in quality and services to patients, residents,
clients, visitors, and staff.

Performance that consistently reflects the organization's
mission.

An atmosphere that encourages leadership, cooperation,
growth, and a patient-centered focus among our staff.

Financial stewardship

Resolution from Board of Directors

“Nanticoke Health Services, Inc., its subsidiaries and affiliated corporations, are committed to conducting business in compliance with the law. Nanticoke Health Services can meet this commitment only through the efforts of our highly skilled caregivers and dedicated support staff. It is they who must earn the trust and respect of patients and others by continuing to conduct their daily affairs with the letter and spirit of all applicable laws. Although honesty and integrity are individual attributes, and each individual ultimately is responsible for his or her own conduct, Nanticoke Health Services is committed to maintaining a working environment that promotes these ideals and permits our employees, physicians and agents to demonstrate the highest ethical standards in performing their daily tasks, without fear of retribution.”

Board of Directors, 1/22/98

Expectations of Employees/Independent Contractors

1. All employees and independent contractors will comply with all statutes, regulations and guidelines applicable to federal health care programs and with the organization's own standards, policies and procedures.

2. Each and every employee, including management employees, is obligated to conduct him/herself in accordance with the organization's Corporate Compliance Standards. Such conduct will be an important factor in evaluating an employee's judgment and competence and an important element in the determination of whether an employee merits a raise and/or promotion.

3. Each employee or agent of Nanticoke Health Services who is involved in any of the organization's documentation, coding, billing, or competitive practices has an obligation to familiarize himself/herself with all applicable federal and state laws and regulations that apply to and impact upon such practices and day-to-day activities and to adhere at all times to the requirements thereof. Where any question or uncertainty regarding these requirements exists, it is incumbent upon and the obligation of each employee/agent to seek guidance from a knowledgeable officer of, or attorney for, Nanticoke Health Services.

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4. No employee will use or make any false statements, create false records or make any other misrepresentation relating to eligibility to participate in, or a claim reimbursement from any federal, state or private third-party payer.

 5. All employees will participate in educational programs so that they can have specific and current knowledge about the laws, rules and regulations which govern their position and activity within the organization from a global and specific perspective.

 6. All employees will report any activity that they reasonably suspect to be in violation of the legal or ethical bases upon which Nanticoke Health Services provides service or its Corporate Compliance Program. Any employee who fails to report a violation will be subject to discipline that reflects the negligence, culpability and magnitude of the violation involved.

 7. All employees will comply with applicable workplace health, safety, and environmental laws and regulations. All employees are required to handle materials according to established control, storage, and safe disposal procedures.

 8. Patients will be treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, patient rights and rights to be involved in their own care.

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9. All communication systems, including without limitation, internet access, electronic mail, and voice mail, are the property of the organization and are to be used primarily for business purposes. Internet access may not be used to post, store, transmit, download or distribute any threatening, malicious, knowingly false, or obscene materials whether or not the material constitutes or encourages a criminal offense.

 10. All leaders involved in the coding, claims, and cost report development and submission processes will:
 - A. Discuss with all employees they supervise the compliance policies and legal requirements applicable to their function;
 - B. Inform all employees they supervise that strict compliance with these policies and requirements is a condition of employment;
 - C. Disclose to all employees they supervise that Nanticoke Health Services will take disciplinary action up to and including termination or revocation of privileges for violation of these policies or requirements.

 11. Adherence to the Code of Ethics and Business Conduct Handbook, the Code of Conduct and Corporate Compliance policies and procedures will be an element in evaluating the performance of all employees.

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12. All employees are required to control access to and protect individually identifiable health information from accidental or intentional disclosure to unauthorized persons.

 13. No employee or independent contractor working with Nanticoke Health Services may offer or receive any remuneration, which means anything of value, either in cash or in kind, in any manner or form to any physician or other party in order to induce the referral of any health care business, patient, or other item or service to Nanticoke Health Services. If any employee becomes aware of any such remuneration, offered or received by any person in order to generate referrals or any other business for Nanticoke Health Services, he or she must report it immediately to the Compliance Officer.

 14. Before causing Nanticoke Health Services to enter in to any agreement or relationship (including any leases, purchases or order) with any physician or other party that might possibly refer business to Nanticoke Health Services, an employee must obtain review and approval of the proposed arrangement from the Chief Executive Officer or his designee and the Compliance Officer.

 15. If any employee becomes aware or discovers any lease, purchase agreement, or order for goods or services for any amount other than fair market value, the employee must report it to the Compliance Officer.

Human Relation Policy and Process

It is the organization's policy not to discriminate against employees on the basis of race, color, religion, national origin, citizenship status, ancestry, gender, age, marital status, disability, or sexual orientation.

It is the policy of the organization to provide its employees with a work environment free of harassing, intimidating, or disrespectful behaviors. All employment actions are to be based on an employee's ability, achievement, experience, and conduct, without regard to race, color, religion, national origin, citizenship status, ancestry, gender, age, marital status, disability, or sexual orientation.

It is the organization's policy not to knowingly employ or engage, with or without pay, any individual or entity that is listed by a federal agency as excluded, debarred, suspended, or otherwise ineligible for participation in federal programs. To ensure that the organization meets this obligation, Nanticoke Health Services will confirm that no prospective employee, independent contractor or vendor, and no applicant for medical or clinical staff membership is listed on the OIG Cumulative Sanctions Report or the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs prior to an offer of employment/staff membership/engagement being made. In addition, on an annual basis, Nanticoke Health Services will confirm that all such individuals/entities do not appear on either list.

Physical Environment and Hazardous Material Policy & Process Requirement

It is the policy of Nanticoke Health Services that hazardous materials management is in full compliance of all federal and state law, rule or regulation. The expectation is that Nanticoke Health Services shall not only do nothing to damage its natural environment but shall act proactively in the protection of its environment, instituting policies and procedures that minimize risk proactively.

Ethical Guidelines

Patient Care and Rights

We treat all patients with warmth, respect, dignity and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of patients or in the care we provide based on age, gender, disability, race, color, religion or national origin or sexual orientation. Clinical care is based on identified patient healthcare needs, not on patient or organization economics.

Upon admission, each patient is provided with a written statement of patients rights. This statement includes the rights of the patient to make decisions regarding medical care and conforms to all applicable state and federal laws.

We seek to involve patients in all aspects of their care and obtain informed consent for treatment. As applicable, each patient or patient representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, organ donation and procurement and an explanation of the risks and benefits associated with available treatment options. Patients have the right to request transfers to other facilities. In such cases, the patient will be given an explanation of the benefits, risks and alternatives.

Patients are informed of their right to make advance directives. Patient advance directives will be honored within

the limits of the law and our organization's mission, philosophy and capabilities.

In the promotion and protection of each patient's rights, each patient and his or her representatives will be accorded appropriate confidentiality, privacy, security, protective services, opportunity for resolution of complaints, and or spiritual care.

Emergency Treatment

We follow the Emergency Medical Treatment and Active Labor Act (EMTALA) in providing emergency medical treatment to all patients, regardless of ability to pay. Provided we have capacity and capability, anyone with an emergency medical condition is treated and admitted based on medical necessity. In an emergency situation or if the patient is in labor, financial and demographic information will be obtained only after an appropriate medical screening, examination and necessary stabilizing treatment.

Patients will be transferred to another facility at the patient's request or if the patient's medical needs cannot be met at Nanticoke Memorial Hospital and appropriate care is available at another facility.

HIPAA / Confidentiality

Nanticoke Health Services is committed to maintaining the confidentiality, security and integrity of all data and information utilized in the daily operations of our health care business. All employees of Nanticoke Health Services and all other individuals, physicians, volunteers, students, contract personnel and consultants, are responsible for maintaining the confidentiality of the data and information to which they have access in the course of their relationship with the organization. All persons receiving clinical, fiscal and human resource data in the course of their job function are obligated to maintain the highest level of confidentiality in the best interest of our patient population and the organization.

Employees have no automatic or absolute right to privacy in the workplace. Staff members using NHS network system and/or the internet should realize that their communications are not automatically protected from viewing by third parties. Nanticoke Health services reserves the right to monitor or intercept employee correspondence, including telephone conversations or transmissions, electronic mail or transmission, and internet access and usage. Monitoring may occur when there is evidence that a user is involved in activities that are prohibited by law, that violate Nanticoke Health Services policies, or that may jeopardize the integrity or viability of the network systems.

All communications, information or materials delivered via such resources must be transmitted, stored and accessed in a manner that safeguards appropriate confidentiality.

Adherence to IRS Regulations

As a charitable institution, we will conduct ourselves in compliance with all IRS regulations governing tax-exempt organizations and refrain from any private inurement and benefit issues.

Generate Accurate Billing and Claims

Nanticoke Health Services is committed to detecting and preventing fraud, waste and abuse in all of its interactions with Medicare, Medicaid and other federal and state health care programs. Toward this end, Nanticoke Health Services has undertaken various compliance activities and has developed a compliance program.

Nanticoke Health Services' Compliance Program

Nanticoke Health Services adheres to high standards of professional practice and ethics, as well as all applicable laws and regulations that govern our industry.

Nanticoke Health Services' Compliance Program cont.

Nanticoke Health Services is developing a formal compliance program that will contain the essential elements of an effective compliance program: (1) establish compliance standards and procedures; (2) assign appropriate oversight responsibilities; (3) exercise prudence in delegating authority, including screening for exclusion from federally funded programs; (4) provide training and education; (5) conduct monitoring and auditing; (6) establish open lines of communication; (7) implement appropriate enforcement and discipline procedures; and (8) ensure adequate responses and prevention efforts. Nanticoke Health Services has developed a number of policies and other documents that provide compliance guidance.

Federal Law

There are a number of federal laws that are designed to address health care fraud, waste and abuse. Chief among these laws are the Federal False Claims Act and the administrative remedies for false claims and statements.

The Federal False Claims Act prohibits a person from knowingly filing a false or fraudulent claim for payment or knowingly using a false statement or representation in connection with filing a claim that seeks reimbursement from Medicare, Medicaid or other federally funded

Programs. A person acts “knowingly” if the person has actual knowledge of the false information in the claim, acts in deliberate ignorance of the falsity of the claim, or acts in reckless disregard of the falsity of the claim. Penalties for violating the False Claims Act include up to three times the amount of the damage sustained by the federal government, civil monetary penalties of between \$5,500 and \$11,000 per false claim, and/or exclusion from federally funded programs.

The False Claims Act permits a person with actual knowledge of false claims activity to file a lawsuit on behalf of the federal government. These so-called *qui tam* or whistleblower provisions of the False Claims Act contain detailed procedures for how to file such lawsuits. In certain circumstances, the person who files such a lawsuit, known as a *qui tam* relator, may be entitled to share a percentage of any recovery received by the federal government as a result of the lawsuit.

The False Claims Act also protects an employee from retaliation or discrimination in the terms and conditions of their employment based on lawful acts of the employee done in furtherance of an action under the False Claim Act.

Federal law also contains criminal and administrative sanctions for false claims and statements that may be applicable to identified instances of health care fraud, waste or abuse.

Delaware Law

Similar to federal laws described above, the Delaware False Claims and Reporting Act (“DFCA”), the Delaware Welfare Fraud law, and other Delaware laws impose liability on persons or companies that make or cause to be made false or fraudulent claims to the government for payment or who knowingly make, use or cause to be made or used, a false record or statement to get a false or fraudulent claim paid by the government. In addition, various Delaware laws also protect employees from retaliation or discrimination in the terms and conditions of their employment based on lawful acts in furtherance of an action under DFCA, other false claims disclosure, or refusal to assist in violating laws such as the DFCA. For more information or copies of these laws, please contact the Compliance Department.

Nanticoke Health Services’ Commitment To Detecting And Preventing Health Care Fraud, Waste and Abuse

Nanticoke Health Services expects its officers, directors, employees, contractors and agents to act with integrity in all of their activities with, or on behalf of, Nanticoke health services, to comply with all applicable laws and regulations and Federal Health Care program requirements, and to maintain a reputation for ethical dealings.

If at any time you or someone who works for your company should have a concern or question while conducting business with, or on behalf of, Nanticoke Health Services, you should feel comfortable raising your concern or question. You are encouraged to contact the Compliance Officer at 302-629-6611 or call the Compliance Hotline at 1-800-214-8428. Anonymous reporting is permitted. Nanticoke Health Services is committed to protecting those, who in good faith, ask questions or report suspected instances of fraud, waste and abuse.

Anti-Kickback and Self-Referral

The relationship between a healthcare organization and those who refer patients is governed under two specific areas of legislation; the Anti-Kickback Statute provides civil and criminal penalties for providers that knowingly and willfully offer, pay, solicit or receive either directly or indirectly, any remuneration in order to induce the referral of any patient or business item for which payment may be made, in whole or in part, by a government payer. Examples of kickbacks would include: receiving benefits in exchange for promoting certain drug brands, and offering gifts or services to patients in exchange for using certain medications, compensation flowing between the hospital and physicians or other referral sources which is greater than the fair market value of the services rendered, or providing free or low cost services or items to a referral source.

Anti-Kickback and Self-Referral cont.

The Stark Self-Referral Law prohibits referrals for services payable under Medicare or Medicaid if the referring physician has a financial relationship either through ownership or compensation with the organization performing the service. An example would be referral of a patient to a Durable Medical Equipment Company in which the referring party owned an interest or to an ancillary service provider, which compensates the referring party.

Carefully Bid, Negotiate and Perform Contracts

If you are involved in proposals, bid presentations or contract negotiations, you must be certain that all statements, communications and representations to prospective partners or suppliers are accurate and truthful. Once awarded, all contracts must be performed in compliance with specifications, requirements and clauses.

If you buy goods or services for Nanticoke Health Services or are involved in the procurement process you must treat all suppliers uniformly and fairly. In deciding among competing suppliers, you must objectively and impartially weigh all facts and avoid even the appearance of favoritism. Established routines and procedures should be followed in the procurement of all goods and services.

Decline Inappropriate Gifts

Nanticoke Health Services employees may accept meals, refreshments or entertainment of nominal value in connection with business discussions. While it is difficult to define “nominal” by means of a specific dollar amount, anything considered lavish, extravagant or frequent is inappropriate. It is each employee's responsibility to ensure that his or her acceptance of such meals, refreshments or entertainment is proper and could not reasonably be construed in any way as an attempt by the offering party to secure favorable treatment.

Nanticoke Health Services employees are not permitted to receive gifts that are a value of \$20 or more from individuals, companies or representatives of companies having or seeking business relationships with Nanticoke Health Services. If you have any questions about the propriety of a gift, gratuity or item of value, contact your Corporate Compliance Officer or call **1-800-214-8428**.

Manage Controlled Substances

We will comply with all regulations governing the management and distribution of controlled substances. Specifically, no employee or physician affiliated with Nanticoke Health Services will illegally distribute any controlled substances, including prescription drugs. In addition, expired, adulterated or misbranded pharmaceutical drugs may not be distributed or diverted.

Medical and infectious waste will be properly handled and disposed of in accordance with the appropriate regulations.

Steer Clear of Conflicts of Interest

It is your responsibility to act in the best interest of Nanticoke Health Services at all times. Avoid any relationship, influence or activity that might impair, or even appear to impair, your ability to make objective and fair decisions when performing your job such as:

Acceptance of gifts, payment, or services from those seeking to do business with Nanticoke Health Services.

Purchase of goods or services by Nanticoke Health Services from a firm owned or controlled by an employee or a close relative of an employee without such conflict being identified, reviewed, and accepted by the Corporate Compliance Committee.

Ownership of, or substantial interest in, a company that is a competitor or supplier.

If you are in doubt as to the potential for conflict of interest, seek guidance from any leader, the Corporate Compliance Officer, or call **1-800-214-8428**.

Treat in an Ethical Manner Those to Whom Nanticoke Health Services Has an Obligation

We are committed to the ethical treatment of those to whom we have an obligation.

- For our employees, we are committed to honest, fair and just management; providing a safe and healthy working environment ; and respecting the dignity due everyone.
- For our patients and customers, we are committed to providing quality healthcare, delivered timely and at a reasonable price.
- For the communities where we live and work, we are committed to acting as concerned and responsible neighbors, reflecting all aspects of good citizenship.
- For our suppliers, we are committed to fair competition and the sense of responsibility required of a good customer.

Work Safely: Protect Yourself and Your Fellow Employees

Providing a drug-free, safe and healthy work environment is of the utmost importance. We are all responsible for compliance with environmental health and safety laws and regulations. Observe posted warnings and regulations. Report to the appropriate management immediately any accident or injury sustained on the job or any environmental or safety concerns you may have.

Our Goal: An Ethical Work Environment

Our Corporate Compliance Officer operates a confidential Compliance Hotline **(1-800-214-8428)**. You are urged to use this resource whenever you have questions or concerns that cannot be readily addressed within your work group or through your leadership. Remember, there is never a penalty for using the “1-800” Hotline. Anyone attempting to discourage or dissuade someone from reporting is subject to serious disciplinary action, up to and including, dismissal. The line provides an additional method of communicating when an employee or physician is uncomfortable using other channels or needs additional assistance. The “1-800” hotline is answered during normal business hours by the Corporate Compliance Officer. In the event the phone cannot be answered by the Compliance Officer, there is an answering machine available.

Call 1-800-214-8428

When you contact these sources, you will be treated with dignity and respect. Your communication and anonymity will be protected to the greatest extent possible. Your concerns will be seriously addressed and if not resolved at the time you call, you will be informed of the outcome. No punitive action will be taken against any employee who voices a sincere, legitimate concern.

Quick Checklist-When in Doubt, Ask Yourself...

Compliance with all these rules of ethics and business conduct can become very confusing. Common sense and sound judgment are your best guides in determining the appropriateness of the behavior and necessary course of action. However, if you find yourself in a situation where you are unsure of the ethical implications, ask yourself a few simple question:

- Are my actions legal?
- Am I being fair and honest?
- Is this in the best interest of Nanticoke Health Services and the patients we serve?
- Will my action stand the test of time?
- Would I be comfortable if my actions became public knowledge

Reporting

Follow the reporting process. Remember that it is always better to raise a question before taking an action that may be improper. It is Nanticoke Health Services' policy to ensure that no employee is penalized for raising an issue or concern.

- Discuss the issue with your immediate supervisor. If you are not comfortable discussing the issue with your supervisor, go to the next step, including Human Resources.

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- Discuss the issue with another company leader, such as, but not limited to , Directors, Managers, Senior Leader, the Corporate Compliance Officer.

If you are still in doubt or need clarification, there are numerous resources available to assist you in meeting the challenges of performing your duties and responsibilities. Do not hesitate to use these resources when necessary. Our **1-800-214-8428** hotline is available to assist you with any questions and direct you to the appropriate resource.

Reporting Quality or Safety Concerns to Outside Agencies

The leadership at Nanticoke Memorial Hospital is committed to providing high quality medical care, a courteous and professional staff and a comfortable and safe environment. Any employee, patient, or member of the Medical staff who has concerns about the safety or quality of care provided is encouraged to report these concerns.

Additionally, the organization has established a hotline, 1-800-214-8428, so that staff will have a means to report any concerns about safety or quality of care anonymously.

If the employee, patient, or member of the Medical Staff feels the issue cannot be resolved, the individual may contact the Joint Commission or the Office of Health Facilities, Licensing and Certification for the State of Delaware.

Employees, patients, or members of the Medical Staff may contact the Joint Commission's office of Quality Monitoring to report any concerns or register a complaint about a Joint Commission-accredited health care organization by calling 1-800-994-6610 or e-mailing the Joint Commission at complaint@jointcommission.org. The Office of Health Facilities, Licensing and Certification for the State of Delaware contact number is 1-800-942-7373 or 302-995-8521.

Employees, patients, or members of the Medical Staff will not face any penalties or other forms of retaliation or retribution when they make any reports to their, Supervisor, Patient Safety Officer, hotline or if they directly call the Joint Commission of the Office of Health Facilities, Licensing and Certification for the State of Delaware.

Government Investigations

Cooperate with legitimate government investigations. Government investigations are a fact of life in today's health care environment and procedures for cooperating with these investigations may be complex. If you become aware of an investigation, seek guidance from the Corporate Compliance Officer or the CEO.

If any person who identifies him or herself as a government investigator approaches a Nanticoke Health Services employee, the employee should contact the Corporate Compliance Officer or the CEO immediately. When calling the Corporate Compliance Officer or the CEO, notify the person taking the call that you are calling concerning a potential government investigation. The Corporate Compliance Officer or CEO will assist in verifying the credentials of the investigator, determining the

legitimacy of the investigation, and following proper procedures for cooperating with the investigation.

In some cases, government investigators– or persons presenting themselves as government investigators–may contact employees outside of the workplace, during non-work hours, or at home. Do not feel pressured to talk with the person under such circumstances without first contacting the Corporate Compliance Officer, CEO or your personal attorney. It is the legal right of the employees to contact legal counsel before responding to questions by an investigator.

Nanticoke Health Services employees must never...

- Destroy or alter any company document or record in anticipation of a request for the document or record by a government agency or court;
- Lie or make false or misleading statement to any government investigator; or
- Attempt to persuade another company employee, or any other person, to provide false or misleading information to a government investigator or to fail to cooperate with a government investigation.

Should a Nanticoke Health services employee receive a subpoena or other written request for information (such as a Civil Investigative Demand regarding Nanticoke Health Services), the employee should contact their Senior Leader before responding to the request.

Receipt and Acknowledgement

I acknowledge that I have received and will read my personal copy of Nanticoke Health Services Code of Ethics and Business Conduct. I understand that each employee, agent, consultant or representative is responsible for knowing and adhering to the principles and standards of the code:

Signature:

Print Name:

Department:

Date:

5th Edition, July 2009

Corporate Compliance Hotline

1-800-214-8428