



Code of Conduct



www.CapellaHealthcare.com/ethics

TABLE OF CONTENTS

| SECTION | PAGE |
|--|-----------|
| FORWARD | 4 |
| CHAPTER 1: HOW ETHICS & COMPLIANCE WORKS FOR YOU | 5 |
| CHAPTER 2: PATIENT CARE | 7 |
| Patient Safety | 7 |
| Patient Quality | 7 |
| Patient Grievances | 8 |
| Patient Emergencies | 8 |
| Reporting Potential Patient Safety or Quality Issues | 9 |
| CHAPTER 3: PATIENT PRIVACY & INFORMATION SECURITY | 10 |
| Patient Privacy | 10 |
| Information Security | 10 |
| Encryption | 11 |
| Paper Records | 11 |
| Inappropriate Access to Protected or Sensitive Information | 11 |
| Social Media | 12 |
| CHAPTER 4: WORKPLACE RULES | 13 |
| Confidentiality of Business Information | 13 |
| Conflicts of Interest | 13 |
| Diversity & Equal Opportunity | 14 |
| Harassment | 14 |
| Workplace Violence | 15 |
| Duty to Report | 15 |
| Gifts | 16 |
| Information Technology Systems | 16 |
| Personal Use of Company Resources | 16 |
| Copyrights & Intellectual Property | 17 |
| Substance Abuse | 17 |
| CHAPTER 5: LAWS & REGULATIONS | 18 |
| Anti-kickback & Stark | 18 |
| Anti-Trust & Unfair Competition | 19 |
| Billing & Coding | 19 |
| False Claims Laws | 20 |
| Ineligible Individuals & Vendors | 20 |
| Environmental Compliance | 21 |
| Political Activities | 21 |
| CHAPTER 6: REPORTING VIOLATIONS & CONCERNS | 23 |
| How to Report Infractions or Concerns | 23 |
| The Ethics Line | 23 |
| Suggestions for Effective Reporting | 24 |
| Acknowledgement of the Code of Conduct | 25 |

FOREWORD

We are privileged to be able to spend our lives in the service of others as we seek to help individuals and communities manage health and illness. Whether it was a childhood dream of yours to become a healthcare professional, or whether you came to this career later in life, you are no doubt aware of how very challenging it has become to manage the business of healthcare.

In fact, the healthcare industry is probably the single most regulated industry in the nation. Almost every healthcare activity, from dispensing drugs to serving meals to billing for services, is covered by laws and regulations at the city, county, state and federal level. In addition, our industry must adhere to standards set forth by numerous licensing and accrediting bodies, such as The Joint Commission (TJC) and the Centers for Medicare and Medicaid Services (CMS).

It is important that you read this booklet in its entirety and understand all the requirements of our Ethics and Compliance program. This will serve as a reference guide for compliance and other related issues that may arise during the year.

It is also important to know the names and phone numbers of your local Ethics & Compliance team. Please ask your supervisor for this information.

| Title | Name | Phone |
|---------------------------------------|------|-------|
| Ethics & Compliance Officer | | |
| Associate Ethics & Compliance Officer | | |
| Human Resources Director | | |
| Privacy Officer | | |
| Identity Integrity Officer | | |
| Information Security Officer | | |

CHAPTER 1:

How Ethics & Compliance Works For You

Capella's Ethics & 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. 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 Ethics & Compliance program is governed at the highest levels of Capella. For example, the hospital Ethics & Compliance committees have access to the hospital Board of Trustees and the corporate Ethics & Compliance Officer.
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 particular role in the organization. For example, if you work in the HIM department and perform medical records coding, you must become familiar with the Hospital Coding Compliance (HCC) policies.
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 Ethics Line that is staffed 24 hours a day, every day of the year. All workforce members who file a report with the Ethics Line 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 Ethics Line 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 an Ethics Line 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.

CHAPTER 2: Patient Care

Patient Safety

At Capella, 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.

Patient Quality

We strive to provide the highest quality of service to our patients. Quality is providing the appropriate level of patient care delivered in the right amount to meet the needs of the patient. This means each plan of care is tailored to the needs of the individual patient with the goal that our patient will not receive too few or too many services, but the right amount. Quality also means delivering our services on a timely basis as outlined by the physician’s plan of care.



Quality includes great customer service. All of us should show compassion for patients and their families and try to make their experience as positive as possible. Keep in mind patients and their families are often anxious about a hospital visit, so be understanding, treat them with kindness and work with your team to make their stay a positive one.

Patient Grievances

Because patients and their family members are often anxious about being in the hospital, they may lodge a complaint or grievance about our service. These grievances could be directed at physicians, nurses or other caregivers. Even a grievance about our food should be taken seriously.

Our policy is to investigate each and every patient grievance. You have a duty to promptly report grievances to your supervisor. In turn, you or your supervisor will report the grievance to the appropriate person at your facility who will coordinate the investigation and respond to the person who raised the grievance.

Patient Emergencies

A significant portion of our patients enter the hospital through the emergency department. We follow the Emergency Medical Treatment and Labor Act (EMTALA) in providing emergency medical treatment to all patients, regardless of their ability to pay. 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.

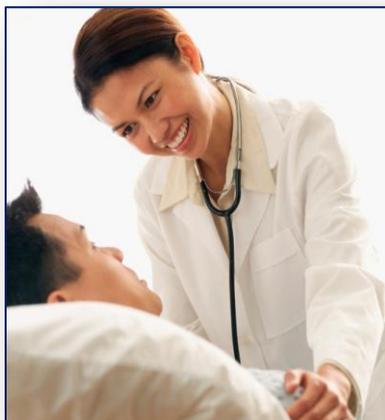
Patients with emergency medical conditions will only be transferred to another hospital at the patient's request or if the patient's medical needs cannot be met at the Capella hospital (e.g., we do not have the capacity or capability) and appropriate care is knowingly available at another hospital. Patients 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.

Alternative Means of Reporting Potential Patient Safety or Quality Issues

In the event you see a patient safety issue that is not being properly resolved, you have the duty to report this matter using one of several reporting methods. Under each of these methods, you have the option to remain anonymous.

- You may bring this matter directly to the attention of hospital Administration.
- You may make a report to Capella's Ethics Line. See Chapter 6 for more details.
- You may lodge a report with The Joint Commission by calling them at 1-800-994-6640 or sending them an email at complaints@jointcommission.org.

Regardless of the method you use, we have a written non-retaliation policy that protects you for reporting patient care issues or any other patient safety or quality issues.



CHAPTER 3: Patient Privacy & Information Security

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. Capella workforce members must never disclose confidential information that violates the privacy rights of our patients. HIPAA does allow the sharing of certain PHI in the course of treating a patient, billing for services rendered, or for certain operational activities. However, information exchanged for payment and operations purposes must meet the "minimum necessary" standard. This simply means we will not share more PHI than is necessary in a given situation. Patients can expect that their information will be protected and will only be released in accordance with the requirements of HIPAA.

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 is also part of information security. Everyone plays a role in keeping our information safe.



Information Security as part of Capella's Core Pillars:

- Quality:** patient care includes how we protect their information
- Service:** exceeding expectations for the security and privacy of patient information
- People:** we all have a role to play in protecting patient information
- Growth:** integrating sound security and privacy principles will continue to help us grow
- Finance:** avoiding the financial impact of an information security or privacy incident

Capella 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. Corporate information security policies exist to provide requirements and guidance for securing information assets. The remainder of this chapter will discuss key concepts that are important to keep in mind for everyday business activities.

Encryption

Any time protected health or other sensitive information needs to be sent or made available to someone outside of the Capella 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, make sure to use [encrypt] as the first line in the subject field. Remember, [square] brackets and 'encrypt' is not case sensitive.
- If attachments are too big for email, contact corporate or facility IT for secure ways to send this information outside of Capella.
- 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 corporate or facility IT for assistance.
- If ever in doubt on how to properly handle protected or sensitive information, please contact corporate or facility IT.

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 paper 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. Corporate 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 HIM Department.
- Accessing user or department file shares that are not yours or part of your department.
- Logging into an information asset with another person's username and password.

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 Capella and associated facilities, engage in illegal activity or divulge confidential business information.

Be sure to read your organization's policies and guidelines on use of Social Media.

CHAPTER 4: 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 Ethics Line. See Chapter 6 for more on the Ethics Line. We will not tolerate retaliation or harassment against any workforce member in response to the member filing a report with the Ethics Line 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 safeguarding PHI (as explained in Chapter 3) also apply to safeguarding business information.

Conflicts of Interest

A conflict of interest is any activity which involves, or appears to involve, an arrangement that could be detrimental to Capella. 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 Capella. 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.

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.

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 (including pregnancy), 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 (40 or older), sex (including

pregnancy), sexual orientation, gender identity, disability, genetic information, veteran status, or other characteristic protected by law. Harassment may take many forms, but the most common forms include verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted advances, invitations or comments; visual conduct such as derogatory or offensive 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 characteristic; and retaliation for having reported or threatened to report harassment or for opposing unlawful harassment or for participating in an investigation. Such conduct becomes illegal when submission to the conduct is explicitly or implicitly a term or condition of an individual's employment; submission to or rejection of the conduct is a basis for employment decisions; or the conduct has the purpose or effect of substantially interfering with an individual's work. Workforce members engaging in this behavior will be subject to disciplinary action, up to and including termination of employment.



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 facility security members.

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 corporate compliance officer or call the Ethics Line. We take all complaints of workplace violence and/or harassment very seriously. All reports will be promptly investigated.

Gifts

You are allowed to accept gifts from vendors, generally not to exceed \$100 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 your Ethics & Compliance Officer.

You must never offer a gift to, or accept a gift from, an agent of any governmental or accrediting agency.

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 IT systems are monitored on a continuous basis. This monitoring includes emails, internet, file access, systems access, etc. The 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 IT department will notify Human Resources if they detect you have viewed inappropriate websites or sent explicit emails, and Human Resources along with your manager will be in contact with you. They will also contact you if you accessed a file you were not entitled to access or viewed a medical record you were not entitled to view. Various levels of discipline will apply.



Personal Use of Company Resources

Company resources, such as photocopiers, computers and paper, are meant for company use. However, it is permissible to use company resources, in a very limited way, as long as your supervisor consents to such use. Some

examples of limited use include making a copy of your tax return or limited personal use of email.

Copyrights and Intellectual Property

Print and electronic materials (including photography, audio recordings, video recordings and software) are usually protected by copyright laws. Capella 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 publications without proper consent.

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. 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.

CHAPTER 5: Laws & Regulations

Our industry is complex and heavily regulated. There are numerous laws and regulations that apply to healthcare and hospitals. It is very important that you understand the specific laws that apply to your role in the company. 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.

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 our facility. 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 facilities 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.

We will not pay for referrals nor will we accept payment for referrals made to other entities. All payments made to physicians and/or other entities must be pursuant to written agreements and must be at fair market value for actual services performed. Arrangements with physicians and other referral sources must be approved by both a Senior Vice President of Capella and the corporate Legal Department. Failure to meet all requirements of these laws and regulations can result in serious consequences for a facility.

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 antitrust, 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.

Antitrust 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 corporate Legal Department when questions arise.

Billing and Coding

We have implemented policies, procedures and systems to facilitate accurate billing to government and other payors 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.



False Claims Laws



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 a penalty from \$5,500 to \$11,000 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 Capella’s policies for additional information, which can be found at www.CapellaHealthcare/ethics.

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 healthcare programs; suspended or debarred from Federal government contracts and has not been reinstated in a Federal healthcare 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 healthcare program.

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.

In helping your facility 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.

Political Activities

The organization and its representatives comply with all federal, state and local laws governing participation in political activity. Our funds or resources are not to be used to contribute directly to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. Our resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of facility's property for use in the political campaign. Capella operates a federal Political Action Committee (PAC) that is funded solely through individual contributions. Participation in and contributions to our PAC is entirely voluntary.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. No use of corporate resources, including e-mail, is appropriate for personally engaging in political activity. You may, of course, participate in the political process on your own time and at your own expense. While you are doing so, it is important not to give the impression that you are speaking on behalf of or representing your employer in these activities. You cannot seek to be reimbursed by your employer for any personal contributions for such purposes.

At times, we may ask employees to consider making personal contact with government officials or to write letters to present our position on specific issues. In addition, it is a part of the role of some management employees to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain that you are familiar with any regulatory constraints and observe them. Guidance is always available from the corporate Legal Department as necessary.

CHAPTER 6: Reporting Violations & Concerns

Our Code of Conduct requires you to report infractions of our policies if you feel these infractions are going undetected, are the result of collusion, or are being neglected by management. 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 facility Human Resources Director.
- Reports involving breaches of patient privacy should be directed to the Facility Privacy Officer.
- Reports involving potential identity theft should be directed to the Facility Identity Integrity Officer.
- All other reports should be directed to the facility or corporate ECO.

THE ETHICS LINE: 1-866-384-4276

www.CapellaHealthcare.com/ethics

The Capella Ethics Line 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 facility personnel.

Your call will be handled by an outside firm that is not affiliated with Capella Healthcare. The Ethics Line is staffed 24 hours a day, seven days a week. The representative will discuss your concern with you and provide the corporate ECO with a written synopsis. You will be given a case number which you can use to call back or login on the internet to get an update on your case. You can also report a concern via the internet by going to www.CapellaHealthcare.com/ethics.

You DO NOT have to give your name and contact information, but if you do, it will allow the Ethics & Compliance Department to contact you for follow-up information. Neither Capella nor any of its affiliates will make any attempt to determine who you are or where you are if you wish to remain anonymous. If you remain anonymous, you will have no way of knowing if any follow-up occurs because all investigations, including any disciplinary actions, will be kept strictly confidential.

SUGGESTIONS FOR EFFECTIVE REPORTING

Whether you bring your concern to a person at the facility level, the Capella Ethics Line, 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
- Letters or emails



Organize your account of the situation. Often times, there will be no 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.

ACKNOWLEDGMENT OF THE CODE OF CONDUCT

Every year, Capella requires all employees acknowledge that they have received the Code of Conduct, understand that it represents mandatory policies of Capella and agree to abide by it. Employees should expect to complete the acknowledgment process annually, as the *Code of Conduct* is a living, changing document. New employees are required to sign this acknowledgment as a condition of employment and must receive *Code of Conduct* training within 30 days of employment.

ACKNOWLEDGMENT

I have read and understand this Code of Conduct and I agree to follow its policies and practices. I understand I must adhere to the Code of Conduct and the associated Ethics & Compliance policies as a condition of my continued employment. I also understand that it is my responsibility to report any activity or behavior that violates this Code. All potential conflicts of interest are noted below on the disclosure form.

Print Name Here

Signature

Date

DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

The following actual or potential conflicts of interest are being disclosed in accordance with provisions of this Code of Conduct:

(Note: you must disclose actual or potential conflicts each year by means of this form.)

Ethics Line (866) 384-4276
www.CapellaHealthcare.com/ethics