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Notice to Associates

Thibodaux Regional Health System and its affiliated facilities (collectively, the “Health System”) believe that conscientious dedication to the highest ethical standards is essential to its mission. This dedication is important because the Health System is assigned to serve the community, and significant portions of the Health System’s services are reimbursed through governmental programs, which require our business be conducted with complete integrity. We are committed to meeting high ethical standards in all of our activities. Our Mission, Vision and Values serve as the foundation for ethical principles.

Code of Conduct and Ethics

It is the policy of Thibodaux Regional Health System to provide services in compliance with all state and federal laws governing its operations, and consistent with the highest standards of business and professional ethics. The Code of Conduct and Ethics is a solemn commitment to our patients, to our community, to those government agencies that regulate the Health System and to ourselves. In order to ensure that all the Health System’s policies are consistently applied, the Health System has established a Code of Conduct and Ethics as part of our overall Compliance Program.

The Code of Conduct and Ethics is designed to provide guidance to all Thibodaux Regional associates in fulfilling daily activities within the appropriate ethical standards and applicable laws and regulations. It is a framework for helping our associates to do what is right. The policies set forth in the Code of Conduct and Ethics must be strictly adhered to for continued employment/association with Thibodaux Regional Medical Center.

Associate Responsibilities

All Health System employees, Board members, contract providers and vendors (hereafter “associates”) as well as those who provide services on behalf of the Health System, must carry out their duties for the Health System in accordance with this Code of Conduct and Ethics. Any associate who is in doubt as to the appropriateness of a course of action must promptly communicate with his or her supervisor or with the Compliance Officer before taking action.

If, at any time, any employee or other associate becomes aware of any apparent violation of the Health System’s compliance policies or applicable laws, he or she **must** report it to his or her supervisor, Compliance Officer or the Compliance Hotline. All persons making such reports are assured that such reports are treated as confidential and will be disclosed only on a bona fide need-to-know basis.

The Code of Conduct and Ethics includes statements of the Health System’s policy in a number of specific areas. Conduct that does not comply with these statements is not authorized by the Health System, is outside the scope of employment and may subject associates to disciplinary action under

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approved Health System policy and procedures and/or Medical Staff Bylaws, Rules and Regulations. All employees will be judged on their adherence to the Health System Code of Conduct and Ethics and to the overall Compliance Plan as part of their routine performance evaluations.

Regulatory Compliance

The Health System operates in a highly regulated industry and must monitor compliance. The Health System needs the cooperation of all associates in complying with these regulations and bringing possible violations to light. Some of the regulatory programs and agencies affecting Health System operations include:

- Louisiana hospital licensure
- Joint Commission accreditation
- Medicare & Medicaid certification and conditions of participation
- Department of Environmental Quality (DEQ)
- Occupational Safety & Health Administration (OSHA)
- Controlled substance registration
- Pharmacy licensure and registration
- Food & Drug Administration
- Clinical laboratory licensure and regulation
- Building, safety, food service and fire codes
- Securities regulation
- State and federal laws

Our Patients

(a) Patient Care Rights

All Thibodaux Regional employees and physicians are responsible for ensuring patients' rights are met according to the guidelines of the Patient Rights & Responsibilities policy.

(b) Patient Confidentiality

Health System employees and health care professionals possess sensitive, privileged information about patients and their care. The Health System takes very seriously any violation of a patient's confidentiality. Discussing a patient's medical condition or providing information about patients to unauthorized persons will result in serious consequences for an employee. Employees should not discuss patients outside the Health System or with their families. Violations of Patient Confidentiality should be reported to your supervisor and the Chief Quality Resource Officer.

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(c) Patient Information

The Health System is the owner of the medical record which documents a patient’s condition and services received at the Health System. Medical records are strictly confidential, which means that they may not be physically removed from the Health System, altered or destroyed, except as provided for in Health System policy concerning retention and destruction of records. Special protections apply to mental health records, records of drug and alcohol abuse treatment, and records relating to HIV infection. No employee is permitted access to the medical record of any patient without a legitimate, Health System-related reason. Any unauthorized release of or access to medical records should be reported to a supervisor, Health Information Management Director, and CQO/Compliance Officer.

(d) Decision Making

The Health System has mechanisms in place for the consideration of ethical issues arising in the care of patients. To assist health care professionals, patients and their families in making an ethical health care decision, an ad-hoc team is made available to assist in resolving the issues. The team consists of the physician, nurse, social worker, patient and/or family and clergy (as indicated).

In the event resolution is not achieved by the team, Administration will be notified and the issue will be brought to the Health System’s Institutional Review Board (IRB). The IRB will serve as the forum for review of any unresolved ethical issues/situations relative to patients/families and will make a recommendation to Administration. Administration will render a final decision in the matter with advice of legal counsel.

(e) Emergency Services

The Emergency Medical Treatment and Active Labor Act (“EMTALA”) requires that each patient who presents to the hospital seeking emergency care must receive an appropriate medical screening examination to determine whether an emergency medical condition exists, regardless of his or her ability to pay. Patients with emergency medical conditions and patients in active labor must be cared for in the Hospital’s Emergency Department or the Family Birthing Unit until their condition has stabilized or a physician determines that transfer is in the patient’s best interest. A hospital that has “specialized” capabilities, such as a neonatal intensive care or burn unit, may not refuse to accept a transfer from another hospital if the patient needs specialized care that the receiving hospital has the capacity to provide.

The federal “anti-dumping” law is enforced through civil monetary penalties, damages in private civil actions and exclusion from participation in Medicare and Medicaid programs. Federal law provides that Thibodaux Regional must make its emergency services available to all persons living in the area served regardless of a patient’s ability to pay and free from discrimination based on race, religion, gender, age, national origin, sexual orientation or physical condition.

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Any Health System associate who believes that a patient has been transferred to or from the Hospital in violation of this law must report the incident immediately to the Chief Quality Officer, Compliance Officer, or Administrator on call.

(f) Patient Admissions, Transfers and Discharges

Treatment of our patients begins on admission to our facility regardless if the admit occurs through the Emergency Department, direct admission to a unit or admission through the Ambulatory Care Unit. Patients are discharged by their attending physician upon the resolution of their symptoms or a determination that the patient’s continued care could reasonably be performed as an outpatient. Transfers to another facility due to lack of financial coverage may be done at the request and consent of the patient/family. If Thibodaux Regional cannot provide the level of care the patient requires, arrangements are made to secure appropriate and needed treatment through placement at an appropriate facility capable of providing the necessary level of care.

Health Insurance Portability and Accountability Act (“HIPAA”)

Thibodaux Regional adheres to the federal regulations of the Health Insurance Portability and Accountability Act (HIPAA) that (i) standardize electronic transactions, (ii) dictate security measures for electronically maintained information, and (iii) protect the privacy of individually identifiable health information. The HIPAA regulations apply to health plans, clearinghouses and health care providers who transmit health information in electronic form in connection with transactions; collectively these groups of health care organizations are defined as “covered entities.” The Health System ensures compliance with these regulations for services performed on our behalf by executing an appropriate business associate agreement.

Business Information & Information Health Systems

(a) Accuracy, Retention & Disposal of Documents & Records

Thibodaux Regional adheres to the record retention requirements imposed by the federal government, the State of Louisiana, the Parish of Lafourche and the City of Thibodaux. Satellite offices may also be subject to other parish and local ordinances. Anyone having questions concerning record retention/destruction should contact Administration or Health Information Management.

(b) Proprietary Information

Information, ideas and intellectual property assets of Thibodaux Regional are important to its success and are considered confidential and proprietary information belonging to Thibodaux

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Regional. Information must be kept strictly confidential and protected from theft, loss or improper disclosure. You should not discuss, disclose or permit the disclosure of proprietary information, data, Health Systems, pricing or financing with anyone without administrative authorization. Furthermore, confidentiality of proprietary information continues to apply after an associate terminates their association with the Health System. Requests for proprietary data are to be managed through Administration.

(c) Electronic Media

Louisiana Computer Related Crime Laws are designed to punish and deter computer crime. The Health System prohibits unauthorized access to its computer Health System, either directly or by network or telephone. Access is unauthorized to persons without a legitimate password. The Health System prohibits the destruction or corruption of electronically stored or processed data.

(d) Financial Reporting & Records

Thibodaux Regional employs methods and protocols which ensure to the greatest extent possible that all patient, financial and statistical information is true and accurate. The Health System utilizes generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB).

The Health System is reimbursed under government healthcare programs which require submission of specific reports of our costs and operations. We will comply with federal and state laws relating to all cost reports which define allowable costs and outline methodologies to claim reimbursement. Because of the complexity, issues concerning completion and settlement of cost reports should be directed to the Chief Financial Officer or to the Compliance Officer.

Billing Practices

The Health System is committed to maintaining the accuracy of every claim it processes and submits. Many people throughout the Health System have responsibility for entering charges and procedure codes. Each individual is expected to monitor compliance with applicable billing rules. Any false, inaccurate or questionable claims should be reported immediately to a supervisor or to the Compliance Officer.

False billing is a serious offense. Medicare and Medicaid rules prohibit knowingly and willfully making, or causing to be made, any false statement or representation of a material fact in an application for benefits or payment. It is also unlawful to conceal or fail to disclose an incident of fraud or abuse. Examples of false claims include:

- Claiming reimbursement for services that have not been rendered;
- Filing duplicate claims;

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- Inaccurate or incorrect coding;
- “Upcoding” to more complex procedures than were actually performed;
- Including inappropriate or inaccurate costs on cost reports;
- Falsely indicating that a particular health care professional attended a procedure or that services were otherwise rendered in a manner they were not;
- Billing for a length of stay beyond what is medically necessary;
- Billing for services or items that are not medically necessary;
- Failing to provide medically necessary services or items;
- Billing excessive charges;
- Billing for outpatient services rendered in connection with an inpatient stay;
- “Unbundling” or submitting bills piecemeal to maximize the payment for tests and procedures that are required to be billed together; and
- Billing for a discharge rather than a transfer that was actually the case.

The False Claims Act imposes liability on any person who submits a claim to the federal government that he or she knows (or should know) is false. Violations of the False Claims Act include but not limited to the following:

- Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;
- Knowingly makes, uses or causes to be made or used, a false record or statement material to a false or fraudulent claim,
- Knowingly ,makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the federal government, or knowing conceals or knowing and improperly avoids or decreases an obligation to pay or transmit money or property to the federal government.
- Conspiring with others to get a false or fraudulent claim paid by the federal government
- Knowingly submitting a claim for goods, services or supplies where were medical unnecessary or which were of substandard quality or quantity.

With the implementation of OPSS, electronic claims submission, electronic prescribing and networked information sharing among payers and providers, the Health System will take steps to ensure that its computer Health Systems and software that impact coding, billing and the transmission of information related to Medicare and Medicaid Programs is accurate and up-to-date.

The Health System carefully follows the Medicare rules on assignment and reassignment of billing rights. Health System employees should not submit claims for other entities or claims prepared by other entities, including outside consultants without the prior approval from the Compliance Officer. Special care should be taken in reviewing these claims in comparison with necessary information to verify the accuracy of the claim.

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A provider or supplier who violates the False Claims act is guilty of a felony, and may be subject to fines and imprisonment, or both. Other persons guilty of false claims may face fines for each offense, imprisonment, or both. In addition to the criminal penalties, the Federal False Claims Acts permits substantial civil monetary penalties plus three times the dollar amount that the Government is defrauded, against any person who submits false claims. The person, as well as the Health System, may be excluded from participating in the Medicare or Medicaid programs. The State of Louisiana imposes criminal and civil penalties on any person found to have wrongfully and fraudulently received payment for furnishing any service or item under the Medicaid program by means of intentional fraud, an intentional false statement or intentional concealment of a material fact. All employees and professionals, including outside consultants, who are involved in submitting charges, preparing claims, billing and documenting services are expected to maintain the highest standards of personal, professional and institutional responsibility.

A person that is the original source of the information which serves as the basis for an alleged violation may institute a civil action in federal and state courts on behalf of the government and himself. This civil action is known as “Qui Tam Action” and the individual instituting the civil action is the “Qui Tam Plaintiff” or “Whistleblower”. Federal and State False Claims Acts provide mechanisms for whistleblower rights, protections and a share in recovery. False Claims Act protects the qui tam relators against discharge, demotion, harassment and other discrimination by the employer as a result of the claims under the False Claims Act. Refer to False Claims Act 31 U.S.C. § 3729 and LA RS § 46:438.3 for additional information.

Advertising & Marketing Practices

Consistent with laws and regulations that may govern such activities, Thibodaux Regional may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of services, and to recruit colleagues. We strive to present only truthful, fully informative and non-deceptive information in these materials and announcements.

(a) Discussion With Competitors

The Health System is committed to complying with all state and federal antitrust laws. The purpose of antitrust laws is to promote fair competition. Antitrust laws clearly prohibit most agreements to fix prices, divide markets or boycott competitors. The Health System is solely responsible for determining the rates it charges for care and related items and services as well as the terms of its third party payor contracts. The Health System may take into account all relevant factors including costs, market conditions, widely used reimbursement schedules and prevailing competitive prices, to the extent these can be determined in the marketplace. Oral or written communications with any competitor concerning prices, pricing policies, pricing formulas, bids, bid formulas, discounts, credit arrangements or related terms of sale or service are prohibited. Joint ventures and affiliations that may require pricing discussions must be individually reviewed in advance for antitrust compliance. Remuneration from a joint venture may not be for payment for past or future referrals to the venture or to one or more of the participants. Discussions with competitors concerning

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rationalization of markets, down-sizing, or elimination of duplication ordinarily implicate market division and must be avoided.

Health System policy prohibits consultation or discussion with competitors with respect to its services, labor costs, marketing plans, selection of markets, territories, bids or customers. Any agreement or understanding with a competitor to divide markets is prohibited. This includes an agreement allocating shares of a market among competitors, down-sizing, eliminating duplication, dividing territories or dividing product lines or customers.

(b) Trade Associations

The Health System and its health care providers are involved in a number of trade and professional associations. These organizations promote quality patient care by allowing the Health System and providers to learn new skills, develop policies and, where appropriate, speak with one voice on public issues. However, it is not always appropriate to share business information with trade associations and their members. Sharing certain types of information may be appropriate if it is used to better inform consumers or to promote efficiency and competition. If an associate is asked to provide information for a survey or to a trade association, the associate should obtain prior approval from Administration.

(c) Boycotts

Health System policy prohibits any agreement with another entity to boycott or refuse to deal with a particular person or persons, such as a vendor, payor or other provider. These agreements need not be written to be illegal; any understanding reached with a competitor (directly or indirectly) on such matters is prohibited. All negotiations by Health System agents and employees must be conducted in good faith. Exclusive arrangements with payors, vendors and providers must be approved by Administration based on an analysis of the relevant market.

(d) Physician Services

Health System credentialing and peer review activities may also carry antitrust implications. Because of the special training and experience of physicians, physicians' skills are best evaluated by other physicians. It is appropriate for physicians to review the work of their peers. Credentialing, peer review and physician discipline are conducted only through properly constituted committees as outlined by Medical Staff bylaws, rules and regulations. Physicians participating in these activities are expected to use objective medical judgment and adhere to Louisiana Peer Review Statutes La.R.S. § 13:3715.3 and Health Care Quality Improvement Act (42 U.S.C.A. Chapter 117 §§ 11101)

Employment of, or a personal services contract with, a physician or other health care provider should be reviewed carefully with regard to exclusive dealing or non-competition provisions

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incorporated in the agreement. Exclusive dealing provisions are allowed only in limited circumstances and the appropriate geographic scope and duration of a non-competition agreement may vary from case to case. Questions about the appropriateness of an exclusive dealing or a non-competition provision should be directed to the Compliance Officer for review with legal counsel.

(e) **Unfair or Deceptive Practices**

Federal law, particularly the Federal Trade Commission Act, as well as the Louisiana Unfair Trade Practice Act, prohibit the use of any “unfair or deceptive acts and practices,” including but not limited to the distribution of labeling, advertising and marketing materials that are false or misleading.

Workplace Conduct & Employment Practices

(a) **Behavior**

All associates are expected to display good judgment and high ethical standards in their business dealings at all times. All of the Health System’s business affairs must be conducted with honesty, fairness and integrity. These qualities are evidenced by truthfulness and the absence of deception or fraud. The following specific behaviors, which are not all inclusive, are examples of unacceptable/unethical behavior: Refer to the Health System’s Standards of Performance and related Human Resources policies and procedures.

- lying and/or deception
- violating confidentiality
- discrimination
- sexual harassment
- sexist attitudes
- abuse of overtime
- copying materials for personal use
- excessive use of telephone for personal business
- verbal/physical harassment
- taking organizational supplies home
- behaviors that undermine a culture of safety
- engaging in inappropriate or unprofessional personal relationships with patients
- calling in sick when not ill

(b) **Conflicts of Interest**

Health System employees should avoid all potential conflicts of interest. Adherence to this policy ensures that the Health System protects its tax-exempt status and that its employees act with total objectivity in carrying out their duties. Any director, principal officer or member of a committee with governing board delegated powers who has a direct or indirect financial interest has a duty to disclose any potential conflict of interests. Potential conflict of interests may include financial interest, ownership or investment interest, compensation arrangement, or potential ownership or

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investment interest in or compensation arrangement with an entity or individual with which the Health System is negotiating a transaction or arrangement. The governing board will make the final decision of a conflict of interest exists. Any violation of the Conflicts of Interest Policy may result in disciplinary or corrective action.

(c) Conflict Resolution

The Health System recognizes that in the normal course of human interaction conflict will arise. Associates are encouraged to make a reasonable effort to resolve any conflict at the first-line level. If they cannot, members of management will assist in bringing about a resolution. Every effort will be made to resolve conflict in a fair and equitable manner.

(d) Controlled Substances

The Health System, through its pharmacy, is registered to compound and dispense narcotics and other controlled substances. Improper use of these substances is illegal and extremely dangerous. The Health System requires that its employees, physicians and contract providers comply with the terms of the Health System’s controlled substance registration and with federal and state laws regulating controlled substances. Access to controlled substances is limited to persons who are properly licensed and/or certified and who have express authority to handle controlled substances under Health System policy. No health care practitioner may dispense controlled substances except in conformity with state and federal laws and the terms of the practitioner’s license. Health System employees should carefully follow record keeping procedures established by their departments and the pharmacy. Unauthorized manufacture, distribution, use or possession of controlled substances by Health System associates is strictly prohibited and is subject to Health System disciplinary actions. The Health System will report any illegal activity related to controlled substances to the appropriate licensing agency and the Drug Enforcement Agency.

(e) Equal Opportunity – Discrimination & Harassment

The Health System and its affiliates are committed to a policy of nondiscrimination and equal opportunity for all qualified applicants, associates and professional staff members without regard to race, color, sex, religion, age, national origin, ancestry, disability or sexual orientation. If an associate feels that he or she has been discriminated against or harassed on the basis of his or her race, color, sex or other protected category, he or she should contact the Human Resources Director or other member of senior management so that an investigation may be initiated in accordance with Health System policies and procedures.

(f) Federally Funded Grants

The Health System occasionally receives various federal grants such as funding from the National Institutes of Health. Federal regulations impose duties and obligations upon the recipients of federal grants. As a recipient institution, the Health System expects its personnel to abide by all

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applicable federal regulations, including but not limited to regulations relating to accurate reporting and appropriate expenditure of grant funds. Questions relating to matters concerning federal grants should be directed to Administration to ensure that all regulations are observed.

(g) Fund-raising

The Health System may accept tax-deductible contributions, provided the contribution is made for public purposes. Along with its ability to accept contributions, the Health System may conduct fund-raising activities. Health System fund-raising activities are subject to Federal law governing solicitation of contributions. The Health System does not authorize any person to engage in any solicitations or fund-raising activities on behalf of the Health System unless prior administrative approval is given and a determination is made whether registration under state law is needed.

Under Louisiana law, it is illegal for any employee or representative of the Health System to make any false claim or misrepresentations in connection with a solicitation of funds or a sale of goods or services for the benefit of the Health System. Violation of the Louisiana law governing solicitations of contributions could result in civil penalties under the Unfair Trade Practices and Consumer Protection Law.

(h) Health Care Convictions

Any associate who has been convicted of a criminal offense related to health care, or who has been listed as debarred, excluded or ineligible for participation in a federal health care program should notify Human Resources or Administration immediately. An associate's failure to make a proper timely disclosure could cause the Health System to lose its right to participate in Medicare and/or Medicaid.

(i) Hiring of Former Government or Fiscal Intermediary Employees

Medicare requires that any employee must notify a human resources supervisor or the Compliance Officer if he or she was at any time during the year preceding employment with the Health System employed by a Medicare fiscal intermediary or carrier. Any Health System employee who was employed by the State, any municipality, political subdivision or public agency within two (2) years of employment at the Health System should notify the Human Resources Director or the Compliance Officer.

(j) Health System Property

Health System medical equipment may be loaned to other facilities only in emergency situations. Appropriate approval and completion of the borrowing agreement must be executed per the policy on Loaning Equipment. Health System property, such as office equipment and office supplies, must not be removed from the Health System except for company business. Such equipment or

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supplies are to be returned to the Health System upon completion of the business-related function.

(k) Political/Civic Activities & Contributions

The Health System encourages its employees to participate in civic and political activities in his or her own way.

The Health System may not spend funds to influence an election. The Health System may not contribute any money, or lend the use of vehicles, equipment or facilities to candidates for office, nor may the Health System make contributions to political action committees that make contributions to candidates for federal office. Neither the Health System nor anyone acting on the Health System’s behalf may participate in or intervene in any political campaign for or against any candidate.

(l) Research – Scientific Integrity

The Health System may receive federal funds and grants to conduct scientific research and must, therefore, comply with the federal regulations imposed upon recipients of those funds. These regulations generally prohibit “misconduct in science,” which includes intentional fabrication, falsification or plagiarism in proposing, conducting or reporting research. Honest error or differences in interpretations of data are not considered violations.

From time to time, the Health System may participate in biomedical research involving human subjects in clinical trials of investigational drugs or medical devices. It is the Health System’s policy that any research involving human subjects will be guided by ethical principles and conducted in accordance with federal and state laws and regulations. Employees in the pharmacy, administration and any department receiving federal funds to conduct research must be vigilant in identifying violations of these regulations and reporting them to the Institutional Review Board.

(m) Harassment and Workplace Violence

Every Health System associate has the right to work in an environment free of harassment. The Health System will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation or other harassing conduct is not acceptable in our workplace. Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Further, the Health System prohibits verbal or physical conduct of a sexual nature that interferes with an individual’s work performance or creates an intimidating, hostile or offensive work environment.

Workplace violence is another form of harassment. Workplace violence includes robbery, stalking, theft and physical violence. The Health System prohibits any associate from possessing weapons, explosive devices or other dangerous materials on Health System premises. Any associate who

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observes or experiences any form of harassment or violence should report the incident to the Human Resources Director.

Business Courtesies

(a) Anti-Kickback Laws

Simply stated, Thibodaux Regional, its employees and other representatives are prohibited from offering, paying, asking or receiving any money or other benefit, directly or indirectly, in return for patient referrals. The “fraud and abuse” or “anti-kickback” laws are designed to prevent fraud in federal health care programs and abuse of the public funds supporting the programs. The Health System is committed to carefully observing the anti-kickback rules and avoiding any practice that may be interpreted as fraudulent or abusive.

Agreements for professional services, management services and consulting services must be in writing, have at least a one-year term and specify the compensation in advance. Payment based on a percentage of revenue should be avoided as it may be interpreted as gain sharing. Gain sharing arrangements can also implicate the anti-kickback statute if the cost-savings payments are used to influence referrals. Rentals of space and equipment must be at fair market value, without regard to the volume or value of referrals that may be received by the Health System in connection with the space or equipment. Fair market values should be determined through an independent appraisal.

Joint ventures with physicians or other health care providers, or investment in other health care entities must be reviewed by legal counsel. Remuneration from a joint venture may not be for payment for past or future referrals to the venture or to one or more of the participants. A number of payment practices have been described by DHHS as “safe harbors” with the intention of helping providers protect against abusive payment practices while permitting legitimate ones. An arrangement that fits within the safe harbor by satisfying every element will not create a risk of criminal penalties or Medicare exclusion.

Violations of this policy will result in serious civil and criminal penalties as well as employee termination or discontinuance of professional staff privileges. Associates are expected to be alert in identifying potential anti-kickback violations and bringing them to the attention of the Compliance Officer.

(b) Entertainment and Gifts

The Health System will conduct all business transactions free from offers or solicitations of gifts and favors. Employees are prohibited from soliciting tips, personal gratuities or gifts from patients or family members and from accepting monetary tips or gifts exceeding a modest value. Gifts (at Christmas, Birthdays, or other Special Occasions) may be exchanged between physicians or vendors and staff personnel or between employees as expressions of friendship, however, such gifts

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shall not be more than a modest value and shall not influence or affect decision-making or actions of the Health System. No employee shall offer or give money, property or services with the expectation of influencing the judgment or decision making process of any purchaser, supplier, person or government official. The Hospital recognizes that business dealings may include a shared meal or other similar social occasion, which may be proper business expenses and activities.

Workshops and Seminars

Workshops and seminars given by vendors or agencies may be attended with Administrative approval. Any travel must be approved and all policies must be followed.

Contracting

All business with contractors must be conducted openly with the Health System's needs being the primary factor in all contract negotiations. Employees may not utilize "insider" information for any business activity conducted by or on behalf of the Health System.

Purchasing

Purchasing decisions must in all instances be made free from any conflicts of interest that could affect the outcome. The anti-kickback and gift prohibitions discussed above also apply to purchasing decisions made on behalf of the Health System. Any employee planning to order materials and supplies or planning to enter a contract or contracts who is in doubt as to proper procedure should contact Administration or Materials Management for guidance or further explanation.

Independent Contractors & Vendors

All contractors and vendors who provide items or services to the Health System must comply with all applicable laws and Health System policies. Each consultant, vendor, contractor or other agent furnishing items or services worth at least \$25,000 per year shall be given a copy of the Health System's Code of Conduct & Ethics and applicable Compliance Program policies and ensure it is aware of and will comply with these policies and program. Contractors should bring any questions or concerns about Health System policies to the Compliance Officer.

Tax-Exempt Status

As a 501(c)3 not for profit corporation the Health System is a public charity that is not currently subject to tax under the Internal Revenue Code and as a result is not required to pay federal income tax on its business related revenue.

Tax-Exempt Bonds

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Because the Health System’s tax-exempt bonds are publicly traded securities, certain activities of the Health System are subject to federal securities laws. These laws govern the dissemination or use of information about the affairs of the Health System or its affiliates. Federal securities laws also address the dissemination or use of information which might be of interest to persons considering the purchase or sale of the bonds.

(a) Continuing Disclosure

The Securities and Exchange Commission requires continuing disclosure on municipal securities transactions by relevant parties. The Health System shall continue contractual disclosure obligations involving health care revenue bond transactions, and shall make appropriate annual and periodic disclosures in a timely manner.

(b) Insider Trading

Associates, or anyone acting on their behalf, are strictly prohibited from buying or selling securities based upon “inside” information. It is also illegal for any person with inside information to communicate or “tip” such information to others who in turn trade securities based upon “inside” information. All information that an investor might consider important in deciding whether to buy, sell or hold securities is considered “material”.

Information is considered to be nonpublic unless it has been effectively disclosed to the public, for example by a press release. There must also be adequate time for the market as a whole to digest the information. All information about the Health System or its business plans until publicly disclosed or made available by the Health System is potentially “insider” information. Health System employees may not disclose insider information to others, such as relatives, friends or business or social acquaintances, who do not need to know it for legitimate business reasons.

Patient & Physician Referrals

Thibodaux Regional does not condone nor will it participate in any contractual arrangement whereby one party receives a referral fee (in cash or kind) for patient referrals. Patients, or their legal representatives, are free to select their health care providers and suppliers subject to the requirements of their health insurance plans. The choice of a Health System, a diagnostic facility or a supplier should be made by the patient, with guidance from his or her physician as to which providers are qualified and medically appropriate.

The Stark Law applies to any physician who has, or whose immediate family member has, a “financial relationship” with an entity such as the Health System, and prohibits referrals by that physician to the Health System for the provision of certain designated health services reimbursed by Medicare and Medicaid. If a financial relationship exists, referrals are prohibited unless a specific

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exception is met.

Physician Recruitment

The recruitment and retention of physicians require special care to comply with Health System policy and applicable law. Physician recruitment has implications under the Anti-kickback Laws and the Stark Laws . Each recruitment package or commitment should be in writing and consistent with guidelines established by the Health System. New or unique recruitment arrangements require legal counsel review and advisement. The physician cannot be required to refer patients to the Health System, and the amount of compensation or support cannot be related to the volume or value of referrals between the physician and the Health System.

Physician Practice Acquisition

To improve the delivery of health care services, the Health System may, from time to time, acquire physician practices. These acquisitions require special care to comply with applicable law because they have implications under the Anti-kickback Laws and the Stark Laws.

(a) Anti-Kickback Laws

Federal law makes it illegal for the Health System to provide or accept anything of economic value in exchange for referrals of patients covered by federal health care programs or Medicaid. Acquisitions of physician practices may implicate fraud and abuse laws if they involve illegal payments to induce the referral of Medicare or Medicaid patients. Any acquisition of a physician's practice or property must comply with the guidelines established by state and federal laws.

(b) Stark Law

Physician practice acquisitions also involve the Stark Law discussed earlier. Because the law is particularly complex, all transactions must be reviewed by legal counsel to ensure compliance.

Environmental Health & Safety

The Health System is committed to safe and responsible disposal of biomedical waste and other waste products. The Health System uses a medical waste tracking Health System, biohazard labels, and biohazard containers for the disposal of infectious or physically dangerous medical or biological waste. Failure to follow the Health System could result in significant penalties to the Health System. Associates who come into contact with hazardous waste should be familiar with the Health System's medical waste and safety policy and procedures. Spills and releases of hazardous materials must be reported to the Safety Department immediately so that necessary reports can be made and cleanup can be initiated.

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RESPONSE TO EXTERNAL INVESTIGATIONS

State and federal agencies have legal authority to investigate the Health System and review its records. The fact that a request for information has been made by a government agency does not mean that a crime has been committed or that the agent has concluded a crime was committed. The Health System will comply with subpoenas and cooperate with governmental investigations as required by law.

Attachments: (A) Code of Conduct & Ethics Acknowledgment

ORIGINATED BY: Compliance Officer

DATE: 06/18/2019

APPROVED BY: Board of Directors

DATE: 09/25/2019

REVIEWED BY: Compliance Committee

DATE: 09/17/20

REVIEWED/APPROVED BY: Executive Team

DATE: 08/23/21

REVIEWED/APPROVED BY: Compliance Committee

DATE: 12/28/21