



ETHICS AND COMPLIANCE
**STANDARDS
OF CONDUCT**

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Mission Statement

McLaren Health Care will be the best value in health care as defined by quality outcomes and cost.

Corporate Compliance Statement of Purpose

The Corporate Compliance Program of McLaren Health Care will provide guidance and evaluation of systems and processes to facilitate and promote ethical and legal conduct.



MESSAGE FROM THE PRESIDENT AND CEO

Dear McLaren Health Care Colleague:

Accepting the responsibility of providing health care to the communities we serve requires us to continuously evaluate how we can improve to best meet that important obligation. As a system, McLaren Health Care is committed to utilizing resources in a manner that will enhance the public's trust, confidence, and respect.

McLaren Health Care and its subsidiaries bring together distinct histories, cultures, and traditions. We draw the best from our historical foundations to preserve the highest ethical and legal standards. This is achieved through our individual and corporate commitment to excellence in service of our Mission, Visions, and Goals.

Our system culture is strengthened by an understanding of the principles that guide our behaviors. The following guidelines direct our actions and decisions as we represent our dynamic organization to the patients, physicians, employees, volunteers, members, and payers of our communities.

A handwritten signature in cursive script that reads "Philip A. Incarnati". The ink is dark and the signature is fluid and professional.

Philip Incarnati
President and Chief Executive Officer McLaren Health Care

McLAREN EXPECTS EACH OF US:

1. to commit to excellence through continuously improving the quality of service delivered and to be responsive to patients, physicians, employees, and our communities;
2. to be system team members who think of patients first and have broad vision beyond our individually assigned areas of responsibility;
3. to work as a member of a team that builds a system of which we can be proud and of which people can depend on;
4. to be good listeners and to respect each other's point of view;
5. to work toward the accomplishment of the system's Mission and Goals, and to commit to system achievement and success;
6. to be advocates and representatives of McLaren Health Care to the public;
7. to address persons directly about issues of style or decisions that we feel are not consistent with organizational culture or with the system's Mission and Goals;
8. to honor the dignity and worth of each person with whom we work;
9. to build relationships within McLaren based on fairness, truthfulness, and trustworthiness;
10. to commit to providing quality health care with empathy and understanding.

OUR VALUES

- T** **TRUST** – Portrays confidence in and reliance on good qualities, especially fairness, truth, honor and ability.
- E** **EXCELLENCE** – Performs overall job responsibilities at a very high quality or standard.
- A** **ACCOUNTABILITY** – Is responsible for their own actions and ensures that others are held accountable for their actions, as appropriate.
- M** **MOTIVATION** – Displays a feeling of interest and enthusiasm in the work that is performed. Energizes and encourages other staff.
- W** **WELCOMING** – Expresses a friendly or courteous greeting to all medical staff, patients, visitors and staff.
- O** **ORGANIZATION** – Conducts work in a systematic and efficient manner. Works cooperatively with coworkers to conduct business.
- R** **RESPECT** – Shows consideration and appreciation to all medical staff, patients, visitors and staff. Maintains patient confidentiality and respects the right of patients.
- K** **KINDNESS** – Is considerate, and demonstrates a caring and compassionate attitude when interacting with others.

PURPOSE OF OUR STANDARDS OF CONDUCT

Health care is a highly regulated business, and the laws and regulations that govern health care practices are numerous and complex. McLaren Health Care's (MHC) reputation for excellence, in both clinical practice and compliance with legal and accreditation requirements, is critical to maintaining the confidence of our patients and the public. **To this end, McLaren Health Care is committed to:**

- Ensuring that our employees, physicians, governing boards, volunteers, suppliers, and other contracted agents understand and take responsibility for compliance with all applicable laws and regulations;
- Avoiding conflicts of interest and conducting business with the highest degree of integrity and honesty; and
- Treating our customers with dignity and respect.

GOVERNING BOARD

The Governing Boards are ultimately responsible for ensuring MHC has an active and effective Compliance Program. The Boards demonstrate support for the Compliance Program through commitment of financial resources to support the program, review of compliance activities, and annual evaluation of the Compliance Program's effectiveness.

LEADERSHIP

While all employees of MHC are responsible for adhering to the Standards of Conduct, leadership within the organization is expected to be the model for all employees. Leadership is charged with ensuring a culture that promotes high standards of ethics and compliance and with selecting future employees who embody these characteristics.

Leadership is responsible for:

- Assessing areas of responsibility to determine areas of high risk
- Maintaining current knowledge of laws that affect his/her areas of responsibility
- Implementing effective internal controls to provide reasonable assurance that processes comply with all applicable laws and regulations
- Ensuring that potential/real violations are reported and changes are implemented to prevent future violations
- Reporting compliance related activities to the Compliance Officer
- Supporting and ensuring employee participation in both annual and special topic compliance training relating to the laws and regulations within their roles
- Creating an ethical culture that allows employees to raise appropriate questions of potential violations of standards without fear of retaliation
- Annually completing the Attestation of Business Integrity and Conflict of Interest Disclosure forms
- Management is also responsible to assure employees leaving the organization have turned in all keys, identification badges, or any other items that may compromise company or patient security

EMPLOYEES AND VOLUNTEERS

Employees and volunteers are responsible for:

- Adhering to the requirements outlined in the Human Resources Policy and Procedure Manual and Standards of Conduct
- Knowing and following established policies and procedures, and laws related to compliance and their department
- Participating in compliance training
- Reporting concerns or suspected violations promptly to their supervisor, Compliance Officer or Compliance HOTLINE

PROVIDERS

Providers are responsible for:

- Knowing and complying with applicable laws and the policies and procedures of the organization
- Disclosing, as requested, any and all financial interests in and relationships with suppliers, including but not limited to pharmaceutical and medical device manufacturers, suppliers, hospitals, and other health care providers
- Annually completing the Provider Conflict of Interest Disclosure forms

VENDORS AND CONTRACTED AGENTS

Vendors and contracted agents are responsible for:

- Complying with MHC's credentialing, certification and education requirements, policies and procedures, and applicable laws

Education provides a key component to an effective compliance program within MHC. The organization is committed to education at the time of hire, as well as annually, and ongoing specific to the roles and situations required of its workforce, and in adherence to its policies and procedures. The contents of the Standards of Conduct may not address the complexity of issues encountered for every situation, but provide the framework of MHC's ethical culture and outlines behaviors expected of employees, providers, contractors, vendors, third party payers, and volunteers.

A COMMITMENT TO PROVIDING PATIENT CARE

McLaren Health Care strives to provide excellent results in every situation and expects its workforce to treat all patients and their family members with care, respect, and dignity. This commitment to excellence includes the physical, emotional, psychological, and spiritual care of each person. MHC's philosophy for successful patient care stems from vigorous dedication to evidence-based care, constantly evaluating outcomes, and building successful protocols around effective practices to ensure appropriate and necessary care.

The organization and its workforce are committed as a team to achieve quality and patient safety. McLaren Health Care has consistently been recognized locally and nationally for its quality outcomes. Our "Patient Safety Dashboard," measures system-wide quality outcomes and compares MHC hospitals to system and national best practice. MHC expects employee involvement in departmental initiatives for quality and safety to ensure continuous improvement in patient care. When a MHC employee questions if quality or safety concerns are being met, he or she is obligated to raise the concern through appropriate channels.

Patients will not be denied appropriate care on the basis of race, religion, color, culture, language, national origin, ethnic background, sex, sexual orientation, age, disability, marital status or source of payment. Upon admission, each patient will receive detailed Patient Rights and Responsibilities. It is the responsibility of each MHC workforce member to ensure patients know who is responsible for and providing their direct care. MHC will ensure that patients have the right to make informed decisions for the proposed course or choices of treatment based on information about their medical conditions provided by the appropriate individuals, and presented in a manner that the patient can easily understand. Patients are entitled to refuse treatment to the extent provided by law and to be informed of the consequences of that refusal. In addition, patients are entitled to receive information about designating another person to make decisions about their medical care (Advance Directive) in the event they are not capable of making decisions on their own. Patients may formulate advance directives, and the medical staff will comply with the provisions of the directives within the guidelines of the law and medical ethics.

McLaren Health Care provides free language services such as qualified interpreters and/or information written in other languages, to people whose primary language is not English. Free aids and services are provided to people with disabilities or hearing impairments, such as qualified sign language interpreters or written information in other formats. On-demand technology interpreter services are available at any time. These technologies include Video Remote Interpreting and Over the Phone interpreting.

McLaren Health Care and its workforce are also committed to monitoring services and assuring the most customer-friendly services are provided. **The workforce is expected to create a proper atmosphere for patients and visitors through:**

- Attention to both facility and personal appearance
- Individual professionalism – being responsible for your actions and taking pride in your work
- Effective communication – using plain language, making eye contact, using proper phone etiquette, smiling and greeting patients and family members
- Exceeding the expectations of patients, patient family members, and co-workers

Patients will receive information upon admission on how to raise any concerns about their care directly to the organization or a regulating body. In the event a patient or family member express concern about the care received at one of the MHC facilities, workforce members are individually responsible to address the issue or refer it to the appropriate person within the organization.

A COMMITMENT TO OUR COMMUNITY

McLaren Health Care is committed to improving the quality of life in every community it serves. MHC and its employees are involved in numerous community activities such as outreach and education programs, community foundations, health screenings, support groups, transportation services, food and blood drives, scholarship programs, and career mentoring. It is the responsibility of each employee, physician, and volunteer to consider their role in improving the health status of the community at large.

Under the oversight of the Internal Revenue Service, McLaren Health Care operates as a 501(c) (3) tax-exempt organization, providing millions of dollars in charity or reduced fee care and community benefit each year.

Employees are required to understand charity care policies and procedures within their work areas, enabling effective assistance to patients and accurate recognition of this expense.

Acting as a representative of MHC, employees will not participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office. Examples of participation include publishing or distributing statements, or contributing money, property, or the services of any employee at the expense of MHC. Any attempt to influence the decision making process of a government representative by an improper offer of any benefit is absolutely prohibited, and any request by a government representative for any improper benefit should be reported. Where MHC's understanding may assist in governmental issues, it may publicly offer recommendations or positions concerning legislation or regulations being considered which impact the operations of the organization. Employees may personally participate in political processes using their own time and financial resources, but may not represent their personal point of view as that of the corporation.

A COMMITMENT TO ENVIRONMENTAL HEALTH AND SAFETY

A variety of organizations guide our requirements to maintain a safe environment for our patients and staff. Some of these organizations include: Occupational Safety and Health Administration (OSHA), National Fire Protection Agency (NFPA), Food and Drug Administration (FDA), Centers for Disease Control (CDC), and the Department of Transportation (DOT). Keeping the workplace clean and safe helps everyone. It is essential everyone knows and understands the safety laws, regulations, and MHC policies pertaining to their roles. To ensure current knowledge on safety issues and regulations, employees are required to complete yearly education sessions and some departments may have additional requirements based on job duties. It is each employee's responsibility to complete this education. **Although the list is not exhaustive of all potential situations and responsibilities, employees are required to:**

- Follow all employee health guidelines
- Adhere to standard precautions, sterile environments, and environmental controls to reduce the risk of disease transmission
- Properly report infections
- Maintain refrigeration at required temperatures
- Wear safety equipment when using machines or personal protective equipment as required
- Follow manufacturers' equipment handling guidelines
- Adhere to proper handling of hazardous waste and alert leadership and appropriate departments of improper handling or disposal of waste
- Know their respective departmental role for emergency preparedness to protect our community

McLaren Health Care is committed to the safety and security of all employees and visitors. Violence against our employees is not tolerated. Maintaining a safe and secure environment requires cooperation and communication between workforce members and management.

Intimidating and disruptive behaviors whether overt or passive may jeopardize patient care and other work, and will not be tolerated. Examples of unacceptable behavior include: verbal outbursts and physical threats; refusing to perform assigned tasks, answer questions, or return phone calls or pages; and condescending language or voice intonation.

Workforce members will:

- Wear appropriately displayed name badges at all times and be familiar with others that work in their areas
- Report suspicious persons or situations immediately
- Remain calm, listen, and diffuse verbally hostile situations

Only authorized individuals should have access to controlled substances, prescription drugs, and other medical supplies. These substances are provided under the order of a physician and must always be administered by the appropriate individual in accordance with organizational policies and procedures. If you become aware of inappropriate use or other violation related to drugs or supplies, you are to report the occurrence immediately.

A COMMITMENT TO PROPER EMPLOYMENT PRACTICES

McLaren Health Care is a federal contractor and thus takes reasonable precautions to ensure the work environment is free of discrimination or harassment in compliance with federal and state laws. All employees and staff are to be treated fairly, without regard to race, age, color, sex, religion, national origin, height, weight, marital status, or disability. This applies to all employment decisions, including but not limited to hiring, promotion, transfer, discipline, layoff, termination, compensation, and terms and conditions of employment.

Each person has the right to work in an atmosphere free from discriminatory practices and unlawful harassment. Any employee who believes he/she has been subjected to discrimination or harassment, or any employee who witnesses such conduct, should immediately report it to management or Human Resources.

To ensure the highest level of patient care and to provide for the safety and welfare of patients, visitors, and employees, the workplace must be free of the health and safety hazards caused by inappropriate use or abuse of alcohol or drugs. Individuals who observe a colleague appearing to be impaired in the performance of his or her job must immediately consult with management or Human Resources.

MHC and its subsidiaries will not knowingly hire or employ any individual who is excluded from participating as a provider in a federal health care program. Consistent with this policy, MHC will conduct background checks of prospective employees and will screen all prospective employees and physicians who seek clinical privileges. Workforce members associated with MHC are individually responsible to maintain credentials, licenses, and certifications necessary to perform their job functions.

A COMMITMENT TO ETHICAL BUSINESS CONDUCT

To maintain public trust, employees are expected to act in MHC's best interest and conduct all activities on behalf of McLaren in good faith, being careful to avoid the appearance of a conflict of interest. **A conflict of interest can exist in any instance where an individual's actions or activities on behalf of the organization result in personal gain. Specifically:**

- Employees may not solicit or accept anything of more than de minimus value, including a loan, reward, material or property, from a patient or a patient's family, visitor, contractor, supplier or competitor. Accepting cash or a cash equivalent, like a gift card, is strictly forbidden. However, it is recognized that situations sometimes arise where refusal of a small token of appreciation from a patient, such as candy or cookies, would be awkward and embarrassing. In these situations, acceptance of such small items is

permissible. Employees should direct patients or family members wanting to make donations or provide gifts to MHC's local health care foundation.

- MHC employees who sit on boards of directors or advisory boards of outside organizations must disclose this information to MHC. In addition, they may not be involved in decisions that impact the outside organization and MHC. The use of official position and influence to further personal gain or that of family members or associates is considered to be unacceptable behavior.
- Employees may not use their employment, or any information received through MHC, to obtain financial gain (direct or indirect) for themselves, a member of their family or a business with which they or a member of their family, is associated.
- Outside employment or business activities must be limited to off-work time. During work hours, employees are expected to devote their best and full time efforts to job responsibilities.
- Employees will report to their subsidiary Human Resources executive any situation that may be considered a conflict of interest that arises during their employment with MHC or any of its subsidiaries. The Human Resources executive will consult with the subsidiary compliance officer and department director and will respond to the employee who discloses a potential conflict. Failure to abide by the foregoing provisions may result in discipline up to and including termination.

Managing conflicts of interest is essential to ensuring integrity in business decisions and maintaining public trust. Members of the governing boards, leadership, contracted providers (physicians and allied health), and other designated individuals are required to complete a Conflict of Interest Disclosure on an annual basis (refer to Policies MHC_CC0109, MHC_CC0137 and MHC_GB0001).

In order to protect the safety of our patients, minimize work interruptions, and ensure subsidiaries conduct business with the highest ethical standards, MHC requires vendors to adhere to a certification process and complete the necessary education (refer to Policy MHC_SC0110). Vendors include companies that provide medical devices, supplies, pharmaceuticals, services, and equipment. Admittance to any MHC subsidiary is a privilege and not a right, requiring appropriate appointments and identification by the vendor. All workforce members are responsible for assuring vendors comply with the policy. Failure to comply should be reported to the Compliance Officer or Supply Chain Management. Repeated and flagrant violations can result in indefinite suspension of privileges for the individual vendor and its representatives.

Staff and physicians may not share pricing information, internal reports, communications, procedure schedules, volumes or pricing unless approved by Supply Chain Management. Supplier-sponsored entertainment activities and gifts may not be accepted under circumstances that could have the effect of influencing business decisions that are not in the best interest of the organization. If a correlation is found between a supplier-sponsored event or gift and an unsound business decision on the part of an employee, the employee will be subject to discipline, up to and including termination.

A COMMITMENT TO MHC ASSETS AND FINANCIAL TRANSACTIONS

Employees must report and record all information honestly, completely, and accurately. Resources, including equipment, supplies, and paid work time, belong to MHC and should be protected from theft and waste. MHC employees, physicians, volunteers, and contractors must remain committed to protecting assets, including but not limited to:

- Appropriately representing productivity
- Accurately recording travel expenses and mileage
- Securing money, equipment, or supplies from theft
- Complying with business expense reimbursement policies
- Purchasing goods and services for organizational use only

MHC expects honest, accurate, and complete reporting of financial transactions, including information provided to third party payers, cost reports, IRS forms, and financial statements. Internal and external controls are maintained to provide assurance that transactions are completed in accordance with management's authorization and in accordance to applicable rules and guidelines. Federal and State laws require the submission of operating cost and statistical reports, and these reports are subjected to internal and external review.

A COMMITMENT TO ACCURATE CODING AND BILLING TRANSACTIONS

Providers and employees must make certain that codes submitted for billing transactions accurately reflect the patient's diagnoses and services provided. Employees, physicians, and subcontractors will follow applicable laws, policies and procedures to ensure accurate coding, billing, and collection activities to governmental payers, commercial insurances, and patients. When billing questions and issues arise, employees will resolve matters in a professional and courteous manner. **Employees, physicians, and contractors must remain committed to accurate business practices, including:**

- Providing and billing only for services that were reasonable and necessary
- Billing for services at levels that are supported by medical record documentation
- Waiving of co-pays or deductibles only in accordance with policy and procedure
- Bundling or unbundling charges appropriately
- Advance Beneficiary Notices are provided prior to service for Medicare and Medicaid patients when indicated
- Preventing duplicate billing
- Ensuring the accuracy of diagnostic and procedure codes

Any subcontractors engaged to perform coding and billing functions are expected to have the necessary competencies, processes and systems to ensure accurate, timely, and complete billing. These organizations are required to have their own compliance programs and codes of conduct, or to adopt those of MHC.

A COMMITMENT TO PHYSICIAN RELATIONS

For physicians who practice in our facilities or use the services of McLaren Health Care, the organization is committed to providing an excellent work environment focused on high quality, innovative facilities, and equipment. The organization will maintain positive working relationships and respect the legal rights of physicians. MHC provides a uniformly-applied privileging process that is fair, prompt and reasonable, without discrimination on the basis of race, color, national origin, sex, marital status, religion, and age or other protected category as defined by law. In addition, MHC demonstrates its pledge to the medical community through its teaching facilities and practices to assist in advancing the field of medicine.

Federal and State laws and regulations govern relationships between physicians and health care organizations. Two of these laws in particular are the Anti-Kickback and Stark statutes. An overview of these laws is provided in the section entitled, "Our Commitment to Laws and Regulations." All agreements involving payments or other forms of compensation from MHC or one of its subsidiaries to physicians (employed or non-employed) are required to be in writing and approved through the Contract Management and Authorization Policy (refer to Policy MHC_CC 0139). **The contract review process provides an assurance that:**

- Contracts and agreements meet documentation requirements
- Compensation for services provided is consistent with fair market value
- Leased property and equipment are clearly identified and payment is consistent with fair market value
- Community need is documented, when applicable
- Joint venture relationships and payments are established
- Contracts are authorized by appropriate individuals

MHC will adhere to laws and regulations pertaining to providing special treatment, money, favors, gifts, services, or anything of value in exchange for referrals. Inappropriate solicitation of favors or gifts should be reported to the Compliance Department. Physicians who work with MHC may not accept payments or gifts in exchange for referrals.

A COMMITMENT TO CONFIDENTIALITY AND ELECTRONIC SECURITY

PATIENT INFORMATION

The Health Insurance Portability and Accountability Act (HIPAA) established requirements for the handling, processing, and storage of a patient's health information. These regulations, governed by the Office of Civil Rights, do not replace existing confidentiality policies but further support and strengthen the commitment to keep patient information secure. The Privacy and Security Rules affect every health care worker, volunteer, and physician no matter where they work in the health care delivery system. Patients provide us with sensitive protected health information (PHI) on a constant basis so MHC employees can appropriately care for them. PHI refers to any information, whether oral or recorded in any form, that is created or received by a health care provider and relates to a past, present or future medical condition or payment for services of an individual. The Privacy Rules give guidance on how, when and with whom PHI can be shared. The Security Rules give us guidance on administrative, physical, and technical safeguards for protecting PHI when storing or communicating electronically. **It is the responsibility of every employee, physician, volunteer, and contractor or vendor to adhere to regulations, policies/procedures, and patient rights for privacy including:**

- Right to confidential communication of PHI
- Right to receive a notice of uses/disclosures of PHI
- Right to access or receive a copy of their medical records
- Right to request a restriction to how PHI is used
- Right to request changes (amendments) to their records
- Right to receive a listing (accounting of disclosures) if requested, of PHI disclosures during the prior six-year period

MHC workforce members may use or disclose PHI for treatment, payment, and operations or as required by law, but must abide by the “need to know” and “minimum necessary” standards outlined in the Privacy Rule. Release of PHI for other reasons requires patient authorization or a court order.

All MHC subsidiaries provide initial (new hire) and ongoing training on privacy and security policy and procedures. Each subsidiary has designated an individual (HIPAA Privacy/Security Officer) to oversee compliance with HIPAA policies and regulations. Suspected or actual violations should be reported to the HIPAA Privacy or Security Officer or to the Compliance Hotline.

BUSINESS INFORMATION

Workforce members may be exposed to many types of confidential business information including information related to strategies, financial information, trade secrets, and other commercially sensitive information. Many of the same safeguards used to protect confidential patient information should be used to protect our business and financial information. All work product of the employee, including but not limited to ideas, refinements, alterations of equipment, procedures, technology, and all records and files concerning the MHC’s operations, belong to and remain the property of MHC or its subsidiaries. Work product, records or files, should not be removed from MHC’s premises except in the ordinary course of performance of service. All work products, records, and files shall remain with MHC upon termination of the employee. Trade secrets and proprietary or confidential information may not be disclosed to other organizations that are in direct competition with MHC or any of its subsidiaries. Electronic media (i.e. phone, email, voice mail, text messages, internet access, etc.) used to facilitate business operations remains the property of MHC, and MHC maintains the right to monitor and retrieve all communications as necessary.

RETENTION AND DESTRUCTION OF DOCUMENTS AND ELECTRONIC MEDIA

Laws and regulations specify how long many business and clinical records must be retained, and in some cases how they must be destroyed. These retention periods and/or MHC’s requirements are compiled in the Record Retention Schedule (MHC_CC0110 Appendix 7.1). Each department is responsible for ensuring that records are retained and destroyed in accordance with the Retention Schedule and the Record Retention and Destruction Policy (MHC_CC0110). Paper and electronic media (e.g., disks, CDs, USB flash drives, keys, etc.) containing PHI or other confidential business information should be placed into one of the locked shredding bins or sent to the authorized contractor for destruction.

A COMMITMENT TO LAWS AND REGULATIONS

The laws surrounding health care are numerous and complex. The following does not intend to cover all applicable laws related to the services provided by McLaren Health Care, but provides an overview of a few key laws that can impact our business. MHC expects all workforce members to be familiar with laws applicable to their specific roles.

THE ANTI-KICKBACK STATUTE

The Anti-Kickback Statute provides criminal penalties for individuals or entities that knowingly and willfully offer, pay, solicit, or receive remuneration in order to induce or reward the referral of business reimbursable under any federal health care program. The types of remuneration prohibited, without limitation, include kickbacks, bribes, and rebates, whether made directly or indirectly, overtly or covertly, in cash or in kind.

Prohibited conduct includes not only the payment of remuneration intended to induce or reward referrals of patients, but also the payment of remuneration intended to induce or reward the purchasing, leasing, or ordering of, or arranging for or recommending the purchasing, leasing, or ordering of, any good, facility, service, or item reimbursable by any federal health care program. The Anti-Kickback Statute is violated even if inducing or rewarding the referral of business is only one of several reasons for the remuneration. That is, the referral of business does not need to be the sole reason for the remuneration to violate the Anti-Kickback Statute.

The Anti-Kickback Statute and its implementing regulations provide for certain “safe harbors,” which give guidelines about arrangements that avoid a violation. While an arrangement need not meet all of the parameters of a safe harbor, the further an arrangement strays from the parameters, the more likely the arrangement is to violate the Statute.

Anti-Kickback violations are classified as felonies and are punishable by fines and/or imprisonment for up to five years. Additional penalties include exclusion from federally funded programs, other financial liabilities under the False Claims Act or civil monetary penalties.

STARK LAWS (PHYSICIAN SELF-REFERRAL LAW)

Stark Laws prohibit a physician from making referrals for Designated Health Services payable by Medicare or Medicaid to an entity with which the physician (or an immediate family member) has a financial relationship, unless a specific exception applies. Stark also prohibits the entity from submitting claims to Medicare or billing the beneficiary or third party payer for such referred services, unless an exception applies. Under Stark, a “financial relationship,” which gives rise to a Stark violation includes both direct and indirect ownership and investment interests and compensation arrangements.

Stark regulations provide exceptions that describe arrangements not defined as “financial relationships.” Unlike the Anti-Kickback Safe Harbors, under Stark an arrangement must precisely meet all of the requirements of an exception or the arrangement is deemed a “financial relationship” that can give rise to a violation.

The Federal Stark Laws also outline non-monetary compensation and incidental benefits (allowed while physicians are on campus). Employees providing these benefits or physicians of MHC will ensure:

- Non-monetary compensation will not exceed limits established annually by the Centers for Medicare and Medicaid Services (CMS)
- Incidental on-campus benefits will also not exceed limits established annually by CMS
- Compensation may not be determined in any manner that takes into account the volume or value of the referrals or other business generated by the physician
- Compensation may not be solicited by the physician or the physician’s practice (including employees and staff members)
- Non-monetary compensation arrangements do not violate the Anti-Kickback Statute or any Federal or State Law or regulation governing billing or claims submission

FEDERAL FALSE CLAIMS ACT

The primary function of the False Claims Act (FCA) is to prevent an entity or individual from submitting a false or fraudulent claim to the United States Government. Claims to Medicare and Medicaid for payment make up the majority of health care claims paid by the U.S. Government. **This law defines a false claim to the U.S.**

Government as follows:

- Knowingly presenting a false or fraudulent claim for payment or approval
- Knowingly making or using a false record or statement to get a false or fraudulent claim paid or approved
- Conspiring with another to get a false or fraudulent claim paid or approved
- Knowingly making or using a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property

There is no requirement that there be intent to defraud. The requirement of doing something in a knowing manner is met by showing either (1) actual knowledge, (2) deliberate ignorance of the truth or falsity of the information, or (3) reckless disregard of the truth or falsity of the information.

False claims may take on a variety of forms, including:

- Classic False Claim: Billing for services not provided, billing for unnecessary services, upcoding, and double billing, including non-reimbursable items on a submitted cost report
- Standard of Care False Claim: Knowingly submitting a claim for provider services which fall below the quality of care standard (CMS treats these as if care was never provided)
- Tainted False Claim: FCA liability resulting from violation of another law (i.e. Stark, Anti-Kickback)

McLaren Health Care has policies related to preventing, detecting, and reporting fraud, waste and abuse, including MHC_CC 0111 - Prevention of Fraud, Waste, Abuse and False Claims. Violations of the Federal FCA can result in civil monetary penalties, plus three times the amount of damages that the government sustains. Under a second regulation addressing health care fraud (Chapter 38 of Title 31 of the United States Code), the Department of Health and Human Services may impose on a person who submits certain claims to the government of the United States additional monetary penalties, plus twice the amount of the false claim.

A private person (“Qui Tam Relator”) may bring a civil action for any false claim (itemized above) in the name of the US Government. The federal government gets an opportunity to review the complaint and the disclosure of all the material evidence and information the person possesses to decide whether to intervene. If the federal government decides to intervene, then it has the primary responsibility for prosecuting the action for the false claims, and the person who originally brought the action (the Qui Tam Relator), may receive a portion of the proceeds of the action or settlement of the claim.

STATE FALSE CLAIMS ACT

Each state’s Medicaid False Claims Act establishes liability for the submission of false or fraudulent claims to the State’s Medicaid program. The Act imposes prison terms and fines for:

- Knowingly making a false statement or false representation of a material fact in any application for Medicaid benefits or for use in determining rights to a Medicaid benefit
- Soliciting, offering or receiving kickbacks or bribes for referrals to another for Medicaid-funded services

- Entering into an agreement with another to defraud Medicaid through a false claim
- Making or presenting a false claim for payment to a state Medicaid program

Similar to the Federal CFA, any person (Qui Tam Relator) may bring a civil action on behalf of a specific state to recover losses suffered from a person violating a state's False Claim Act. MHC follows the states' False Claims Acts in all states it serves.

Both the federal and state laws protect individuals who investigate or report possible false claims made by their employer against discharge or employment discrimination because of such investigation. Whistleblowers who experience these types of retaliation may sue in court for damages. MHC's Non-retaliation policy (MHC_CC 0114) protects from retaliatory actions, individuals who report in good faith a suspected or known violation.

SURPRISE BILLING LAWS

MHC is committed to helping patients understand their upcoming health care costs so they can plan for their care. When patients receive certain services provided by out-of-network providers at specified in-network facilities, patients are protected from surprise billing. Patients who do not have insurance or who are not using insurance to pay for care have a right to receive a good faith estimate of their potential bill for medical services.

EMTALA (EMERGENCY MEDICAL TREATMENT AND ACTIVE LABOR ACT)

MHC hospitals must comply with the Emergency Medical Treatment and Active Labor Act (EMTALA) (Section 1867 of the Social Security Act; 42 USC 1395dd). EMTALA requires a hospital with an emergency department to provide a medical screening examination to any individual who comes to the emergency department and requests such an examination, and prohibits a hospital with an emergency department from refusing to examine or treat individuals with emergency medical conditions regardless of their ability to pay. A hospital must provide necessary stabilizing treatment within its capacity and provide an appropriate transfer as necessary and according to the standards. The provisions of EMTALA apply to all individuals (not just Medicare beneficiaries) who attempt to gain access to a hospital for emergency care. McLaren Health Care hospitals will follow and ensure enforcement of the regulations and expects all workforce members involved in emergent care to understand the law and their responsibilities.

A COMMITMENT TO ONGOING MONITORING

McLaren Health Care is committed to ensuring the effectiveness of its compliance program and Standards of Conduct. One monitoring mechanism includes voluntary or mandatory surveys from regulatory agencies. Some examples of these agencies include The Joint Commission, Centers for Disease Control (CDC), and the Food and Drug Administration (FDA). In addition, various federal, state or local agencies may request information for investigative purposes. These agencies may include the Department of Justice (DOJ), Office of the Inspector General (OIG), Office of Civil Rights (OCR), Center for Medicare and Medicaid Services (CMS), and Federal or State Attorneys General (AG), as well as local courts and law enforcement agencies. Information or documents may be requested by letter, telephone call, or scheduled or unannounced visit by the investigating agent(s). For mailed and telephone requests, promptly and prior to releasing any information, notify the Compliance Officer for assistance in determining the purpose of the request and expediting the response. If an investigating agent appears for an unannounced visit, MHC staff is expected to obtain

the individual's name, credentials, and purpose of visit, then immediately contact their supervisor and the Compliance Officer and follow the procedures outlined in the Responding to Government Official Visits – Search Warrants and Subpoenas (MHC_CC0104).

A second commitment to ongoing monitoring includes program evaluation through independent internal and external audits. The use of audits evaluates internal controls and promotes adherence to applicable laws and regulations.

These audits are completed as part of the annual plan or risk assessment, ongoing financial business processes or by identified need. Audit/review follow-up is an integral part of good management and an effective compliance program, and it is a shared responsibility of management, auditors/reviewers, and all applicable department members. MHC has a variety of policies pertaining to auditing and monitoring for employees to follow, and specifically include: Auditing and Monitoring (MHC_CC0105) and Audit/ Investigation, Response, Follow-up and Resolution (MHC_ CC0108).

All workforce members are expected to work with regulatory agencies and internal/external auditors in a direct, open, and honest manner and without actions taken that could mislead. Documents must never be concealed, damaged or altered. In addition, all MHC employees are expected to take an active role in their departments' actions to assure the prompt and proper resolution and implementation of audit or review recommendations.

A COMMITMENT TO RESPONSIBLE AND ETHICAL CONDUCT OF RESEARCH

McLaren Health Care Corporation is committed to the goal of conducting research responsibly and ethically. Further, McLaren Health Care is committed to conducting research in full compliance with all applicable federal and state laws, regulations and guidelines, as well as our own policies and procedures.

All members of the McLaren Health Care Corporation community engaged in research are expected to conduct their research with integrity and intellectual honesty at all times and with appropriate regard for human subjects.

To protect the rights of human subjects, all research involving human subjects is to be reviewed by appropriate scientific review committees and designated institutional review board(s). Additionally, McLaren Health Care expects all investigators who conduct research activities at any McLaren Health Care facility to comply with all applicable McLaren Research policies and procedures.

McLaren Health Care Corporation prohibits research misconduct. Members of the McLaren community engaged in research are not to: fabricate data or results; change or knowingly omit data or results to misrepresent results in the research record; or intentionally misappropriate the ideas, writings, research, or findings of others. All those engaged in research are expected to pursue the advancement of knowledge while meeting the highest standards of honesty, accuracy, and objectivity. They are also expected to demonstrate accountability for sponsors' funds and to comply with specific terms and conditions of contracts and grants.

Research compliance is essential to protect the health and safety of research subjects, ensure the scientific integrity of the research, ensure research billing compliance and safeguard funds provided from all sources that support research activities.

COMPLIANCE PROGRAM AND RESOURCES

To assist management in communicating and implementing the Standards of Conduct, McLaren Health Care Corporation maintains a Corporate Compliance Program. The Board of Trustees of each subsidiary and the Board of Directors of McLaren Health Care are committed to maintaining an organizational culture that encourages ethical behavior as well as the prevention, detection, and resolution of instances of conduct that do not conform to the laws, standards, and payer requirements of the health care industry.

The MHC compliance program and each subsidiary compliance program were developed in collaboration and articulate the Corporation's dedication to operating in a manner that demonstrates integrity, ethical standards and compliance with the federal, state, and local laws that govern operations. The Board is ultimately responsible for ensuring that McLaren Health Care has an active and effective compliance program. The Board also has final authority and responsibility for actions taken on identified issues, concerns, and recommendations.

The Compliance Officer is responsible for the day-to-day oversight and operation of the compliance program.

The Compliance Officer has the authority to review all documents and other information that are relevant to compliance activities. He/she may also investigate the contracts and arrangements McLaren Health Care has with other parties.

The MHC Corporate Compliance Committee oversees the implementation of the compliance programs and collaborates on compliance initiatives, including the review of policies and procedures and annual compliance plans and reports. In addition, the Committee oversees audits and reviews the effectiveness of the compliance program. **MHC Compliance Departments accomplish this purpose through several tools including:**

- Standards of Conduct
- Annual Conflict of Interest Disclosures for leadership, providers and governing boards
- Assignment of Compliance Officer and teams at each MHC subsidiary
- A Compliance Hotline for reporting of actual or suspected violations without fear of retaliation
- Development of compliance policies and procedures which provide standardization of operational activities
- New hire and annual education programs, newsletters, and regulatory updates for all workforce members, as well as specialized education for leadership and employees in high risk positions
- Internal and external auditing and monitoring programs with action plans when applicable
- Organizational enforcement of compliance related issues
- Screening mechanisms for assurance of qualified employees, vendors, and contractor relationships
- Annually developed compliance plans addressing areas of focus within specific departments or divisions
- Quarterly compliance reports to MHC and at least semiannual reports to subsidiary boards

COMPLIANCE REPORTING

As a MHC employee or contractor, if you become aware of any situation that could lead you or others to engage in actions that could result or have resulted in a compliance violation, you should consult your immediate supervisor or your Compliance Officer. If the problem involves your supervisor, or if you do not feel comfortable talking to your supervisor, contact the Compliance Officer. As a responsible employee, you have an obligation to identify and report any internal problems to the appropriate people so that they may be corrected. You are responsible to report identified issues to your subsidiary Compliance Officer (consult the subsidiary telephone directory for the number) or you may contact the MHC Compliance Office at 1-866-MHC-COMPLY. You will be asked to leave a voice mail message explaining the situation. You may leave your message anonymously, or you may leave your name and a contact number for the Compliance Officer to reach you. All reports will be investigated, and it may be necessary to contact you for additional information to complete the investigation. Anything you report to the Compliance Officer is strictly confidential and will not result in retaliation of any kind.

**MHC COMPLIANCE TOLL FREE HOTLINE:
1-866-MHC-COMPLY
(1-866-642-2667)**

*REPORTING A COMPLIANCE VIOLATION IN GOOD FAITH
WILL NOT RESULT IN RETALIATION!*

FINAL POINTS TO REMEMBER

The contents of the Standards of Conduct may not anticipate every situation encountered by employees, physicians, volunteers, contractors or vendors. While written policies are in place in a number of significant areas to assist employees in fulfilling their responsibilities, the purpose of this booklet is to address some of the more common business ethics issues employees might experience at McLaren Health Care. MHC workforce members are responsible to be aware of policies and procedures pertaining to their work areas and should consult with their leadership, the compliance department or human resources on areas of uncertainty.

Any employee who violates the McLaren Health Care Standards of Conduct, compliance laws, regulations, policies or procedures is subject to human resources policies governing disciplinary action, which can include oral or written reprimand, suspension, or termination of employment. Prohibited actions may also violate criminal laws, resulting in personal criminal prosecution and, upon conviction, fines and imprisonment.

Board members, medical staff members, employees, volunteers, vendors, and contractors are required to sign an acknowledgement confirming that they have received, and are required to comply with the purpose and provisions of McLaren Health Care Standards of Conduct. The Standards of Conduct are also posted on all MHC websites.

Ethical behavior depends on self-discipline and maintaining respect for yourself, your customers, your co-workers, and your working environment. Upholding these standards of conduct will preserve the integrity of individuals, the reputation of our system, and the trust and confidence of the public, allowing us to accomplish our purpose, "To improve the quality of life in every community we service."



Organization Copy

Non-employees should Sign and Submit to Human Resources or the subsidiary Compliance Officer. (11.20)

STANDARDS OF CONDUCT ACKNOWLEDGEMENT

I have received and read the Standards of Conduct adopted by McLaren Health Care and its subsidiary organizations. I understand that they represent policies of McLaren Health Care.

If I have a concern about a known or suspected violation, I understand that I am to report the concern to my supervisor or the Compliance Officer. I understand that I can report this information anonymously and cannot be retaliated against for making any kind of report under this program.

I will fully cooperate with members of the compliance team during any investigative process. If I have questions concerning the Standards of Conduct, I understand that I may consult my supervisor or the Compliance Officer.

SIGNATURE

PRINTED NAME

DEPARTMENT/COMPANY (IF APPLICABLE)

DATE

BADGE NUMBER (IF APPLICABLE)



HEALTH CARE

One McLaren Parkway • Grand Blanc, MI 48439

mclaren.org