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I. COVERAGE

The Compliance Plan applies to all directors, officers, medical staff members, employees, volunteers and contractors of Montgomery County Hospital District (MCHD).

II. INTRODUCTION

1. Purpose of the Compliance Plan:

It is the philosophy and expectation that all directors, officers, medical staff members, employees, volunteers and contractors of MCHD conduct business and operations in accordance with the highest standards and ethics. MCHD complies with all federal, state and local laws that govern the health care industry.

The Office of Inspector General (“OIG”) guidelines set forth seven elements required “at a minimum” for an effective Compliance Plan. These elements, which MCHD has adopted, are as follows:

- a. Written standards of conduct;
- b. Designation of a Compliance Officer and a Compliance Committee;
- c. Regular training for all employees;
- d. Reporting mechanisms, such as a Compliance Line, that protect the anonymity of the caller and the confidentiality of the complaint;
- e. Prompt investigation of complaints and the imposition of appropriate disciplinary action;
- f. Scheduled audits to monitor compliance with the Compliance Plan and applicable federal and state laws and regulations; and,
- g. Investigation and remediation of identified systemic problems.

In addition, the Compliance Plan addresses other specifically identified duties such as general standards of conduct, policies and procedures that promote compliance with applicable laws. Some standards of conduct, policies and procedures are general and can be universally applied to all aspects of MCHD’s operations. Other standards of conduct and procedures are specific and based on the stated expectations of the governmental agencies that regulate the healthcare industry.

Accordingly, the Compliance Plan cannot address in precise details all of the acts that need to be undertaken to achieve regulatory compliance. It is anticipated, however, that the Plan will articulate standards of conduct and procedures that are necessary to promote regulatory compliance.

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2. Adherence to the Plan:

No directors, officers, employees, medical staff members, volunteers and contractors of MCHD is authorized to act in disregard of any requirement of this Compliance Plan. Any individual wishing to be excused from any Plan requirement must request and receive express written permission from the Compliance Officer.

The Compliance Plan will be modified to accommodate changes in the law and when otherwise necessary. As such, the Compliance Officer and the Compliance Committee will periodically review this Compliance Plan and the accompanying Code of Conduct to determine whether such revisions are necessary. MCHD encourages comments and suggestions from directors, officers, employees, medical staff members, volunteers and contractors who believe that the Plan can be improved. Individuals wishing to suggest a change in the Plan should contact their supervisor, the Compliance Officer or the Compliance Committee.

a. Code of Business Conduct and Ethics:

Operating with a strong sense of integrity is critical to maintaining trust and credibility. Our Code embodies such rules regarding individual and peer responsibilities, as well as responsibilities to our patients, employees, stakeholders and the community, and includes:

- i. Prohibiting conflicts of interest (including protecting MCHD opportunities);
- ii. Protecting MCHD's confidential and proprietary information and that of our patients;
- iii. Treating MCHD's patients, employees, stakeholders and competitors fairly;
- iv. Protection and proper use of MCHD assets;
- v. Compliance with laws, rules and regulations; and
- vi. Encouraging the reporting of any unlawful or unethical behavior.

It is not possible to formulate in advance an all-inclusive set of guidelines regarding appropriate business conduct. The examples shown below provide guidelines for certain types of situations. Specific questions regarding situations which are not covered by this Code of Business Conduct and Ethics ("Code") will be answered on a case-by-case basis with the Human Resources Manager, Compliance officer and/or the CEO as they arise and may be addressed in other publications provided by MCHD.

Note: Nothing in this section is intended to restrict and/or otherwise violate the rights of employees with regard to Protected Concerted Activity under the NLRB Act and/or, but not limited to any other applicable laws and regulations.

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b. Overview of Business Ethics

This Code outlines the broad principles of legal and ethical business conduct embraced by MCHD. It is not a complete list of legal or ethical questions an Employee might face in the course of business and, therefore, this Code must be applied using common sense and good judgment. Additionally, under certain circumstances, local country law may establish requirements that differ from this Code. MCHD's Employees are expected to comply with all laws AND MCHD policies. It is essential that we all be aware of possible violations of MCHD's business ethics – whether these violations occur in dealings with the government or the private sector, and whether they occur because of oversight or intention. Employees should discuss any concerns about this Code with the Human Resources Manager, Compliance Officer and/or CEO.

c. Conflicts of Interest

Employees are expected to make or participate in business decisions and to take action in the course of their service to MCHD based on the best interests of MCHD as a whole, and not based on personal relationships or benefits. If an Employee's personal affairs create a conflict of interest, a potential conflict of interest, or the appearance of a conflict of interest, MCHD requires a full and timely disclosure of the facts and circumstances.

Any Employee who has a question as to whether an existing or potential conflict of interest exists should immediately contact the Human Resources Manager and/or the CEO to report all the pertinent facts and to request an opinion with respect to the question.

Set forth below is specific guidance for some areas of potential conflict of interest that require special attention.

d. Relationship with Competitors

An Employee should not have any significant financial interest in a competitor of MCHD.

e. Interest in Other Businesses

Employees must avoid any direct or indirect financial relationship with other entities that could cause divided loyalty. While employed by MCHD, Employees must receive written permission from the CEO before beginning

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- i. any employment, business or consulting relationship with another entity;
- ii. any business or consulting arrangement with a supplier to MCHD; or,
- iii. any investment in a supplier.

Activities that would be a conflict include as examples the following:

The Employee's participation in such business could interfere with the employee's ability to devote proper time and attention to his or her employment by MCHD taking away from MCHD the Employee's talents and creative energy.

f. Non-Business Activities

Participation in the activities of a trade association, professional society, charitable institution or governmental institution on a non-compensated basis or holding a part-time public office (with or without compensation) will not generally create a conflict. However, Employees should be sensitive to possible conflicts with MCHD's business interests if, for instance, the association takes a position adverse to MCHD's interests.

g. Personal Relationships “Fraternization” Policy

MCHD reserves the right to take prompt and immediate action if an actual or potential conflict of interest arises due to employees allowing personal relationships with each other to progress beyond platonic friendships; i.e. Fraternization”.

Fraternization is strictly prohibited. In addition, the employment of members of the same immediate family, of those who share a household may create conflicts of interest or the perception of conflicts of interest.

Individuals in managerial positions or other influential roles are subject to more stringent requirements under this policy due to their status as role models, their access to sensitive information and their ability to influence others. If such a personal relationship occurs, it is the responsibility and obligation of the Employees involved to disclose the existence of the relationship to Human Resources. Managers, supervisors and others in positions of authority are not permitted to directly supervise a spouse, child, or others as related through a non-platonic relationship.

MCHD may take action, including but not limited to, changing one or both parties' reporting structure or termination of employment of one or both parties involved.

Note: The provisions of this policy apply regardless of the sexual orientation of the parties involved and/or the marital status of the parties involved.

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h. Personal Use of MCHD Property and MCHD Information

An Employee shall not:

- i. Use or divert any MCHD property, including the services of other Employees, for his or her own advantage or benefit or to compete with MCHD. All MCHD assets should be used for legitimate business purposes.
- ii. Use MCHD letterhead paper when writing letters on personal or other matters not directly related to MCHD's business, except for use of MCHD letterhead for civic and charitable causes that enhance MCHD's reputation in the community.

i. Laws, Regulations and Government Related Activities

Violation of governing laws and regulations is unethical and subjects MCHD to significant risk in the form of fines, penalties and damaged reputation. It is expected that each employee will comply with applicable laws, regulations and MCHD policies.

3. Privacy Laws and Policies:

a. Privacy of Patient Information and Data Protection

One of our most important assets is our patients' trust. Keeping patient information secure and using it appropriately is therefore a top priority for all of us at MCHD. Employees must safeguard any confidential information our patients strictly observing HIPAA guidelines and regulations.

b. Privacy of Employee Information

MCHD recognizes and protects the privacy and confidentiality of employee medical and personnel records. Such records must not be shared or discussed outside MCHD, except as authorized by the employee or as required by law, rule, regulations or a subpoena or order issued by a court of competent jurisdiction or requested by a judicial or administrative or legislative body. Requests for such records from anyone outside MCHD under any other circumstances must be approved by the Human Resources Manager and/or CEO.

c. Confidential Information

All information pertaining to MCHD's business is confidential, proprietary and a protectable trade secret, except to the extent that MCHD has made such information public, such as through advertising, a press release or a publicly-filed report.

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Unauthorized disclosure of any confidential information is prohibited. Confidential information is only provided to Employees for their confidential use in performing job responsibilities. Sharing this information (including, but not limited to, reports, copies of reports, any form of written summary of any kind, verbal disclosures or pictures) inside or outside of MCHD in any unauthorized way is strictly prohibited. Confidential information includes, but is not limited to, patient lists, employee lists, compensation information, bonus plans, PHI and proprietary business programs, processes and software, and other conversations of a sensitive manner unless otherwise guided by law.

Compliance with this policy requires that each Employee exercise care to reduce the likelihood of unauthorized disclosures of confidential information.

Documents should be properly safeguarded at all times. No Employee should attempt to obtain confidential information, which does not relate to his or her employment duties. Employees should treat all nonpublic MCHD information as confidential both during and after their employment.

d. Work Product Ownership

All MCHD employees must be aware that MCHD retains legal ownership of the product of their work. No work product created while employed by MCHD can be claimed, construed, or presented as property of the individual, even after employment by MCHD has been terminated or the relevant project completed. This includes written and electronic documents, audio and video recordings, system code, and also any concepts, ideas, or other intellectual property developed for MCHD, regardless of whether the intellectual property is actually used by MCHD. Although it is acceptable for an employee to display and/or discuss a portion or the whole of certain work product as an example in certain situations (e.g., on a resume, in a freelancer's meeting with a prospective client), one must bear in mind that information classified as confidential must remain so even after the end of employment, and that supplying certain other entities with certain types of information may constitute a conflict of interest. In any event, it must always be made clear that work product is the sole and exclusive property of MCHD. Freelancers and temporary employees must be particularly careful in the course of any work they discuss doing, or actually do, for a competitor of MCHD.

e. Reporting of Violations

Employees are encouraged to talk to the Human Resources Manager and/or CEO when in doubt about the best course of action in a particular situation. The making of

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a report does not mean a violation has occurred. MCHD will investigate each complaint, and the subject person will be presumed not to have violated this Code unless the investigation reveals that a violation has occurred.

f. Conclusion

Every employee is responsible for assisting the MCHD in the implementation of these policies and is expected to adhere to these policies, not only in practice but also in spirit. Employees violating these policies or any other policies of MCHD are subject to corrective action up to and including termination of employment. This section is not intended to restrict and/or otherwise violate the rights of employees with regard to Protected Concerted Activity under the National Labor Relations Board (NLRB) Act. All directors, officers, medical staff members, employees, volunteers and contractors of MCHD are expected to adhere to its terms.

III. ROLES AND RESPONSIBILITIES

Roles and responsibilities have been established to assure that MCHD operates in an environment of honesty and integrity and maintains appropriate moral, ethical and legal standards in accordance with the Compliance Plan.

The Compliance Officer is responsible for overseeing the MCHD Compliance Plan.

The respective roles and responsibilities of the Board of Directors, Compliance Officer, Compliance Committee, managers and employees are outlined in greater detail below:

1. Board of Directors:

The Board will give its complete support and appropriate funding for the policies, procedures and personnel described in this Compliance Plan.

2. Compliance Committee

- a. Meet at least bi-annually to review the Standards of Conduct and monitoring activity;
- b. Receive and review reports of the Compliance Officer;
- c. Investigate any reports of suspected violations of the Compliance Plan;
- d. Provide guidance to employees on the Plan; and,
- e. Enforce the Plan through disciplinary or other action, as necessary.

3. Compliance Officer

- a. Know and understand all aspects of the Compliance Plan;
- b. Consult with the Compliance Committee or legal counsel when any requirement under the Plan is unclear, vague or outdated;

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- c. Bring to the attention of the Compliance Committee all changes in circumstances, which could warrant modifying the Plan;
- d. Promptly carry out all assigned duties;
- e. Develop and implement compliance education and training for all employees;
- f. Provide guidance to employees on the Plan;
- g. Report to the Compliance Committee all material discoveries of noncompliance and the actions taken to respond to and prevent further instances of noncompliance; and,
- h. Coordinate all compliance activities.

4. Managers

Each manager will be familiar with the Plan, will communicate the Plan to his/her employees on a regular basis, and will provide guidance as circumstances require. Further, each manager will be responsible for understanding and communicating any changes to the Plan to his/her employees. All managers will be responsible for ensuring that their direct reports comply with all aspects of the Compliance Plan relating to their job functions. Managers who fail in this regard will be evaluated and disciplined accordingly.

5. Employees

All employees will be expected to adhere to the Compliance Plan as it relates to their job duties. Failure to comply with the Plan will result in disciplinary action, up to and including discharge.

IV. COMPLIANCE AND ENFORCEMENT PROCEDURES

The standards and procedures in this Plan provide a framework for defining appropriate standards of conduct for all employees. It is not possible to describe all instances of proper or improper conduct. If there is ever a question, employees should contact their supervisor, another member of management, or the Compliance Officer for guidance.

1. Training, Policies and Procedures

- a. The Compliance Officer will train employees within thirty (30) days of the date of employment. All employees will be required to participate in annual training. Compliance training is mandatory for all employees. The Compliance Officer will maintain an attendance log of each training session and a copy of all training materials. To verify participation in the training and understanding of the Compliance Plan, each employee will complete a Certificate of Compliance in initial and annual training.

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- b. In addition to initial and annual compliance training, billing and clinical staff will receive specialized training on areas appropriate to their job duties, such as billing, coding, confidentiality and charting, to minimize the risk of fraud and abuse.
- c. MCHD will adopt policies and procedures which address areas that may pose potential fraud and abuse. Billing and clinical staff will be trained on these policies and procedures as they relate to the staff member's job duties. These policies and procedures will provide a means for the billing staff to communicate effectively and accurately with the clinical staff.
- d. Additional training may be scheduled based on changes in policies, procedures, or when our compliance program identifies a need for additional training.

2. Monitoring, Reporting and Enforcement

- a. An employee who believes a director, officer, medical staff member, employee, volunteer and contractor or business unit is violating any law, regulation or the Compliance Plan, or is engaging in activities which otherwise could damage MCHD's reputation must bring the information to the attention of his/her Supervisor, CEO/Administrator, Compliance Officer or the Compliance Committee immediately.
- b. An employee may report anonymously to any one or more of the following, as appropriate:
 - i. Compliance Officer
 - ii. The Compliance Committee
 - iii. Human Resources Department
 - iv. MYECCHO-Ethics Hotline 888-384-4262 an anonymous telephone number which will be maintained on a 24-hour, 7-day basis
- c. MCHD wishes to assist and encourage prompt and full reporting of suspected violations without fear of retribution. Employees are encouraged to report all concerns (even if only a suspicion of a problem). There will be no retaliation against any employee for reporting a concern in good faith. MCHD's HR 25-403, Anti-Harassment policy will be enforced strictly. Upon conclusion of the investigation, the Compliance Officer will report the findings to those callers who are willing to provide their names.
- d. All reports of suspected violations received in any manner set forth above will be promptly reported to the Compliance Officer. The Compliance Officer will forward matters to the CEO who may consult the Compliance Committee. A designated member of the Compliance Committee will oversee the investigation of those matters

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and recommend appropriate corrective action. It is the responsibility of the Compliance Committee to ensure that the Plan is enforced in a fair and consistent manner.

- e. Because of the significant legal and ethical consequences of non-compliance with the Plan, the Compliance Committee will take enforcement action not only with respect to those who violate the Plan, but also with respect to those whose responsibility is to detect violations and who fail to respond appropriately.

V. STANDARDS OF CONDUCT

For purposes of the Compliance Plan, MCHD has established Standards of Conduct that are described below. These Standards of Conduct are supplemented by more detailed policies and procedures in certain departments and should be consulted as appropriate. The Standards of Conduct and the supplementary policies and procedures will be modified periodically to reflect changes in the law and MCHD's operations.

MCHD's standards of conduct are established for the guidance of all employees. The following represents only a partial list of unacceptable behaviors and conduct; a complete list of all possible violations would be impossible to write. Infractions will lead to corrective action up to and including discharge.

1. Falsifying any information on an employment application, time card, personnel, or other MCHD documents or records.
2. Unauthorized possession of MCHD or employee property, gambling, carrying weapons or explosives, or violating criminal laws on MCHD owned or leased premises.
3. Fighting, display of anger or aggression, horseplay, practical jokes or other disorderly conduct which may endanger the well-being of any employee or MCHD operations.
4. Engaging in acts of dishonesty, fraud, theft or sabotage.
5. Intentionally threatening, intimidating, coercing, using abusive or vulgar language, or interfering with the performance of other employees or towards a member of the public.
6. Insubordination or refusal to comply with instructions or failure to perform reasonable duties which are assigned.
7. Unauthorized use of MCHD material, time, equipment or property.
8. Damaging or destroying MCHD property through careless or willful acts.
9. Conduct which the MCHD feels reflects adversely on the employee or MCHD.
10. Performance which, in the MCHD's opinion, does not meet the requirements of the position.
11. Engaging in such other practices as MCHD determines may be inconsistent with the ordinary and reasonable rules of conduct necessary to the welfare of MCHD, its employees or clients.
12. Negligence in observing fire prevention and safety rules.
13. Other circumstances for which MCHD feels that corrective action is warranted.
14. Other circumstances for which a certified individual may be suspended or de-certified.

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15. Failure to protect any patient's confidentiality as to the patient's protected health information.
16. Violation of Policy HR 25-403, Anti-Harassment policy.

This list is intended to be representative of the types of activities which may result in corrective action. It is not intended to be comprehensive and does not alter the employment-at-will relationship between employees and MCHD.

VI. FINANCIAL REPORTING AND OTHER BUSINESS RECORDS

1. MCHD has established and maintains a high standard of accuracy and completeness in its financial records. These records serve as the basis for managing MCHD's business, for measuring and fulfilling MCHD's obligations to patients, employees, suppliers and others and for compliance with tax and financial reporting requirements.
2. MCHD complies with the recording requirements of all applicable federal, state and local laws, established financial standards and generally accepted accounting principles.
3. Audits of Financial and Medical Records
 - a. MCHD will conduct internal and external audits, as appropriate, to verify compliance with the Compliance Plan, applicable federal and state laws and regulations and rules, as follows:
 - i. Administrative staff will conduct an internal audit of medical record charts and billing charts periodically.
 - ii. Administration will engage an outside consultant(s) to audit financial records and controls annually and whenever circumstances indicate the possibility of systemic issues.
 - iii. The Compliance Officer will engage an outside consultant to verify annually whether the Compliance Plan is periodically updated and distributed to employees and whether annual and specialized training for financial and clinical staff is conducted.
 - b. The frequency and return of overpayments to Medicare will be reviewed in these audits to determine any systemic problems. In addition, these audits will cover areas that are targeted periodically by Medicare fiscal intermediaries or carriers and the Office of Inspector General (OIG).
 - c. The results of any audit will be submitted to the Compliance Officer and Compliance Committee. In the event that the audit discloses a violation of the Compliance Plan or applicable federal and state laws and regulations, an investigation will be conducted

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and the issue will be remedied. The Compliance Officer will participate in the investigation and the determination of the appropriate remedy.

4. Improper Payments: Bribes and Kickbacks

- a. Payments or other items of any value in the nature of “kickbacks” or “bribes” intended to induce or reward favorable decisions or actions are not to be offered, made, solicited, received, or tolerated in connection with any of MCHD’s business;
- b. No director, officer, medical staff member, employee, volunteer or contractor of MCHD will offer or make, directly or indirectly through any other person or firm, any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:
 - i. Any person or firm employed by or acting for or on behalf of any customer for the purpose of inducing or rewarding favorable action by the customer in any commercial transaction; or
 - ii. Any person or firm employed by or acting for or on behalf of any governmental agency for the purpose of inducing or rewarding any action or the withholding of any action by such agency in any governmental matter.

Nominal gifts such as business luncheons, key chains and so forth are not considered bribes or kickbacks.

- c. All payments will be made by check or electronic funds transfer and will be supported by written documentation in sufficient detail to identify the work or services performed on behalf of MCHD. Each person receiving payment for services rendered must agree to comply with all applicable laws in acting on MCHD’s behalf.
- d. The provisions of this Section do not apply to ordinary and reasonable business entertainment or gifts not of substantial value (i.e., less than \$25 in value, not to exceed \$300 per year), customary in local business relationships and does not violate law. Any business entertainment or gifts which exceed \$25 in value must be reviewed and, to the extent possible, approved in advance by the Compliance Officer for appropriateness and reasonableness. If any gifts are received which exceed \$25 in value, the gifts will either be returned to the donor or reported to the Compliance Officer for appropriate disposition.

5. Medicare / Medicaid Anti-Fraud and Abuse Provisions

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- a. Under the federal Anti-Kickback Statute (“AKS”) (42 U.S.C. § 1320a-7b(b), it is unlawful for any person to solicit, offer, pay or receive anything of value to or from any other person to induce or in return for:
 - i. The referral of any individual to a healthcare provider or any other person for the furnishing of any item or service for which payment may be made under any governmental program, or
 - ii. Obtaining the service or item for which payment may be made under any governmental program.
- b. MCHD will accept patient via 911 calls or referrals based solely on the patient’s clinical needs and our ability to render the needed services. We do not pay or offer anything of value, directly or indirectly, to anyone—physicians, hospitals, or any other person—for referral of patients or steerage of patients or business. Violation of this policy may have grave consequences for MCHD and the individuals involved. These consequences may include civil (money) and criminal (fines, jail, debarment, loss of licensure or certification, etc.) penalties and exclusion from providing services under governmental programs.
- c. Every financial agreement between MCHD and a physician or other referral source must be in writing and must be approved in accordance with MCHD’s guidelines for such contracts. Under no circumstances will financial agreements be tied expressly, by implication or by “private understanding”, to referrals of business. As a general rule, all payments between physicians or other providers who refer to MCHD should be consistent with fair market value for items or services rendered by the referral source and by MCHD.
- d. Other types of agreements with referral sources are subject to specific laws, exceptions, or safe harbors. To promote compliance with these requirements, all agreements with referral sources must be reduced to writing and approved as required by MCHD policies.
- e. Federal and state fraud and abuse provisions also impact referrals from MCHD. For this reason, no employee or any other person acting on behalf of MCHD is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

6. Coding and Billing for Services

- a. MCHD will put in place systems to submit billings to government and to private insurance payors that are truthful and accurate and conform to the requirements of

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federal and state laws and regulations. Included among those laws are the False Claims Act (31 U.S.C. § 3729) and laws prohibiting schemes to defraud a healthcare benefit program. Under the False Claims Act, any individual or organization that knowingly or recklessly submits a false claim for payment to a federal or state healthcare program may be subject to substantial fines and imprisonment. Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a person who knowingly and willfully executes a scheme to defraud a healthcare benefit program, whether public or private, may be subject to substantial fines and imprisonment. Employees, medical staff members, volunteers and contractors are prohibited from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, intentionally misleading, or fraudulent.

- b. Claims will be submitted for all services which have been documented and which were driven by a physician protocol or other appropriately licensed individual.
- c. MCHD will use diligent efforts to maintain a system that results in fair, reasonable and accurate claims submission, including the following specific objectives:
 - i. Billing only for items or services that are actually rendered;
 - ii. Prevention of upcoding (the practice of using a billing code that provides a higher payment rate than a billing code that actually reflects the service furnished to the patient);
 - iii. The submission of accurate cost reports;
 - iv. Appropriate bundling of services which should be billed together;
 - v. Billing the appropriate rate and payor for patient transfers; and,
 - vi. The creation and maintenance of supporting medical record documentation for services billed to patients or payors.
- d. MCHD will operate oversight systems designed to verify that claims are submitted only for services actually provided and that services are billed as provided. These systems will emphasize the importance of complete and accurate documentation. Even with the best of systems and well-trained personnel, billing errors will occur. As such errors are identified, the Billing Office will work with the Chief Financial Officer and the Compliance Officer to ensure that errors are corrected, that any necessary refunds are made and that system improvements are made, if appropriate.
- e. Should MCHD engage subcontractors to perform billing or coding services, they will be selected based on having the necessary skills, quality assurance processes, systems and appropriate procedures to submit billings for government and commercial insurance programs that are accurate and complete. MCHD prefers to contract with such entities that have adopted their own ethics and compliance programs that conform to government and payor standards. In the absence of an approved plan,

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MCHD will require that the subcontractor agree to abide by the Compliance Plan and the requirements of state and federal laws.

7. Cost Reports

MCHD will institute and abide by written policies and procedures which seek to ensure full compliance with applicable cost reporting statutes, regulations and program requirements and private payor plans requirements.

8. Bad Debt

- a. MCHD will have a mechanism to review, at least annually, reporting bad debts to Medicare and all Medicare bad debt expenses claimed to ensure that MCHD's procedures are in accordance with applicable federal and state statutes, regulations, guidelines and policies. In addition, the review will ensure that MCHD has appropriate and reasonable mechanisms in place regarding beneficiary deductible or co-payment collection efforts and has not claimed as bad debts and routinely waived Medicare copayments and deductibles. Furthermore, MCHD will consult with the appropriate fiscal intermediary as to bad debt reporting requirements, if questions arise.
- b. MCHD will have policies and procedures to provide for the timely and accurate reporting of Medicare, other federal healthcare programs and third-party payor credit balances. MCHD will designate at least one person responsible for tracking, recording and reporting credit balances.

9. Conflicts of Interest

- a. MCHD prohibits actions or activities of an individual on behalf of MCHD that involve:
 - i. the obtaining of a personal gain or advantage by such individual (personally or indirectly through an immediate family member),
 - ii. an adverse effect upon the interests of MCHD, or
 - iii. the obtaining by a competitor of any advantage to the detriment of MCHD.
- b. The following are examples of some potential conflict of interest situations which may occur to an employee through an immediate family member:
 - i. Holding a financial interest in, being employed by, or engaging in activities on a consulting basis, or otherwise, with a firm which provides services, supplies or equipment to MCHD (except ownership of securities listed on a recognized stock exchange);

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- ii. Speculating or dealing in services, equipment or supplies which are purchased by MCHD or if the individual stands to gain financially due to his/her position with MCHD;
- iii. Participating in any outside activity (for example, as an officer, director, consultant or employee) that could interfere with the performance of the individual's job duties and responsibilities, affect the individual's independent and objective judgement, or discredit MCHD; or
- iv. Accepting/providing favors, gifts, or entertainment, which others may perceive to be substantial enough to influence such individual's selection of goods or services for MCHD, or to influence such individual's judgment in otherwise representing MCHD.

c. All conflict of interest questions should be disclosed to the appropriate manager pursuant to the procedures outlined in this plan. Corrective action generally will include focus on eliminating the conflict of interest between the individual and MCHD. Appropriate disciplinary actions will also be taken, including the termination of employment of the employee and/or contracts and relationships with suppliers, contractors and other parties involved in such conflicts.

10. MCHD Assets

- a. Employees are responsible for protecting MCHD assets from loss, theft, or misuse. Employees may use equipment, funds, supplies, facilities and other assets only for legitimate reasons on behalf of MCHD. Assets are not to be used for an employee's personal benefit unless part of the CEO employment offer.
- b. Employees are expected to comply with the specific security measures and internal controls established for protecting the integrity and validity of computer systems and data. All information stored on MCHD computer systems or created for the purpose of conducting MCHD business is confidential. This material includes, but is not limited to, business records, employee records, patient records and information regarding MCHD assets. Sharing of this or other confidential information is prohibited. Inappropriate or offensive communications and/or using the computer system to transmit or disseminate information relating to sexual conduct, offensive language, racial slurs, derogatory remarks, hate groups, or any material that reflects negatively on MCHD, its employees, medical staff members, volunteers or contractors is prohibited. MCHD monitors employees' use of these systems. No employee should have an expectation of privacy in the information contained in their computers.

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11. Political Activity

No payment, gift, or contribution may be made or authorized to be made with MCHD funds or resources (either directly or through employee expense reimbursement) to any candidate for public office campaign, fund, public official, political party or organization, unless such payment, gift or contribution is expressly permitted by state and federal law. The board must approve any such actions in advance.

12. Antitrust

MCHD complies strictly with federal and state antitrust laws in order to promote free and fair competition. Because it is not always clear whether a business practice may violate antitrust laws, employees should consult their supervisor for advice whenever they face a business issue raising possible antitrust concerns.

- a. MCHD strictly limits relationships with competitors. Any understanding or agreement (including any agreement implied from a course of conduct) with any competitor to fix prices, agree on labor costs, allocate markets or engage in group boycotts is prohibited. Because the antitrust risk is so high, discussing or exchanging the following information with a competitor is prohibited:
 - i. any aspect of pricing, including maximum or minimum prices, discounts, or
 - ii. credit or payment terms;
 - iii. any other terms of sale;
 - iv. services to be provided in the market;
 - v. any division of markets by geographic area or types of customers served or services provided;
 - vi. key costs, such as labor costs; and,
 - vii. other non-price information, such as marketing and development plans.

13. Health, Safety and Environmental Requirements

- a. MCHD complies with all applicable health, safety and environmental laws and regulations. Managers and employees are expected to understand those requirements that apply to their areas of responsibility and to seek advice from their supervisor whenever they face an issue raising possible health, safety or environmental concerns.
- b. Employees should advise their supervisors of any workplace injury, the discharge of any hazardous substances into the environment, or any situation presenting a danger of injury or discharge. In many instances, MCHD must report such events to governmental agencies quickly and accurately.

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14. Excluded Parties

- a. Healthcare providers and other entities may not employ or enter into contracts with individuals or entities that are excluded from participation in federal or state healthcare programs. Providers also should not employ individuals or entities who may be subject to imminent mandatory or permissive exclusion.
- b. MCHD will not knowingly employ or contract with such individuals or entities that are excluded or who are subject to exclusion. MCHD will require individuals applying for employment or medical staff membership or renewal of membership to disclose in their application any criminal conviction related to the above or exclusion action. MCHD will also screen the individual or entity for exclusion before entering into an employment or contractual relationship or granting or renewing medical staff membership and periodically thereafter. MCHD will verify that no medical staff member is listed in the National Practitioner Data Bank (“NPDB”). Additionally, individuals whose job duties include operating MCHD vehicles may be required to provide information regarding driving history.

15. Commitment to Non-Discrimination

MCHD is an equal opportunity employer. In the administration of employment policies and practices, MCHD will not discriminate against any employee or applicant for employment because of race, color, national origin, sex, religion, age, veteran status, or disability. We take steps to ensure that applicants are hired and employees are treated in a nondiscriminatory manner. Our commitment to equal opportunity applies to all aspects of employment including, but not limited to, recruitment, retention, promotion, compensation, benefits and training.

16. Harassment in the Workplace

MCHD strictly prohibits harassment in any form. MCHD is committed to providing a work environment that is free from inappropriate conduct of a sexual nature or otherwise. Sexual misconduct and harassment are illegal and unprofessional. Individuals who engage in such behavior will be subject to disciplinary action, including termination of employment or medical staff privileges.

17. Workplace Violence

MCHD strives to provide employees, physicians and contractors with a safe work environment. Violence and threatening behavior in the workplace are not tolerated.

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Individuals who are involved in violent actions against other individuals or who direct verbal or written threats at other individuals will be subject to disciplinary action, including discharge.

18. License and Certification Renewals

Employees and independent contractors, such as physicians, paramedics and nurses who are employed or engaged in positions which require professional licenses, certifications, or other credentials, are solely responsible for maintaining the current status of their credentials.

Employees and independent contractors will comply at all times with federal and state requirements applicable to their respective disciplines. To assure compliance, MCHD may require evidence of the individual having a current license or other documentation of credential status. MCHD does not hire or engage individuals who do not hold current licenses or other credentials. Any employee or contractor who allows their required license or certification to lapse may be subject to immediate removal from duty until the credential is reinstated or otherwise resolved.

19. Volunteers

The use of volunteers is an exceptional way to involve the local community in our services. Volunteers must be credentialed prior to providing services. Volunteers are required to sign a statement acknowledging that they are volunteers and not employees of MCHD and acknowledging that they will receive no compensation for their services as a volunteer.

20. Proprietary and Confidential Information

- a. Employees are responsible for safeguarding proprietary and confidential information. As a general rule, any information or matters not publicized by MCHD will be viewed as confidential. Employees should never give confidential patient, business, customer or employee information to people outside MCHD, or even to employees who have no need to know. Former employees have a continuing obligation to safeguard such information.
- b. Employees should not use confidential, non-public MCHD information for personal gain or disclose the information to any unauthorized person. In addition, employees should not speak with journalists, financial analysts, or shareholders on behalf of MCHD unless authorized to do so.

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21. Intoxicants, Drugs and Narcotics

MCHD is committed to a drug and alcohol-free workplace. A comprehensive policy prohibiting the use and/or possession of intoxicants, drugs and narcotics has been adopted and must be complied with. It is each employee's responsibility to report unsafe or hazardous conditions that are caused by the use or possession of intoxicants, drugs, or narcotics.

22. Accrediting, Surveys and Government Investigations

- a. MCHD will deal with government licensing agencies and private accrediting entities in a direct, open and honest manner. We support continuous compliance with accrediting and licensing standards and will monitor compliance with those standards in accordance with established policies and procedures. No action will be taken and no statements made which could mislead accreditors or surveyors either directly or indirectly.
- b. MCHD expects all medical staff and employees to cooperate in government investigations. It is essential, however, that the legal rights of MCHD, its employees and medical staff be protected. An individual who receives a subpoena, inquiry, or other legal document from any government agency regarding MCHD's business or patients must immediately notify his/her supervisor, department head, CEO/Administrator or Compliance Officer. An individual who is contacted by a government agency or attorney concerning MCHD has the legal right to decline to be interviewed until he/she is able to speak with legal counsel. MCHD will arrange for legal counsel to advise the individual and MCHD, accompany him/her to any interview with a government agent if the individual so wishes. An employee or medical staff member should inform his/her supervisor, department head, CEO/Administrator or Compliance Officer immediately if contacted by a government official regarding MCHD- related business.
- c. A medical staff member or employee who is aware of an imminent or ongoing investigation, audit or examination initiated by MCHD or any government agency should retain all documents (including computer records) in his/her custody or control relating to the matter under review. The destruction or falsification of a document in order to impede a government investigation, audit or examination may lead to prosecution for obstruction of justice. Any questions regarding whether a document can be destroyed should be addressed to a supervisor, department head, CEO/Administrator or Compliance Officer.
- d. Sometimes the government has a concern, which it believes requires the immediate onsite review or removal of certain organization documents or other information.

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When that occurs, the government may send agents to collect that information. In this event, employees or medical staff should immediately call the most senior manager available, the CEO/Administrator, Compliance Officer or any member of the Compliance Committee for direction.

23. Compliance with Other Legal and Regulatory Requirements

- a. MCHD is in the business of providing emergency medical services. These services generally may be provided only pursuant to appropriate federal, state, licenses, permits and accreditation. These services are subject to numerous laws, rules and regulations, consent to treatment, medical recordkeeping, access and confidentiality, patients' rights, medical staff membership and clinical privileges, and Medicare or Medicaid regulations. Like other businesses, MCHD is subject to federal and state labor statutes and discrimination laws, securities laws and regulations, consumer protection laws, tax laws and general and professional liability laws. MCHD will comply with these regulatory, local, state and federal requirements, as applicable.
- b. Every employee will be familiar with the legal and regulatory requirements applicable to his/her area of responsibility. Employees should consult with their supervisor, the Compliance Officer, CEO/Administrator or any member of the Compliance Committee for assistance in interpretation whenever they face an issue raising possible legal or regulatory concerns.

VII. CLINICAL GUIDELINES

MCHD will insure that clinical services are delivered in compliance with federal and state statutes and regulations that govern the healthcare industry. To that end, MCHD has developed Clinical Services Standards of Conduct to ensure compliance in the delivery of clinical services.

1. Medical Necessity

MCHD, along with medical staff, will assure that only those services that are medically necessary are provided to patients.

2. Clinical Documentation

All clinical employees will be trained in and will prepare the appropriate documentation that accurately and fully charts the status, treatment and disposition of each patient. MCHD prohibits inaccurate charting techniques.

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3. Patient Care and Rights

- a. MCHD's mission is to care for the indigent and provide EMS services while protecting the interest of the taxpayers and insuring long-term stability through fund development. Our vision is cost effective indigent care and taxpayer supplemented EMS with total professionalism administered through an elected Board of Directors. We will work hard to treat all patients with respect and dignity and provide care that is both necessary and appropriate. We will make no distinction in the care we provide based on race, color, sex, sexual orientation, gender identity, age, veteran status, disability, religion, or national origin. Clinical care will be based on identified patient healthcare needs, not on patient or organization economics.
- b. As applicable and appropriate, each patient or patient representative will be provided with a clear explanation of care including, but not limited to, the right to refuse or accept care or transport, available destinations for different types of care, and an explanation of the risks and benefits associated with available treatment options. Patients have the right to request a transfer to the facility of choice. If a patient requests a transfer to a hospital other than the closest facility, the patient or family, as appropriate, will be given an explanation of the benefits, risks and alternatives to transfer prior to making their final decision.
- c. To the extent of the MCHD's capabilities, patients will be accorded appropriate privacy, security and protective services, and opportunity for resolution of complaints.

4. Patient Information

MCHD complies with the Health Information Portability and Accountability Act of 1996 (HIPAA) in all respects. MCHD has detailed policies and procedures on issues such as patient privacy, consent, disclosure, reporting and related matters. All employees are expected to comply with MCHD's procedures on these important matters. In addition to and incorporated as a part of MCHD's policies and procedures, employees and medical staff members are bound by professional ethical standards and state and federal legal requirements regarding the confidentiality of patient information. MCHD is committed to maintaining the confidentiality of patient information and will not release such information without patient consent, unless specifically authorized or required to do so under state or federal law. MCHD will maintain necessary electronic security to safeguard the confidentiality and integrity of patient information.

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CERTIFICATE OF COMPLIANCE

I hereby affirm that I have read the Montgomery County Hospital MCHD Compliance Plan (the “Compliance Plan”), and attended training regarding the Compliance Plan. By executing this Certificate, I hereby acknowledge my obligation and agreement to fulfill those duties and responsibilities as set forth in the Compliance Plan and to be bound by its standards and procedures. I further certify that to the best of my knowledge and belief, I have complied and agree to continue to comply with the standards and procedures of the Compliance Plan, am not aware of any violations of the Compliance Plan, and agree to promptly notify the Compliance Officer, the Compliance Committee if I become aware of any real or suspected violations of the Compliance Plan. I further certify that throughout the remainder of my association with MCHD, I will continue to comply with the terms of the Compliance Plan. I understand that failure to adhere to any of the standards set forth in this Compliance Plan and related policies, including the Code of Business Conduct and Ethics may result in disciplinary action, up to and including suspension or termination. Employees who engage in, authorize, or knowingly participate, either directly or indirectly, in conduct that violates federal/state law, this Compliance Plan, or other related requirements will be held accountable under MCHD’s disciplinary procedures.

Print name clearly

Employee ID

Signature

Date

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