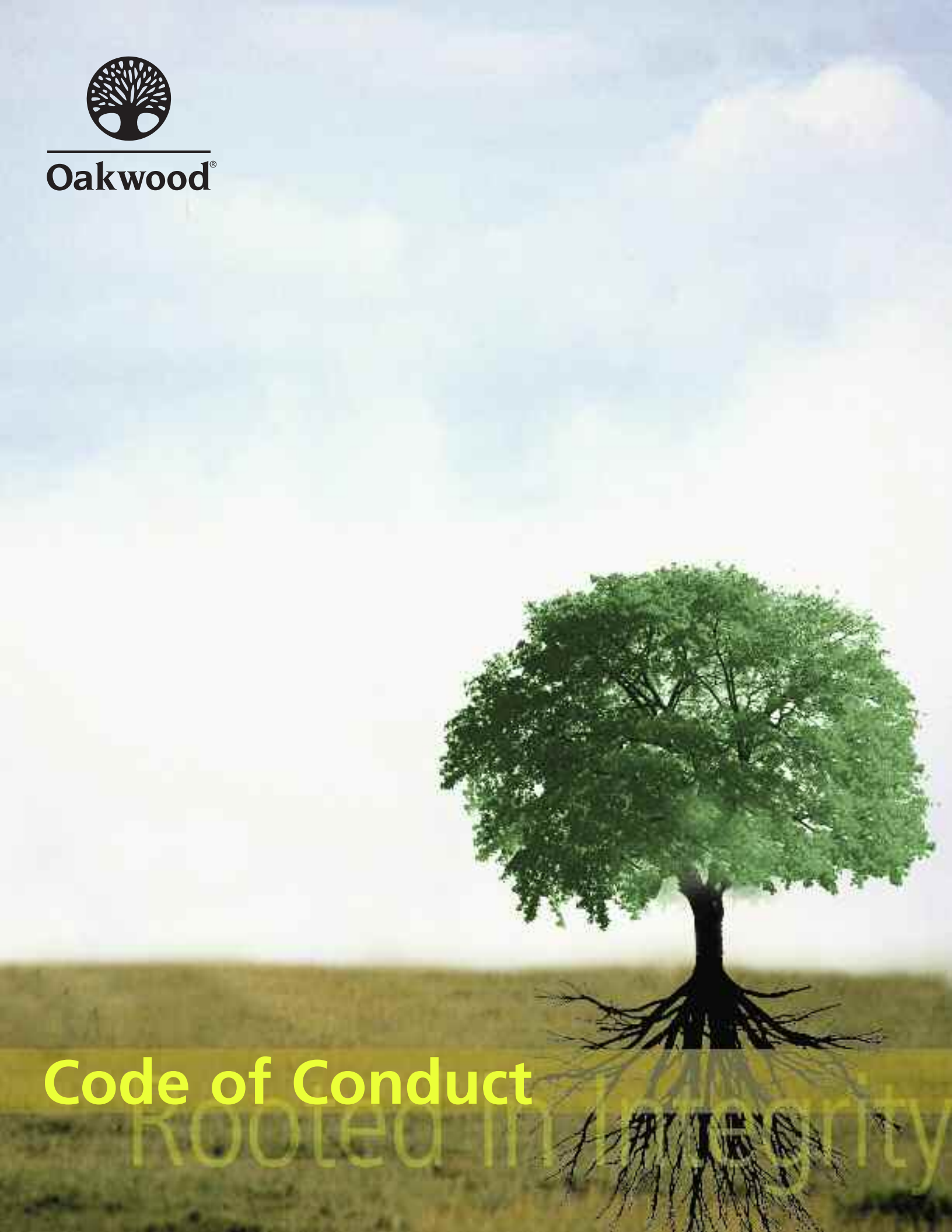
Oakwood®



Code of Conduct

Dear Oakwood Colleagues,

Patients Come First.

That's our Credo. Those three words guide our choices, our behaviors and our business practices so we can deliver on our mission to provide excellence in care, healing and health to the individuals and communities we serve.

Our Code of Conduct ensures we are able to live up to our Credo. The Code enables us to honor state and federal laws. The Code also embodies our core values, and each one of our values is associated with behavior standards for how to act ethically in any situation:

- Compassion: Not allowing interpersonal issues to interfere with patient care
- Respect: Not accepting, considering or tolerating illegal and fraudulent behavior
- Excellence: Protecting confidential business practices and information from improper disclosure
- Diversity: Assisting patients with language and other communication barriers
- Ownership: Disclosing conflicts of interest, and disengaging in decisions when a conflict might be present

Oakwood's Code of Conduct is designed to make sense. It provides guidelines to ensure all who work on behalf of our patients – including employees, physicians, volunteers and vendors – know what is expected to provide an honest, safe and fair workplace. The Code helps us protect the privacy of our patients and coworkers. It also enables us to do our jobs with integrity, and it provides resources when questions arise.

I urge you to review our Code of Conduct thoroughly and be well-versed in its specific requirements and its overall spirit. If you ever have a question, or if you see a situation that just doesn't look right, please bring it to the attention of your supervisor or department manager. You are also encouraged to reach out to any member of management, Human Resources or Legal Affairs, in addition to the Business Practices and Compliance team, for assistance or guidance. What's more, Oakwood's confidential compliance hotline is always available at **800.805.2283** or online at **integrity-helpline.com/oakwood.**

Thank you for your commitment to your patients, your colleagues, and Oakwood.

Sincerely,

Brian M. Connolly
President & CEO, Oakwood Healthcare, Inc.

Contents

PURPOSE OF OUR CODE OF CONDUCT..... 1

CODE OF ETHICS FOR EXECUTIVE LEADERSHIP AND DIVISION SENIOR LEADERSHIP..... 2

LEADERSHIP AND EMPLOYEE RESPONSIBILITIES.....2

PATIENTS.....3

- Quality of Care and Patient Safety.....3
- Patient Rights..... 4
- Patient Information.....4
- Emergency Treatment.....4

PHYSICIANS..... 5

- Interactions with Physicians.....5
- Extending Business Courtesies and Tokens of Appreciation to Potential Referral Sources..... 6

LEGAL AND REGULATORY COMPLIANCE..... 6

ACCREDITATION AND SURVEYS.....7

BUSINESS AND FINANCIAL INFORMATION..... 7

- Accuracy, Retention and Disposal of Documents and Records..... 7
- Coding and Billing for Services.....8
- Confidential Information.....8
- Cost Reports.....9
- Electronic Media and Security Requirements.... 9
- Communication with the Media..... 10
- Financial Reporting and Controls.....11
- Intellectual Property Rights and Obligations...11

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES..... 12

- Conflict of Interest..... 12
- Controlled Substances.....13
- Diversity and Equal Employment Opportunity13
- Harassment and Workplace Violence..... 14
- Health and Safety.....14
- Hiring of Former and Current Government and Fiscal Intermediary/Medicare Administrative Contractor Employees.....15
- Ineligible Persons..... 15
- License and Certification Renewals..... 15
- Personal Use of Oakwood Resources..... 15
- Relationships Among Oakwood Colleagues.....15
- Relationships with Suppliers and Subcontractors.....15
- Research, Investigations and Clinical Trials..... 16
- Substance Abuse and Mental Acuity..... 17

COMPETITIVE ACTIVITIES AND MARKETING PRACTICES.....17

- Antitrust and Unfair Competition.....17
- Marketing, Advertising and Media.....18

ENVIRONMENTAL COMPLIANCE..... 18

BUSINESS COURTESIES..... 19

- General.....19
- Receiving Business Courtesies.....19
  - *Events and Travel*.....19
  - *Gifts*..... 19
- Extending Business Courtesies to Non-referral Sources..... 20
  - *Meals and Entertainment*.....20
  - *Gifts*.....20

GOVERNMENT RELATIONS AND POLITICAL ACTIVITIES..... 21

ETHICS AND COMPLIANCE PROGRAM..... 21

- Program Structure.....21
- Standard Setting.....22
- Education and Training.....22
- Guidance and Reporting Issues.....23
- Obligation to Report.....23
- Compliance Reviews and Investigations.....23
- Corrective Action and Discipline.....23
- Measuring Effectiveness.....24

PURPOSE OF OUR CODE OF CONDUCT

Our Code of Conduct provides guidance to all Oakwood colleagues and assists us in carrying out our daily activities with appropriate ethical and legal standards. The requirements apply to our relationships with patients, physicians, third-party payers, subcontractors, independent contractors, vendors, consultants, volunteers, and each other.

The Code is a critical component of our overall Ethics and Compliance Program. We have developed the Code to ensure we meet our ethical standards and comply with applicable laws and regulations.

This Code is intended to be comprehensive and easily understood. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject requires additional guidance for those directly involved with the particular area to have sufficient direction. In concert with this Code, we have developed a comprehensive set of compliance policies and procedures which may be accessed within the Corporate Administrative Policy and Procedure manual on our Intranet. Those policies expand upon or supplement many of the principles found within this Code.

This overarching Code does not replace the Medical Staff Professional Code; the Code of Ethics for Nurses; or the Donor Bill of Rights. Its intended use is to compliment these existing codes.

The standards set forth in this Code apply to all Oakwood facilities, divisions, physicians, volunteers and employees. The standards are mandatory and must be followed.

Our Mission: Provide excellence in care, healing and health to the individuals and communities we serve.

Our Vision: Oakwood will become the preferred and recognized leader in quality, service and value as an independent healthcare system.

Oakwood Healthcare, Inc. (Oakwood) is a large multi-faceted healthcare system that exists to provide excellence in care, healing and health to the individuals and communities we serve.

With this mission in mind, we have crafted a vision that articulates that we are working hard to become: the preferred and recognized leader in quality, service and value as an independent healthcare system.

Our mission explains why we exist and our vision explains what we are striving to become. It is our credo and our core values that put words to the intangible power of our hearts and our souls in our daily interactions.

We believe we are at our best when we follow our credo and let our behaviors be guided by our values. This compendium of Oakwood rules and policies are derived from our passionate belief that Patients Come First and the keys to the success are our Core Values of Compassion, Respect, Excellence, Diversity and Ownership.

CODE OF ETHICS FOR EXECUTIVE LEADERSHIP AND DIVISION SENIOR LEADERSHIP

The CEO and all executive leadership, including division senior leadership, are bound by all provisions of this Code of Conduct, particularly those relating to ethical conduct, conflicts of interest, compliance with law, and internal reporting of violations of the Code. The obligations of this leadership group include, but are not limited to, any information concerning significant deficiencies in the design or operation of internal controls which could adversely affect in a material way the company's internal or external financial reports or controls, and any action or inaction on the part of members of the leadership group that may result in the violation of any provision of the Code; or any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

The Audit and Compliance Committee of the Board shall determine appropriate actions to be taken in the event of violations of the Code by this executive and senior leadership group. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the committee of the board shall take into account all relevant information, including:

- the nature and severity of the violation
- whether the violation appears to have been intentional or inadvertent
- whether the individual in question had been advised prior to the violation as to the proper course of action
- whether or not the individual in question had committed other violations in the past

Any amendment to the Code of Ethics for Executive Leadership and Division Senior Leadership must be approved by the Audit and Compliance Committee of the Board.

LEADERSHIP AND EMPLOYEE RESPONSIBILITIES

While all Oakwood colleagues are obligated to follow our Code, we expect our leaders to set the example, to be in every respect a model of ethical behavior. We expect everyone in the organization with supervisory responsibility to exercise that responsibility in a manner that is consistent with our values. We expect each supervisor to create an environment where all team members are encouraged to raise concerns and propose ideas. We also ask that non-management employees consider themselves to be informal leaders when it comes to demonstrating ethical behavior.

We also expect that leaders will ensure those on their team have sufficient information to comply with laws, regulations, and policies, as well as resources to resolve ethical dilemmas. They must help to create a culture within Oakwood which promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

Specific policies and procedures regarding everyone's responsibilities under our compliance program can be found in the Corporate Administrative Policy and Procedure manual. Leaders at all levels should use these policies as guidance to most effectively incorporate ethics and compliance into all aspects of our organization.

In addition, all leaders should be mindful that Oakwood supports and utilizes various training mechanisms to ensure that our supervisors have excellent managerial skills. These training tools are coordinated by the

Corporate Human Resources Department. The foundational principles in such tools reflect the basic concepts of our Ethics and Compliance Program. This program together with our leadership training efforts encourages what we refer to as "principled leadership." Such leadership assumes that those in our organization will lead by example, will confront problems directly and candidly, will be inclusive in making decisions as to who should participate in the decision-making process, will try to give the maximum responsibility to those who work with them, and will emphasize effective team-building.

In addition, principled leadership enables all at Oakwood to better understand and care about their colleagues at work. Though Oakwood is a large organization, its work is accomplished each day for the most part in small team settings. This encourages all leaders to try to ensure that the talents of each member of the organization are utilized to the maximum extent possible and that we give careful attention to the professional development of all of those within Oakwood.

PATIENTS
Quality of Care and Patient Safety

Oakwood's mission, to provide excellence in care, healing and health to the individuals and communities we serve, is exemplified in our Quality and Patient Safety Plan.

The Comprehensive Quality and Patient Safety Plan integrates Oakwood's strategic priorities in order to deliver safe, high quality care for all patients. We deliver that care using our industry's evidence-based best practices, and innovative technologies to promote and support optimal outcomes to each individual served. The foundational elements of Oakwood's patient safety philosophy are crew resource management techniques that standardize reliable processes of care, enhance communication and focus efforts to support the care.

Our quality measures and benchmarks for care processes and patient care outcomes are based on national standard setting organizations including the National Quality Forum, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services (CMS), the Joint Commission and Truven 100 Top benchmarks for care and outcomes.

Oakwood strives to meet these measures by delivering safe, quality care. It is the duty and expectation of all Oakwood employees and partners to meet and exceed these benchmarks. This commitment to quality and patient safety is an obligation of everyone at Oakwood.

In accordance with Oakwood's safety philosophy, we ascribe to a "stop the line mentality." Thus, in any circumstance where a member of the Oakwood care team has a question or feels that the care and safety of the patient does not meet Oakwood's commitment to quality, that team member is obligated to raise his or her concern through our chain of command to resolve any potential safety and or quality concerns.

Oakwood has both formal and informal mechanisms to assure that Patients Come First when it comes to safety. Formal channels include Oakwood's internal incident reporting database, direct access to facility and corporate patient safety officers, risk managers and compliance officers and the internal compliance hot line. Oakwood employees and partners are also provided with external resources and guidance through The Joint Commission, state survey agencies and the Michigan Quality Improvement Organization channels for reporting.

As said before, quality and patient safety are paramount at Oakwood. In fact, individual evaluation is part of our everyday business practices and is also built into each team member's Performance Recognition and Development Plan (PRDP). This evaluation to ensure clinical quality and safety is also part of the medical staff

professional practice evaluation and review process and ultimately the professional medical staff credentialing and privileging procedures.

Patient Rights

Oakwood has identified patient rights in policy. Oakwood patients may exercise these rights personally or through guardians, patient advocates and/or other surrogates when unable to do so or by direction or consent.

In the event that exercise of any rights is medically contraindicated, it will be documented by the attending physician in the medical records.

Listed below are guidelines for a patient's general rights and responsibilities. Some exceptions or modifications may be required, depending upon the patient's circumstances or condition.

These guidelines are not intended to expand or diminish rights or responsibilities otherwise provided by law, such as:

- Non-discrimination
- Respect
- Information and Participation in Care
- Interpretive Services
- Information about Facility Rules Affecting Care
- Informed Consent
- Treatment Choices and Refusal of Treatment
- Experimental Procedures
- Privacy and Dignity
- Confidentiality
- Access to Records
- Consultation on Social Service Needs
- Spiritual and Pastoral Care Consultation
- Patient Advocates and Advance Directives
- Pain and Symptom Management
- Ethics Committee Consultation
- Access to Protective Services
- Safety and Security
- Billing Information
- Insurance Information
- Complaint Resolution
- Right to Exercise Civil and Religious Liberties
- Right to Associated with Others
- Freedom from Abuse and Restraints
- Freedom from Performing Services

Further information on these guidelines may be found in the Oakwood Patient Rights and Responsibilities brochure.

Patient Information

Accurate and specific patient information is key to providing safe, quality care. We are committed to maintaining the confidentiality and security of personal information obtained throughout the course of the patient's treatment. All patient information is confidential and only obtained, used or disclosed as necessary to perform job duties. We do not tolerate breaches in confidential information and proactively safeguard patient information in keeping with The Health Insurance Portability and Accountability Act (HIPAA) requirements. Oakwood employees must never use or disclose confidential patient information that violates the privacy rights of our patients.

Emergency Treatment

Oakwood employees comply with the Emergency Medical Treatment and Active Labor Act (EMTALA) in providing an emergency medical screening exam and necessary stabilization to all patients seeking care from our hospitals without regard to their ability to pay or the outcome of a financial screening. Every person seeking/requesting obstetrical or emergency care who enters the hospital through any entrance is escorted to

the Emergency Department for evaluation and/or treatment. An appropriate medical screening examination is provided to all individuals seeking emergency services to determine the presence or absence of an emergency medical condition either by a physician or other qualified medical personnel, as designated in the hospital bylaws/rules and regulations. Depending on the patient's presenting symptoms, the screening represents a spectrum ranging from a simple process involving a brief history and physical examination to a complex process that involves studies (labs, diagnostic tests, radiology procedures, etc.). We stabilize the medical condition, within the capabilities of the staff and facilities available to the hospital, prior to discharge or transfer. An unstable patient cannot be transferred unless the patient and/or person acting on his/her behalf requests the transfer, or the transferring physician certifies in writing that the benefits of transfer outweigh the risks and is in the best interest of the patient. Then the most appropriate alternate facility is identified to best meet the needs of the patient. Patients are transferred in strict compliance with state and federal EMTALA regulatory and statutory requirements to ensure their safety and optimal healthcare outcomes.

PHYSICIANS

Healthcare facilities like those owned and operated by Oakwood reflect collaboration between those who are part of Oakwood and those who have been credentialed and privileged to practice in Oakwood facilities. As in any collaboration, each party has important roles and responsibilities.

Oakwood is committed to providing an excellent work environment for physicians and other privileged practitioners who practice in our facilities. We know that historically members of our medical staffs have interacted with those who work in our hospitals in a respectful and supportive way. We appreciate this and know that we can expect it to continue. Each hospital's Medical Staff has adopted a Medical Staff Professional Code to guide the conduct and behavior of Oakwood's learned professionals. It is an affirmation of the Medical Staffs' commitment to quality and professionalism in healthcare delivery and education. In addition, we encourage members of our Medical Staffs to be familiar with this Code of Conduct. There are many portions of this Code of Conduct that pertain to ethical or legal obligations of physicians in hospitals, and this document is likely to be a helpful summary of those obligations for our medical staff members.

Interactions with Physicians

Federal and state laws and regulations govern the relationship between hospitals and physicians who may refer patients to the facilities. The applicable federal laws include the Anti-Kickback Law and the Stark Law. It is important that those colleagues who interact with physicians regarding making payments to physicians for services rendered, providing space or services to physicians, recruiting physicians to the community, and arranging for physicians to serve in leadership positions in facilities are aware of the requirements of the laws, regulations, and policies that address relationships between facilities and physicians.

Relationships with physicians that are properly structured but not diligently administered may result in violation of the law. Any arrangement with a physician must be structured to ensure compliance with legal requirements, our policies and procedures, and any operational guidance that has been issued. Most arrangements must be in writing and approved by Oakwood's Legal Department. Failure to meet all requirements of these laws and regulations can result in serious consequences for a facility.

Keeping in mind that it is essential to be familiar with the laws, regulations, and policies that govern our interactions with physicians, two overarching principles govern our interactions with physicians:

1. We do not pay for referrals. We accept patient referrals and admissions based solely on our patient's medical needs and our ability to render needed services. We do not pay or offer to pay anyone – colleagues, physicians, or other persons or entities – for referral of patients.

2. We do not accept payments for referrals we make. No Oakwood colleague or any other person acting on behalf of the Oakwood is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when deciding where to refer a patient for care outside Oakwood, we do not take into account the volume or value of referrals that the provider has made or may make to us.

Extending Business Courtesies and Tokens of Appreciation to Potential Referral Sources

Healthcare professional and provider interactions involving courtesies and tokens of appreciation are subject to complex rules. Deviation from these rules invites rigorous enforcement actions which can result in severe financial penalty, loss of Medicare and Medicaid participating status, criminal sanction and/or imprisonment. Equally important, loss of reputation can result, impacting Oakwood's stature in the community and our patients' confidence in our services and staff.

Oakwood policy has been developed consistent with federal and state laws and regulations impacting these interactions. Oakwood staff and associates are therefore required to consult these policies, seek compliance guidance as appropriate from Legal Affairs and/or the Business Practices and Compliance Office, and act in accordance with Oakwood policy.

In general, the payment or the provision of anything of value including gifts, free services, reduced fee services inconsistent with Oakwood policy, honoraria, free meals and entertainment, sponsored travel and grants to induce or encourage (overtly or covertly, directly or indirectly) patient referrals is prohibited. Any payment, benefit, courtesy or token of appreciation must:

- Be accurately documented and reported.
- Be for legitimate service rendered or in support of a legitimate service.
- Not, directly or indirectly, be tied or associated with an encouragement or demand for patient referrals.
- Not exceed fair market value for the service or exceed what is necessary and proper in support of a service or activity that supports Oakwood's role in providing health care services to the community.

LEGAL AND REGULATORY COMPLIANCE

Oakwood offers a variety of healthcare services in southeastern Michigan. These services are provided pursuant to appropriate federal, state, and local laws and regulations, and the conditions of participation for federal healthcare programs. Such laws, regulations, and conditions of participation may include, but are not limited to, subjects such as certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, patients' rights, clinical research, end-of-life care decision-making, medical staff membership and clinical privileges, and Medicare and Medicaid program requirements. The organization is subject to numerous other laws in addition to these

health care laws, regulations, and conditions of participation. We have developed policies and procedures to address many legal, accreditation, certification and regulatory requirements.

However, it is impractical to develop policies and procedures that encompass the full body of applicable law, standards, conditions and regulation. Obviously, those laws, standards, conditions and regulations not covered in organization policies and procedures must be followed. There is a range of expertise within the organization, including legal counsel and functional experts, who should be consulted for advice concerning human resources, legal, accreditation, and regulatory standards and conditions of participation requirements.

Anyone aware of violations or suspected violations of laws, regulations, standards and conditions of participation or Oakwood policies and procedures must report them immediately to a supervisor, the supervisor's manager, a member of management, a Human Resources representative, a Legal Affairs, Business Practices & Compliance or Risk Management representative, or Oakwood's Compliance Officer. There are two confidential ways to report concerns: the independent external Compliance Hotline at **800.805.2283** and online at **integrity-helpline.com/oakwood.**

ACCREDITATION AND SURVEYS

In preparation for, during and after surveys, Oakwood colleagues must deal with all accrediting and external agency survey bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting or external agency survey bodies that would mislead the accrediting or external agency survey teams, either directly or indirectly. The scope of matters related to accreditation or external agency survey is extremely significant and broader than the scope of this Code of Conduct.

Accrediting bodies and external agency survey entities may address issues broadly or take a more focused, specific interest and approach. Government agencies and other entities conduct surveys in our facilities. We respond with openness and accurate information. In preparation for or during a survey or inspection, Oakwood colleagues must never conceal, destroy or alter any documents, lie, or make misleading statements to the agency representative. Colleagues also must never attempt to cause another colleague to fail to provide accurate information or obstruct, mislead or delay the communication of information or records relating to a possible violation of law.

BUSINESS AND FINANCIAL INFORMATION

Accuracy, Retention and Disposal of Documents and Records

Each Oakwood colleague is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements, but also to ensure that records are available to support our business practices and actions. No one may alter or falsify information on any record or document. Records must never be destroyed in an effort to deny governmental authorities that which may be relevant to a governmental investigation or regulatory compliance.

Medical and business documents and records are retained in accordance with the law and our record retention policy, which includes comprehensive retention schedules. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer

files on disc or tape, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only according to our policy.

Oakwood colleagues must not tamper with records. No one may remove or destroy records prior to the specified date without first obtaining permission as outlined in the company's Record Retention policy. Finally, under no circumstances may an Oakwood colleague use patient, colleague or any other individual's or entity's information to personally benefit (e.g., perpetrate identity theft).

Coding and Billing for Services

We maintain policies, procedures and systems to ensure accurate billing to government payers, commercial payers and patients. These policies and procedures are aligned with pertinent federal and state laws and regulations. In support of accurate billing, medical record documentation must provide reliable evidence of the services and treatment provided, and outcomes of care, including unanticipated outcomes. Our policies, procedures and systems facilitate the provision of accurate information and protect against inappropriate destruction of any information considered part of the legal medical record. Our coding professionals adhere to the American Health Information Management's Code of Ethics prohibiting coding of diagnoses or procedures not present in the medical record documentation.

Any subcontractor utilized to provide billing or coding services is expected to have the necessary skill, quality control processes, systems and appropriate procedures to ensure all activities performed comply with federal and state laws. We periodically engage external auditors to evaluate our coding and billing services and maintain internal compliance auditing activities.

Our billing practices are aligned with national Patient Friendly Billing Standards of Excellence. The Standards assist the patient's understanding their financial liability prior to scheduled services and the provision of financial counseling services while hospitalized. We provide complaint resolution information to our patients and expect our billing professionals to resolve any billing concerns in a timely and respectful manner.

Confidential Information

Confidential information broadly covers any information related to Oakwood's operations that is not publicly known, such as: personnel data; clinical information; patient financial information including credit card and social security numbers; passwords; information relating to divestitures; affiliations, acquisitions and mergers; financial data; strategic plans; marketing strategies and techniques; supplier and sub-contractor information; and proprietary computer software.

Protected health information collected to provide care for a patient is confidential. We enforce policies and procedures that protect confidential information from unauthorized use and disclosure. Only in emergency situations will we disclose confidential patient information without written consent from the patient or legal guardian.

We adhere to a "need-to-know" policy with all workforce members. This means Oakwood colleagues may only use confidential information to perform their job responsibilities and may not share confidential information unless it is required to perform their specific job duties.

In order to maintain the confidentiality and integrity of protected health information and confidential information, we enforce security policies and standards when information is transmitted electronically outside of the corporation; stored on portable devices, such as

laptop computers and portable digital assistance devices (PDAs); or transferred to CD or USB drive. A significant portion of our clinical and business information is generated and held within our computer systems. It is therefore expected that each employee protect our electronically held information by not sharing passwords and adhering to our password and security protection policies.

Cost Reports

Oakwood is required by federal and state laws and regulations to submit certain reports of our operating costs and statistics. We comply with federal and state laws, regulations, and guidelines relating to all cost reports. These laws, regulations, and guidelines define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries.

Several Oakwood policies address cost report compliance and articulate our commitment to utilize the Provider's Reimbursement Manual's instructions; provide effective and timely education and training programs for Reimbursement Department personnel regarding federal and state laws, regulations and guidelines, and corporate policies; maintain a standardized document package to provide consistency in the preparation, organization, presentation, and review of cost reports; apply a uniform cost report review process; identify and exclude non-allowable costs; adhere to documentation standards; and use transmittal letters to report protested items and other appropriate disclosure. In addition, when necessary, we seek guidance from The Centers for Medicare & Medicaid Services and/or its intermediary, National Government Services.

All issues related to the preparation, submission and settlement of cost reports must be performed by or coordinated with Oakwood's Reimbursement Department.

Electronic Media and Security Requirements

Oakwood's electronic communication systems are intended for business purposes and are designed to maintain the confidentiality, integrity, and availability of its information resources. Oakwood will monitor and/or control any access considered to be harmful to or inconsistent with Oakwood business and will conduct routine audits of user access. Those authorized to access Oakwood's electronic communication resources may not use their authorization to access confidential business or patient information for any purpose other than duties as defined by their job description.

Communication resources include but are not limited to: email, the Internet, voice mail, the telephone, computer-generated reports, remote access, and the paging system. This policy applies to all electronic resources that are owned or leased by Oakwood or connect to Oakwood resources. Devices may include those that are used to disseminate information such as laptops, tablets, telephones, smart phones or personal handheld devices, mass storage devices or other removable media, or other mobile computing devices. Messaging may include page message, voice mail message, or electronic mail.

There is an expectation that those individuals in a role requiring response to electronic communication will respond in a timely manner based on priority and emergent nature. Generally, page messages will be responded to within 10 minutes before additional escalation measures take place. Electronic messaging will be responded to within 24 hours with an acknowledgement, status or action. Voicemail messages

will be responded to within the same or next business day. Out of office tools will be used to indicate availability on electronic mail and voice mail. Paging system 'whereabouts' and preferences will be used to indicate contact preferences or out of office availability. These measures acknowledge our role as patient care advocates and a sense of urgency to those needing a response.

Oakwood provides these guidelines in support of openness, trust and integrity and to establish appropriate use of our communication resources. Our Information Technology team is committed to protecting Oakwood's workforce members, partners and the company from illegal or damaging actions by individuals, either knowingly or unknowingly. Social networking sites, although an important business tool, should be used with professionalism in support of Oakwood's mission and vision.

Workforce members are responsible for exercising good judgment regarding the reasonableness of personal use. Individual departments are responsible for maintaining guidelines concerning personal use of Internet/Intranet/Extranet systems.

Oakwood will encrypt all sensitive data in support of protecting electronic data in transit. Information Technology will abide by all current and future information protection guidelines as dictated by regulatory and accreditation agencies including but not limited to The Joint Commission, HIPAA, and HITECH. It is the responsibility of Information Technology to communicate information privacy and security mechanisms in the form of policy and ongoing education.

All Oakwood colleagues are expected to keep passwords secure and not share accounts. Authorized users are responsible for the security of their passwords and accounts. Strong passwords should be changed often and not use the last five selections. Account lockout will occur after 5 attempts for 15 minutes.

Because information contained on portable computers is especially vulnerable, special care should be exercised to secure devices at all times, and report a loss or theft immediately to the Information Technology Help Desk.

The use of electronic messaging as a key communication tool recognizes that there are certain guidelines for acceptable use. Controlling unsolicited email requires workforce members to 'just delete it' when they receive e-mail attachments from unknown senders.

The list below is by no means exhaustive, but it attempts to provide a framework for activities which fall into the category of unacceptable use:

- Compromising the privacy of users and their personal data
- Damaging the integrity of a computer system or the data or programs stored on a computer system
- Disrupting the intended use of a system or network resources
- Using or copying proprietary software when not authorized to do so
- Using a computer system as a conduit for unauthorized access attempts on other computer systems
- Use of Oakwood electronic communication resources as a platform in violation of Oakwood policy or work rules
- Unauthorized use that results in the uploading, down loading, modification, or removal of files where such action is not authorized.

Communication with the Media

It is the policy of Oakwood to refer all media contacts for information to Oakwood Media Relations. Oakwood

adheres to all applicable privacy rules, and when working with the media, it is imperative to control and coordinate the release of all Oakwood information centrally. Divulging unauthorized information to the media or a third party without the approval of Media Relations is prohibited and may result in corrective action, up to and including termination. "Media" includes persons associated with broadcast and cable television, radio, magazines, newspapers and the Internet. Nobody may speak with the media without prior approval from Media Relations.

If the media or other third party contacts an Oakwood employee for information, the request must be referred to **Oakwood Media Relations** at **313.791.4817**. All requests for information will be reviewed for compliance with all state and federal laws, regulations, reasonableness and confidentiality concerns. When a media call comes into the switchboard or to the nursing supervisor, immediately page the media representative who is on call.

Financial Reporting and Controls

Oakwood's financial statements are presented in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the company's management. Therefore, we have established and maintain processes that provide for accurate and complete reporting of financial information. Oakwood maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are appropriately reflected in the financial statements. Furthermore, appropriate controls are in place to protect the organization's assets from misappropriation.

Oakwood's financial statements provide a basis for managing our business and are regularly shared with internal and external stakeholders of the organization. In response to compliance requirements and agreements with various third parties, the company's financial statements are audited by an independent audit firm on an annual basis. Regardless of the annual audit process, Oakwood seeks to comply with all relevant financial reporting and tax disclosure rules and regulations. Senior financial managers receive training and guidance regarding auditing, accounting and financial disclosure relevant to their job responsibilities. They are also provided the opportunity to discuss issues of concern with the Oakwood Board of Directors Audit and Compliance Committee. Anyone having concerns regarding questionable accounting or auditing matters should report such matters to the Board of Directors Audit and Compliance Committee by calling the Corporate Compliance Hotline.

Intellectual Property Rights and Obligations

Any work of authorship, invention, or other creation ("Development") created by a colleague during the scope of the colleague's employment with Oakwood shall be considered the property of Oakwood, including any patent, trademark, copyright, trade secret or other intellectual property right in the Development. Whether something is developed during the scope of a colleague's employment depends on a number of factors, including: the nature of the colleague's work; whether the Development is related to Oakwood business; whether the colleague was directed to produce the Development as part of the colleague's work; whether the colleague utilized Oakwood intellectual property or resources at least in part to make the Development; and whether the colleague created the Development while being paid by Oakwood. If any Development created is copyrightable or patentable, then it will be considered a "Work for Hire" under the United States Copyright Act, with Oakwood being considered to be the author and owner of such work.

When creating Developments for Oakwood, colleagues shall respect the intellectual property rights of others. Any works or inventions created by colleagues prior to employment by Oakwood shall be disclosed to Oakwood upon commencement of employment, and management and Legal Department approval shall be obtained prior to any use of these works or inventions in a Development for Oakwood.

Oakwood employees will respect materials copyrighted by others including but not limited to text, images, video, and music. Employees must not put Oakwood at risk by using these materials without express written permission of the copyright owner.

You as an Oakwood colleague specifically agree to be bound by these provisions of the Code of Conduct. As such, your employment with Oakwood serves as an assignment by you to Oakwood of all right, title, and interest in all Developments you create within the scope of your employment. Oakwood as your attorney-in-fact is authorized to execute documents on your behalf for the foregoing purposes. Colleagues shall assist Oakwood in obtaining and enforcing intellectual property rights in their Developments, while employed by Oakwood and after termination of employment.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

We discuss below in a general way the conduct expected of all Oakwood staff and associates in the areas of workplace conduct and employment practices. Many, if not all, of these topics are addressed in more detail in Oakwood Human Resources Policies and Procedures. In the case of any difference between the description set forth in this Code of Conduct and that contained in the more detailed Policies and Procedures in effect from time to time, the Policies and Procedures control.

Conflict of Interest

As Oakwood staff members and associates, we have duties and obligations to Oakwood. Each of us is expected to perform objectively and effectively. Impropriety and appearances of impropriety are to be avoided. When external and personal activities or interests affect, influence or appear to impact decisions, a conflict of interest arises. These conflicts of interest can and sometimes do influence the ability to make objective decisions or reduce individual effectiveness often resulting in injury to Oakwood interests. Proper handling of conflicts of interests promotes the reputation of both Oakwood and the individual and demonstrates respect for the communities we serve.

Conflicts of interest take many forms. Conflicts can be direct and indirect. Some examples include:

- A staff member with a significant financial investment in a company doing business with Oakwood is in a position to influence decisions related to Oakwood's business relationship with the company.
- A staff member's family member or significant other has a financial interest in a company bidding for Oakwood work, and the staff member has the ability to influence bid award decisions.
- A staff member has a second job working for a home care agency on weekends and uses his or her position at Oakwood to direct Oakwood patients to the home care agency.
- A pharmacy and therapeutic committee member uses his or her position on the committee to promote a drug or device from a company with which the member has a financial or compensation relationship.

Oakwood staff and associates are expected to remain free of conflicts and disclose potential conflicts as

specified in Oakwood corporate policy. In the event of a conflict, Oakwood staff and associates are to refrain from any deliberations and voting on the issue giving rise to the conflict. Conflicted staff may, however, present factual information that would be helpful to the decision-maker (person or committee).

Controlled Substances

Oakwood is committed to maintaining a culture of regulatory compliance and organizational excellence. Prescription drugs, especially controlled substances, are a common target for diversion, abuse and misuse.

Prescription medications will be prescribed only by those licensed within the State of Michigan and credentialed by the Medical Staff to prescribe; dispensed by those licensed to dispense; and administered by those licensed to administer. Prescriptions are to be written only for those under the direct clinical care of the individual prescriber, and never for colleagues or other healthcare providers outside the direct care relationship.

Oakwood pharmacies have the responsibility to ensure proper medication storage, handling, use and security. Within individual departments, security and control are the responsibility of those who have contact with medications and/or controlled substances. Medications are never to be left unsupervised or unattended.

Oakwood is committed to meeting and exceeding all standards related to medication use and management by:

- Adopting a zero tolerance for medication/controlled substance theft and/or diversion for personal use
- Ensuring all requisite documentation for ordering, prescribing, storage, medication waste (including narcotics), and medication loss (theft, etc.) are complete and available for review. Such documentation is made available to the applicable regulatory authority, as appropriate
- Ensuring patient safety is maintained in every clinical interaction involving medications
- Immediately reporting any medication/controlled substance discrepancies to Oakwood's pharmacy leadership and assisting with the subsequent investigation
- Reporting unusual behaviors or circumstances which may be suggestive of a medication issue

Diversity and Equal Employment Opportunity

Oakwood consistently strives to create an environment where individual differences can maximize our collective capabilities. We are committed to promoting the diversity of our workforce through recruiting and hiring practices that reflect the diverse communities we serve. Oakwood also recognizes that managing diversity initiatives includes providing culturally competent healthcare in alignment with our Credo and demonstrating sensitivity practices that improve health outcomes.

Appreciating that diversity involves collaboration and teamwork, Oakwood will offer opportunities for our workforce to provide input into planning and decision-making within our organizational community. In addition, we will hold each other responsible for understanding differing perspectives and maintaining a workplace free from discrimination and harassment by building a culture of tolerance and sensitivity.

Although diversity practices are guided through legal principles and regulations, Oakwood will strive to exceed those requirements with initiatives that identify barriers to embracing our differences to build a culture of diverse alliances.

Oakwood supports and promotes the practice of providing an equal employment opportunity for all persons and believe that all employees have the right to work in an environment free from discrimination relating to the privileges of employment. Oakwood complies with applicable state and federal laws prohibiting discrimination in the workplace.

Harassment and Workplace Violence

Each Oakwood employee has the right to work in an environment free of harassment and disruptive behavior. We are proud to have a workforce made up of diverse individuals. Therefore, unacceptable conduct, acts or behaviors that create an environment of hostility, threat, or coercion are prohibited. We will not tolerate harassment towards other employees based on characteristics or cultures that may differ from our own. For example, intimidating others through degrading behavior or humiliating jokes or slurs are not acceptable.

Sexual harassment is a form of sexual discrimination and will not be tolerated in our organization. It may be blatant or subtle and includes unwelcome sexual advances or requests for sexual favors. Each employee has a duty to respect the rights of his or her fellow employees.

Incidents of robbery, terrorism, hate crimes, property destruction, identity theft, stalking, physical violence or the threat of physical violence directed at individuals or Oakwood are all forms of workplace violence. All employees are prohibited from engaging in any act that might constitute workplace violence.

As part of the Oakwood workforce each employee is responsible for demonstrating Behavior Standards consistent with our core values. In order to ensure that our organization is free from harassment, disruptive behavior and workplace violence, each employee must take ownership for their behavior and for reporting incidents.

Employees who believe they may have been victims of harassment or workplace violence, or observed an act of harassment or workplace violence against another employee, should immediately report such incident to their supervisor or their site Human Resources department.

Health and Safety

Health and safety form an integral part of the work environment and Oakwood is committed to promoting the practice of a healthy and safe environment. Oakwood's program of health and safety includes continuous employee education and compliance with all local, state and federal laws, regulations, policies and ethical standards governing the professional practice of safety and health and related activities.

Employees are responsible for following appropriate health and safety procedures during the performance of professional duties in order to protect themselves, other employees, and the public from conditions where injury and damage are reasonably foreseeable. Employees should seek the assistance of their supervisor or Oakwood Safety Manager when they have questions or concerns. It is also important that you immediately advise your supervisor or department manager of any workplace injury, or a situation which presents a danger of injury so that appropriate corrective action can be taken to immediately resolve the issue.

Hiring of Former and Current Government and Fiscal Intermediary/Medicare Administrative Contractor Employees

The recruitment and employment of former or current US government employees may be impacted by regulations concerning conflicts of interest. Hiring employees directly from a fiscal intermediary or Medicare Administrative Contractor requires certain regulatory notifications. Colleagues should consult with the corporate Human Resources or Legal Department regarding such recruitment and hiring.

Ineligible Persons

Oakwood shall not employ, contract, or otherwise associate with a known ineligible person or entity identified as excluded or ineligible from participation in federally-funded healthcare programs.

Persons or entities associated with Oakwood that are pending resolution of criminal charges associated with health care, felonies, or proposed debarment or exclusion from federally funded healthcare programs shall be removed from direct responsibility for or involvement with such federally-funded programs. Persons seeking to be associated with Oakwood who are pending resolution of any criminal charges involving healthcare, any felony charges or proposed debarment or exclusion from federally funded healthcare programs shall not be considered for employment or other association. In the event resolution results in conviction, debarment or exclusion of the person or entity, Oakwood shall immediately take action to separate itself from the person or entity.

License and Certification Renewals

Individuals who are employed in positions that require professional licensure, credentials or other certifications, including those who are deemed independent contractors, and privileged practitioners are responsible to maintain their licenses and credentials. They must at all times comply with state and federal requirements that are applicable to their disciplines. Nursing site leaders, department heads of those departments that require professional licensure, credentials or other certifications, and site medical staff offices are responsible for ensuring evidence of current credentials as appropriate to the discipline. Oakwood does not allow any individual to work or practice without valid, current licenses and credentials.

Personal Use of Oakwood Resources

Oakwood strives to make effective use of our organization's resources including time, materials, supplies, equipment, capital, space and information. As a general rule, the personal use of any Oakwood resource is prohibited without prior management approval. Everyone is responsible to ensure that we do not improperly and unreasonably use documents, telephones, computers, copiers, equipment, for personal purposes. Any use of the organization resources for personal financial gain unrelated to the organization's business is prohibited.

Relationships Among Oakwood Colleagues

Oakwood prohibits the acceptance of or delivery of gifts to or from employees (excluding personal gifts), professionals, referral sources, vendors, suppliers and customers. Oakwood strongly discourages the appearance of impropriety in its business dealings and encourages staff not to accept even nominal gifts whenever there is concern that the acceptance of the gift may influence objective reasoning.

Relationships with Suppliers and Subcontractors

Oakwood takes a collaborative approach to achieve mutually beneficial goals with its suppliers and subcontractors. Oakwood conducts its affairs consistent with applicable law, regulations and with business integrity. Patient care is the priority for Oakwood. Suppliers and subcontractors are required to follow Oakwood policies and code of conduct. Oakwood provides an effective model that produces sustainable cost reductions, supports high customer service standards and consolidates the supply chain infrastructure and business practices. Gifts and gratuities of any kind are subject to the Oakwood Code of Conduct, and any violations of this could negatively impact future business, as well as, be subject to violation of federal, state or other laws. Suppliers and contractors will complete the vendor application by going to https://oakwood.vendormate.com/vm/login.do to be considered for business with Oakwood. There is a nominal fee for the application process dependent on the level of access required to our hospitals.

During the application and credentialing process suppliers and subcontractors will acknowledge our policies, declare conflicts of interest and be subject to background checks. All representatives seeking to introduce products or services for consideration at any Oakwood site will initially contact the Corporate Purchasing Department. The majority of Oakwood supplier contracts are through Novation, a group purchasing organization, that Oakwood accesses through membership in the Voluntary Hospital Association (VHA). Oakwood uses national purchasing contracts but may also develop local or regional contracts when national contracts are not available. After the initial contact with the Corporate Purchasing Department the representative will always make appointments prior to coming on site to meet with hospital personnel. The representative will sign in and out at the following convenient locations: Oakwood Hospital Medical Center at the Fitzgerald Pavilion or the Valet Parking desk; Oakwood Annapolis at the Surgical Entrance; Oakwood Heritage at the Main Entrance; Oakwood Southshore Medical Center at the Main Entrance; Muirhead Building at the Main Entrance; Oakwood Corporate Services - Purchasing, in the atrium. More vendor information can be obtained on Oakwood.org under About Us under Vendor information.

Pharmacy representatives will also sign in with the Pharmacy department at each hospital. Representatives will wear identification badges printed at the sign in and out stations. All purchase of products and services must be approved by the appropriate Oakwood Department Head and the Corporate Purchasing department and be supported by a valid purchase order. Products, equipment or services provided without prior approval or a valid purchase order will be considered a gift or donation to Oakwood or may be returned at the Supplier's expense. Agreements or contracts signed by a non-authorized Oakwood agent will be considered non-binding. Protected health information is confidential. Oakwood complies with contractual information and will not disclose vendor information unless authorized by the vendor or permitted in the contract. Protecting our environment makes good health and business sense. Oakwood seeks suppliers and subcontractors whose products and services reduce packaging materials, energy and waste.

Research, Investigations and Clinical Trials

Oakwood follows the highest ethical standards in full compliance with federal and state laws and regulations in any research, investigations, and/or clinical trials conducted by our physicians and professional staff. We do not tolerate research misconduct, which includes

activities such as making up or changing results, copying results from other studies without performing the clinical investigation or research, failing to identify and deal appropriately with investigators or institutional conflicts of interest, and proceeding without Institutional Review Board (IRB) approval. Our hospitals' first priority is always to protect the patients and human subjects and respect their rights during research, investigations, and clinical trials.

Physicians conducting clinical trials of investigational products and services are expected to fully inform all subjects of their rights and responsibilities of participating in the clinical trial. All potential subjects asked to participate in a clinical trial are given a full explanation of alternative services that may prove beneficial to them. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits, and alternatives. The subjects are fully informed of the procedures to be followed, especially those that are experimental in nature. A potential subject's refusal to participate in a research study or the voluntary withdrawal of his or her participation in an existing study will not compromise his or her access to services or other benefits to which he or she is otherwise entitled. A subject's voluntary informed consent to participate in a clinical trial is documented and retained pursuant to Oakwood's policy.

Any Oakwood facility or colleague applying for or performing research of any type must follow all applicable research guidelines and privacy policies and maintain the highest standards of ethics and accuracy in any written or oral communications regarding the research project. As in all accounting and financial record-keeping, our policy is to submit only true, accurate, and complete costs related to research grants. Any Oakwood facility or colleague engaging in human subject research must do so in conjunction with IRB approval and consistent with Oakwood's policies regarding human subject research and IRBs.

Substance Abuse and Mental Acuity

To protect the interests of our colleagues and patients, we are committed to an alcohol and drug-free work environment. All colleagues must report for work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in a colleague's system, or using, possessing, or selling illegal drugs while on Oakwood work time or property may result in immediate termination. We may use drug testing as a means of enforcing this policy.

COMPETITIVE ACTIVITIES AND MARKETING PRACTICES

As we work in a highly competitive environment, it is important that our image in marketing and all forms of public media adhere to the highest standards of integrity and fairness as consistent with our Code of Conduct. The company is in compliance with all antitrust and all other laws concerning competitive fairness. This includes interactions with competitors, customers, suppliers and media.

Antitrust and Unfair Competition

The antitrust laws are designed to accomplish two broad goals: (1) to prevent anticompetitive collusion among actual or potential competitors; and (2) to prevent the unlawful creation or exercise of market power, i.e., monopolization. The rationale for these objectives is that the absence of competition may result in one hospital system (or more than one system acting together with another) having sufficient power to maintain charges above competitive levels or to depress wages below competitive levels.

Agreements between or among actual or potential competitors to fix prices, fix wages, rig bids, allocate customers or divide markets, boycott or collectively refuse to deal with third parties are known as per se offenses. Per se violations are considered so flagrantly anticompetitive that the mere occurrence of such conduct establishes a conclusive presumption of illegality without any detailed inquiry into whether such conduct actually injures competition.

Such activities could conceivably result in criminal prosecution of organizations and individual officers and employees by the government. They also are the basis for the great majority of antitrust lawsuits seeking treble damages and class action status. It is costly for any organization to become involved in antitrust litigation. The combination of damage exposure, expert witness fees, attorneys fees and other expenses can cost so much as to threaten an organization's very viability.

It is Oakwood's policy and the obligation of every director, officer, employee and representative to comply with the antitrust laws of the United States and the states where we do business.

No Oakwood director, officer or employee should:

- Share confidential price, wage or cost information with competitors, including market strategies, development strategies or other proprietary and sensitive business information;
- Disclose to non-Oakwood entities Oakwood's intent not to do business with another entity;
- Disclose Oakwood bids, responses to requests for proposals, pricing proposals to a competitor;
- Require a patient to engage one service as a condition to obtaining another Oakwood service.

The antitrust laws are complex and cover virtually every type of business activity, including relationships with competitors, customers and suppliers. When in doubt about the legality or propriety of an act, practice or communication, consult the Legal Affairs Department or the Business Practices and Compliance Office before going forward.

Marketing, Advertising and Media

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

While it is permissible to compare and contrast our services and prices, it is against company policy to intentionally disparage other persons or businesses based on information that is untrue, or not known to be true, or to intentionally interfere with another business's contractual and business relationships through wrongful means. This does not prevent fair, non-deceptive competition for business from those who may also have business relationships with a competitor.

As related to communication that is shared with external audiences (including signage, patient education materials, letters, promotional materials, etc.), Oakwood brand, services and offerings will be aligned with approved Oakwood strategic vision, mission, values and plan, including consistency with the corporate-approved campaign and style guidelines. These guidelines will be adhered to by all Oakwood entities to communicate a consistent message and Oakwood personality (look and feel) to all audiences.

ENVIRONMENTAL COMPLIANCE

It is our policy to comply with all environmental laws and regulations as they relate to our organization's

operations. We act to preserve our natural resources to the full extent reasonably possible. We comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We diligently employ the proper procedures to prevent pollution and provide a healthy environment of care to prevent pollution.

In helping Oakwood comply with these laws and regulations, all Oakwood colleagues must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert supervisors to any situation regarding the discharge of a hazardous substance, improper disposal of hazardous and medical waste, or any situation which may be potentially damaging to the environment.

BUSINESS COURTESIES

General

This section of the Code of Conduct covers the receipt of business courtesy and the extension of business courtesy. It specifically addresses business courtesy between Oakwood staff and associates and those outside Oakwood. Business courtesies include such things as invitations to events, gifts, meals and entertainment. It should not be read as an endorsement or encouragement to make or receive any type of business courtesy or gift. Discussion is in general, and Oakwood staff and associates are reminded that specific rules apply to courtesies and gifts given to referral sources (see Code of Conduct section "Extending Business Courtesies and Tokens of Appreciation to Potential Referral Sources). As always staff and associates must apply good judgment and avoid appearances of impropriety that may injure either Oakwood's reputation or that of the individuals involved.

This Code of Conduct statement does not include business courtesies involving potential or actual referral sources. For more information on this subject review the Code of Conduct section on Extending Business Courtesies and Tokens of Appreciation to Potential Referral Sources.

Receiving Business Courtesies

Events and Travel

Business relationships develop through positive experiences between client and the Receiving Business Courtesies business partner. As relationships initiate or mature, it is acknowledged that Oakwood staff and associates may be invited to a social event sponsored or at the expense of the business partner. Oakwood policy allows staff and associates to accept such invitations provided:

- The invitation was made independent of any solicitation or encouragement by the Oakwood staff or associate;
- The event is business-related including by way of example a seminar, exhibit, meeting or presentation;
- Cost of the event is reasonable and appropriate, typically well under $300.00 per person;
- No overnight stay or travel costs are incurred (routine and reasonable mileage paid for by Oakwood excepted); and
- Such events are infrequent.

Should the offer include overnight travel or stay, the Oakwood staff or associate must have the approval of the individual's supervisor and a senior level manager (e.g., the site chief operating officer, president, etc.).

Gifts

Oakwood staff and associates may accept gifts from business partners (individual or entity) provided total gifts

do not exceed $75.00 in any one year from a single business partner and do not exceed $355.00 in annual total from all business partners. Physicians and other professionals practicing at Oakwood facilities are included as "business partners." "Gifts" under $5 in value bearing a business partners' logo used in general distribution are excluded from the foregoing.
During holidays, it is not unusual for business partners to provide perishable or consumable items (e.g., bread baskets, fruit baskets). When perishable or consumable items are distributed to department or group members, the gift is not subject to the limits identified above but Oakwood staff and associates are to use reasonable judgment when accepting such items.

Receipt of cash and cash equivalents by Oakwood staff and associates is prohibited. The Oakwood Foundation and facilities may accept cash and cash equivalent gifts that are accounted for properly and used to benefit service to the community and patients.

Extending Business Courtesies to Non-referral Sources

Meals and Entertainment

Oakwood staff and associates may want to extend a business courtesy to a business associate to build a relationship or to create opportunity for Oakwood to augment service to the community. With advance approval from a senior level manager, Oakwood staff and associates may invite a business associate to a social event or pay for a meal and modest entertainment at the expense of Oakwood, provided:

- The invitation was made independent of any solicitation or encouragement by the other party;
- The event is business related and involves discussion of business topics;
- Under no circumstance does the offer serve as a inducement/payment for the other party to engage in business with Oakwood;
- Cost of the event is reasonable and appropriate, typically well under $300.00 per person;
- No overnight stay or travel costs are incurred (routine and reasonable mileage paid for by Oakwood except ed); and
- Such events are infrequent.

Gifts

Providing a gift to a business associate (non-referral source) is permitted provided it does not to exceed $75.00 per year per individual. The gift may not be used improperly to induce or encourage the other party to do an inappropriate act or serve as an incentive to improperly influence the business outcome. Much like other areas of concern, avoiding the appearance of impropriety when extending gifts is something Oakwood staff and associates are to do. Cash and cash equivalent gifts are prohibited.

Government employees shall never be offered a gift or other business courtesy except as expressly permitted by the particular government agency employing the person. Refreshments and meals of modest value (under $20.00 per person per day) may be offered in connection with business discussions. Oakwood staff and associates shall, however, comply with the government employee's direction (accepting or rejecting) regarding offered refreshment or meal. Under no circumstance are such refreshments and/or meals to be used to inappropriately induce a favorable act. Logo items of no more than $5.00 in value may be offered as well. This restriction also applies to federal contractors or agents such as fiscal intermediaries, carriers, and others.

Medicare and Medicaid patients may be provided a non-cash or cash equivalent gift provided it does not exceed $10.00 per item with an annual cap of $50.00. A $10.00 gift card is acceptable and not considered a cash

equivalent. This limitation does not apply to situations where payments are made as settlement of potential legal action.

GOVERNMENT RELATIONS AND POLITICAL ACTIVITIES

Oakwood works closely with various forms of government – local, state and federal. The organization and its representatives comply with all applicable laws pertaining to political activities and governmental relations.

Oakwood corporate funds or resources are not contributed directly to individual candidates, campaigns, political parties or to other organizations that intend to use the funds for political campaigns. Corporate resources include financial and in-kind donations – such as the use of work time and telephone lines to solicit for candidates or campaigns or the use of Oakwood property for functions that are part of such.

Of course, Oakwood encourages all constituents to engage in the political process and to be good citizens. However, only in approved situations can an Oakwood employee represent the interests of the corporation to elected or administrative officials of local, regional, state or federal government or agencies.

The organization does not directly endorse any candidates or positions in election campaigns.

Donations for the purpose of support of candidates and propositions that are thought to be beneficial to the business position of the corporation can be made by individual employees to the political action committees of MHA and AHA. Those organizations' associated PACs then make such endorsements and support by votes of their boards of directors. Oakwood employees cannot be reimbursed for personal contributions to any campaign.

Oakwood engages in public policy debate as an organization only at the initiation of the Senior Vice President, Government Relations, Corporate and Communications and only in instances where it has special expertise or knowledge that can help inform the public policy process. This can be done through our senior leadership, lobbying consultants or other staff only when approved in advance by the Senior Vice President. In articulating positions, Oakwood is most interested in actions that are in the larger public interest as well as those that benefit our industry in a fair and ethical manner. We encourage trade associations that we are members to also do the same.

In select circumstances, constituents of Oakwood may be asked to show their support on certain issues that impact the healthcare industry or particular programs of interest. Requests for such will only be made by the senior vice president and communicated to the segment of the corporation targeted for the action. Actions may include email campaigns, phone calls to legislative and other elected officials or letter writing campaign. Participation in these activities is voluntary and it will not be held against those who do not choose to do so. It is part of the official role of some Oakwood senior leaders to interface with elected officials – these activities should be regularly communicated to the Senior Vice President, Government Relations, Corporate and Communications.

ETHICS AND COMPLIANCE PROGRAM

Program Structure

Staff and associate interactions with any and all stakeholders present opportunities for each of us to demonstrate Oakwood's Mission, Vision, Values, Standards of Behavior, Code of Conduct and that we are

"Rooted in Integrity." Oakwood's compliance program further demonstrates Oakwood's commitment to service excellence and appropriate behavior. Each staff member and associate is to embrace Oakwood's Mission, Vision, Values, Standards of Behavior, and Code of Conduct, and to act with integrity.

To assist staff and associates, Oakwood's compliance program elements include:

- A Code of Conduct and Policies to guide thought and action;
- Communicating and educating on our performance requirements;
- Providing various means by which questions can be asked and issues can be brought forward anonymously;
- Monitoring and auditing performance; and
- Taking action as necessary.

Guiding and overseeing the compliance program is the Audit and Compliance Committee of the Board of Trustees. The Senior Vice President of Quality, Service and Performance Excellence is the responsible executive leader and the Business Practices and Compliance Officer is accountable for the day-to-day activities of the compliance program. All levels of administration, management and supervision support Oakwood's compliance elements and efforts.

To implement the compliance program, the Business Practices and Compliance Office engages in policy development; creation of training programs, communication tools and responding to Compliance Hotline **(800.805.2283)** issues; program assessment and providing advice to Oakwood staff and associates at all levels of the organization. Compliance is further supported by others in the organization who possess particular expertise and who are enlisted to lead policy and training development, conduct audits and monitoring and advice.

Oakwood's Human Resources personnel serve as another invaluable compliance resource. Being highly knowledgeable on labor and employment matters, Human Resources leaders are the most appropriate contacts to address specific concerns associated with a particular work situation or setting. The Business Practices and Compliance Office encourages Oakwood employees to address and resolve these types of issues at the site Human Resources level. Similarly, Compliance Hotline issues of a Human Resources nature are most often referred to Human Resources for review, investigation and action as necessary.

Standard Setting

Oakwood's Mission, Vision, Values, Standards of Behavior, Code of Conduct and policies and procedures set the tone and requirements for staff and associates. The Business Practices and Compliance Office is responsible for the Code of Conduct contents. Acting responsibly and consistent with these requirements is a component of accountability for every Oakwood staff member and associate. Staff and associates are personally responsible for knowing and following these guidance documents as well as policy and procedure.

Education and Training

Oakwood maintains a comprehensive education and training catalog. This education begins with new employee orientation and continues while the person is an Oakwood staff member or associate. Compliance training documented through Oakwood's HealthStream includes corporate compliance and HIPAA Privacy and Security modules. All staff assigned HealthStream learning are required to timely complete such learning and staff are held accountable through performance appraisals to demonstrate all learning modules have

been completed successfully. In addition, the Business Practices and Compliance Office has developed and is available on request to provide live presentations. Staff and associates are expected to maintain competencies consistent with their job duties and assignments. In addition, the Business Practices and Compliance Office periodically supports and promotes audio conferences for the benefit of staff and other associates. The Business Practices and Compliance Office also conducts upon request issue research to assist managers and supervisors in carrying out their compliance responsibilities.

Guidance and Reporting Issues

Guidance on compliance issues can be obtained in several ways. Staff and associates are encouraged to discuss the question with their immediate supervisor but may go to any member of management, Human Resources or the Business Practices and Compliance Office. For Human Resources concerns, staff and associates are encouraged to go their site Human Resources representative. If the staff member or associate is uncomfortable discussing an issue with management or Human Resources, the staff is free to use the external Compliance Hotline at **800.805.2283**. Callers may be anonymous and should know that reports made in good faith are protected by Board policy and there shall not be disciplinary action for reporting a concern or issue. Deliberately false allegations made to harm another are not protected under the good faith reporting policy.

Obligation to Report

Our reputation is everything. Failure to raise issues and concerns related to our compliance with law and regulation on a timely basis exposes Oakwood to serious and often significant regulatory fines and penalties, not to mention potential loss of participating status, with federal health programs such as Medicare and Medicaid.

It is every staff members and associate's responsibility to report activity that may violate law and/or regulation. This includes by way of example suspected acts by vendors, other staff, subcontractors, and other healthcare providers. Reportable concerns include improper medical necessity, patient safety, general safety issues and quality of care concerns. Staff and associates should seek resolution at the local site level but may utilize the Compliance Hotline to bring issues forth anonymously. The good faith reporting policy applies to each of these issues raised in good faith.

Compliance Reviews and Investigations

Each issue brought to the Business Practices and Compliance Office are reviewed. If the matter remains of concern, it will be investigated by the accountable department with oversight by the Business Practices and Compliance Office. Such reviews and investigations are frequently coordinated by the Business Practices and Compliance Office and summary responses are provided to the reporter if requested. Staff and associates are obligated to cooperate with reviews and investigations. Where the accountable department is alleged to be source of the compliance concern, independent reviews and investigations are managed by the Business Practices and Compliance Office.

Corrective Action and Discipline

When an issue proves to have merit and there is substantiation of the issue, the Business Practices and Compliance team may recommend disciplinary action and other corrective action to be taken. Corrective action recommendations can include anything from mandatory education and training to making a voluntary disclosure to regulatory authorities to changing policy or process to reduce recurrence of the issue due to systemic inadequacies.

Staff and associates are subject to discipline for violating policy, procedure and/or the Code of Conduct. Action taken will vary based on the nature and seriousness of the infraction. Possible disciplinary action is as provided in applicable handbooks and policy. Subject to such handbooks and policies, a partial list of disciplinary options include counseling, warnings, suspension and discharge.

Measuring Effectiveness

Oakwood uses various mechanisms to assess compliance initiatives and effectiveness. These include monitoring external review agency findings and citations, complaints and citations for privacy or security concerns, number of Hotline calls made and resolved, frequency and outcome of enforcement activity, and ongoing evaluation of billing and coding issues as well as rejections. In addition, the Business Practices and Compliance Office routinely seeks or receives feedback from Internal Audit following evaluation of staff and associate compliance with law, rules and policy in particular audit areas. Oakwood also measures effectiveness by review of external audit findings and management's timely corrective response by specific area. Organizational compliance effectiveness is everyone's responsibility and is rooted in our Behavioral Standards and Code of Conduct.

Code of Conduct Rooted in Integrity

Oakwood Healthcare

Business Practices & Compliance
15500 Lundy Parkway
Dearborn, Michigan 48126

313.791.4705

External Hotline: 800.805.2283

©Oakwood Healthcare, 2013. All rights reserved.