



# Code of Conduct



AUGUST 29, 2018

## Dear Colleagues,

Ethics and compliance provide the foundation to everything we do as caregivers and operators. A strong culture of compliance helps ensure that our patients receive the best care in the right environment, that our communities trust us to be good partners, and that our owners and other key constituents have confidence that we will do the right thing the first time and every time.

Our Code of Conduct is a guide to help us always do what is right. Our Code illustrates the values that define who we are as a company and provides resources to assist us in making sound decisions every day. You should refer to it as you work and seek guidance if you are ever unsure of the proper course of action.

If you suspect behavior that goes against our Code, the law or our policies, speak up. Talk with your supervisor, your local compliance officer, or call the Compliance and Ethics Action Line at 1-844-PMETHIC (1-844-763-8442). You have the option to call anonymously 24 hours a day, seven days a week. We do not tolerate any retaliation against a colleague who raises a concern in good faith. By working together, we can create an environment in which we uphold the spirit and values that define our company.

Thank you for all that you do to serve our hospitals and facilities, our patients, our clients, and our colleagues.

Sincerely,



Samuel S. Lee

Chairman of the Board & Chief Executive Officer

PROSPECT MEDICAL HOLDINGS

# Contents

- 4 Our Mission**
- 5 Purpose of Our Code of Conduct**
- 6 Provide Quality of Care and Patient Safety**
  - Quality of Care and Patient Safety
  - Clinical Trials and Research
  - Patients Coming to Our Emergency Rooms

**Provide Care That is Medically Necessary**
- 7 Ensure Our Providers Have The Appropriate Credentials and Privileges**
  - Credentialing and Privileging
- 8 Ensure That Our Facilities Maintain The Required Accreditations, Certifications, and Licenses**
  - Meeting the Standard of Care
- 9 Document, Charge and Bill Claims Correctly**
  - Maintain Accurate and Complete Business and Medical Records
  - Ensure Claims are Accurate

**Ensure That We Are Reimbursed Correctly**
- 10 Provide Care Without Inappropriate Incentives**
  - Patient Referrals: Stark and Anti-Kickback (Fraud, Waste, and Abuse) Laws
  - Gifts, Meals and Entertainment
- 12 Conflicts of Interest**
- 13 Respect Our Patients’ Rights, Privacy, Confidentiality and Security**
  - Patients’ Rights and Responsibilities
  - Patient Privacy: HIPAA, HITECH, and Other State Privacy Laws
- 14 Security**
- 16 Provide A Safe and Compliant Workplace**
  - Diversity and Inclusion Within Our Workforce
  - Harassment-Free Workplace
  - Drug-Free Workplace
  - Maintaining a Safe Workplace Environment
- 17 Excluded or Ineligible Persons**
- 18 Engage In Appropriate Business Practices**
  - Antitrust and Competition
  - Financial Reporting and Books and Records
  - Political Activities and Contributions
- 19 Protect Our Reputation**
- 20 Take Responsibility For Our Mistakes and Strive To Make Things Right When Things Go Wrong**
  - What Do We Report?
- 21 How Do We Report an Issue?**
  - Compliance and Ethics Action Line
  - Non-Retaliation
  - Interactions with Government Entities
- 22 Our Compliance and Ethics Program**
  - Major Features of our Compliance and Ethics Program
- 23 Resources**

## Our Mission

We are a coordinated network of hospitals, affiliated medical groups and ancillary healthcare services working for the benefit of every person who relies on and trusts us for care. Our comprehensive networks aim to provide coordinated, personalized care. Through our affiliated networks, we strive to provide a healing environment and quality care.



## Purpose of Our Code of Conduct

This Code of Conduct is a guide to ensure that ethics and compliance are integrated into the work we do every day. It is a reference tool to help you when you encounter situations in which something just doesn't feel right. Listen to your instincts and use the Code to guide you. If you don't find the answer here or in the policies and procedures that apply to you, ASK FOR HELP.

Compliance is everyone's responsibility. It is your responsibility to read and understand the Code and the policies and procedures that apply to you. It is your responsibility to know and understand the laws, rules, and regulations that govern the work that you do. We are counting on you. And we are here for you.

If you have questions about the Code, policies and procedures, or if you have witnessed a possible compliance or ethical matter, SPEAK UP. The first step is telling someone who can help fix the issue or answer your question. You can tell your supervisor or your compliance officer, or you can call the Compliance and Ethics Action Line – just SPEAK UP. But you're not done yet. Make sure the issue was addressed. Make sure



the problem was fixed. If the issue continues, let your supervisor or your local compliance officer know – and, remember, you can always call the Compliance and Ethics Action Line.

If you need more information about any of the subjects contained in the Code, please contact your supervisor or manager or your local compliance officer. If you are interested in reading the policy and procedure covering a specific subject, policies and procedures can be located electronically on your intranet website.

## Provide Quality of Care and Patient Safety



### QUALITY OF CARE AND PATIENT SAFETY

When patients visit a Prospect entity, they expect quality care provided by compassionate and professional providers. We are committed to delivering care to our patients that is safe, efficient and effective. Our main concern is the well-being, comfort and dignity of our patients and members. We do not make a distinction between the availability of services or the care we provide based on age, gender, gender identity, disability, race, color, religion, national origin, sexual orientation, marital status, veteran status or the source of payment for the patient's or member's services or the patient's or member's ability to pay. We treat all our patients and members equally with compassion, understanding and respect. We only provide care that is safe, medically necessary and appropriate.

### CLINICAL TRIALS AND RESEARCH

In facilities where we conduct research, we do so according to the highest ethical standards and in full compliance with federal and state laws and regulations. When we ask patients or members to participate in research projects, we will advise them of all alternative treatments available to them and the risks and benefits of the proposed treatments. We want patients and members to make informed decisions about whether or not to participate. Prospect has set standards and procedures for its researchers in order to preserve truth, integrity and

credibility in research, to prevent research misconduct, and to deal efficiently and fairly with allegations or other indications of research misconduct. If you have concerns about the care being provided to a research patient or the conduct of a provider in connection with their participation in a clinical trial, please notify your supervisor or compliance officer immediately.

### PATIENTS COMING TO OUR EMERGENCY ROOMS

Prospect complies with all requirements of the Emergency Medical Treatment And Labor Act (EMTALA). Patients who present themselves to a dedicated emergency department seeking care are provided a medical screening examination and necessary stabilizing treatment, regardless of ability to pay. To ensure that the appropriate medical screening examination and necessary stabilizing medical examination and treatment are not delayed, the hospital will not inquire as to whether an individual is insured until after the medical screening examination is provided and necessary stabilizing treatment is initiated. The hospital may transfer the patient, once he or she is stabilized, if the patient requests to be transferred, if the patient requires services or a level of care that cannot be provided by the Prospect hospital, or if the patient's insurance requests and the patient consents to the transfer.

### Provide Care That is Medically Necessary

Prospect facilities treat patients who are covered by Medicare, Medicaid, TRICARE and other federal and state healthcare programs. Federal and state healthcare programs have many requirements that are designed to ensure that taxpayer dollars are spent only on care that is needed and of appropriate quality. Prospect is fully committed to following the requirements of all federal and state healthcare programs and failure to do so will lead to disciplinary action up to and including termination.

# Ensure Our Providers Have The Appropriate Credentials and Privileges

## CREDENTIALING AND PRIVILEGING

One important aspect of our commitment to high-quality care is the proper credentialing of all healthcare providers associated with our entities. We conduct credentialing reviews for employees whose work requires licenses, including but not limited to physicians, nurses, laboratory technicians,



and other technologists. We ensure both permanent and temporary staff are properly credentialed. Staff with expired licenses will not be permitted to work.

Privileging is the process of making sure our physician staff is competent for all the services and procedures they provide for our patients. In the hospital, this is done through the medical staff office. In some states, the medical staff is a separate legal entity. In all cases, the determination of privileges is a medical staff function.

## Ensure That Our Facilities Maintain The Required Accreditations, Certifications and Licenses



### **MEETING THE STANDARD OF CARE**

At Prospect, we participate in several quality of care oversight programs, and our facilities maintain the required accreditations, certifications and licenses. For example, all our hospitals are accredited by The Joint Commission, Det Norske Veritas (DNV), or the Healthcare Facilities Accreditation Program (HFAP). We strive to exceed the standards set by these organizations.



# Document, Charge and Bill Claims Correctly



## **MAINTAIN ACCURATE AND COMPLETE BUSINESS AND MEDICAL RECORDS**

Accurate and complete records are crucial for the continuity of patient care, appropriate and proper billing, and compliance with regulatory, tax, and financial reporting requirements. Everyone who enters information into a medical record, business record, or regulatory or financial report has a responsibility to do so in a truthful, accurate, legible and timely manner. Records must be retained by Prospect, as required by federal and state laws.

## **ENSURE CLAIMS ARE ACCURATE**

Prospect is committed to only submitting accurate claims, and, therefore, we bill only for services that were actually provided and properly documented and coded. We ensure that our bills meet federal and state healthcare program requirements, and we do not submit bills that are exaggerated, fictitious or

upcoded. If we see a billing error, we involve a manager, compliance officer or call the Compliance and Ethics Action Line. We investigate and correct the error prior to submitting the bill. If we have already billed, we promptly correct the underlying problem and make appropriate refunds. If we are not sure how to correct the error, we report it to a manager, the compliance officer or the Compliance and Ethics Action Line. The Federal False Claims Act and Deficit Reduction Act protect government programs including Medicare, Medicaid and TRICARE from fraud and abuse. Prospect complies with these and all laws and has policies to detect, report and prevent waste, fraud and abuse, as well as provide protection for whistleblowers.

## **Ensure That We Are Reimbursed Correctly**

We are 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.

# Provide Care Without Inappropriate Incentives



## PATIENT REFERRALS: STARK AND ANTI-KICKBACK (FRAUD, WASTE, AND ABUSE) LAWS

Federal “Stark” law, also known as the “self-referral law,” prohibits a physician from referring Medicare patients for certain “designated health services,” or ordering these services for Medicare patients from a provider with whom the physician has a compensation or ownership arrangement, unless the arrangement meets certain exceptions. For example, a physician cannot refer a Medicare patient for laboratory services to a hospital where he or she is paid to be the laboratory director, unless the arrangement meets an exception. Similar prohibitions apply to all federal and state-insured patients.

Stark also significantly limits what healthcare entities can provide to physicians. For example, there is a limit of \$407\* for the calendar year 2018 for any non-monetary compensation given to any physician. That includes meals or entertainment (if a spouse is present, both the physician’s and the spouse’s dinner or ticket count), Doctors’ Day gifts, lab coats provided by the hospital, etc. We can provide some essential items that are intended to assist the physician in providing care to his or her patients. For example, the hospital could provide free parking. The value of those items must be

below \$34\* per day for calendar year 2018. Refer to your facility’s policies and the gift section below for further information.

The federal anti-kickback law, on the other hand, applies to ANY referral source and prohibits healthcare entities from providing an incentive in exchange for referring patients to the entity. It also applies to incentives that might be provided to patients in order to induce them to come to a specific healthcare entity. There are also exceptions to the anti-kickback law. They are referred to as “safe harbors.”

Prospect has policies and procedures that address our relationships with physicians. It is important for you to be familiar with the laws, regulations and policies that govern our interactions with physicians. Please consult Prospect’s Legal Department or your compliance officer if you have any questions.

## GIFTS, MEALS AND ENTERTAINMENT

### Gifts, Meals and Entertainment to/from Physicians and Other Potential Referral Sources

On rare occasions, the healthcare entity may purchase a gift for a physician if the value of the item is within the non-monetary compensation limit and the item is not cash or its equivalent. Contact your compliance officer before proceeding.

For example: A hospital may buy personalized lab coats valued at \$30 for each member of its active medical staff to celebrate Doctors’ Day. The hospital must log the value in each physician’s non-monetary compensation log without exceeding the limit, as noted above.

### Gifts and Gratuities to/from Patients

There may be times when a grateful patient or family member gives you a gift or offers a tip for the outstanding care that you have provided them. This includes offers by a patient or family member to provide free or discounted

\*Contact your compliance officer for current information.

services after the patient is discharged, such as hair, nail or skin care services. It is not permissible to accept a gift from a patient or family member. It is also not acceptable to solicit a gift from a patient or family member. If possible, politely return the gift or gratuity to the patient or family member. If that is not possible, provide the gift or gratuity to your immediate supervisor so they can return it or donate it accordingly. If a patient insists on providing the staff with a gift, encourage the family to bring something modest that can be shared with all staff, such as food.

Federal anti-kickback laws prohibit healthcare entities from giving gifts to patients or potential patients. There are exceptions to this rule, such as certain health screenings, transportation for safe discharge, and assistance with health-related items such as medication. Please consult your compliance officer if you have any questions.

**Gifts, Meals and Entertainment to/from Vendors**

Gifts provided by vendors are generally discouraged because, if you accept gifts from individuals or organizations that sell or offer to sell goods and services to our healthcare entities, you allow others to raise the possibility that your decision to do business with that vendor or prospective vendor was not made objectively or fairly. You may be able to accept gifts only if the following criteria are met:

- The gift does not violate any law or policy.
- The gift cannot reasonably be seen as an attempt to gain an advantage or be considered a bribe, payoff, or insider deal.
- The gift cannot be more than \$100 per person per incident and is not given on a regular basis.

Generally, we should not purchase gifts for vendors, union officials (where applicable), patients, family members, or other visitors. In rare instances, doing so may be permissible. Before you offer a gift, meal, entertainment, or anything of value, you must receive written approval from the director of your department.

Some gifts, no matter who provides them, are prohibited. These include, but are not limited to:

- Tips for a free or discounted service, such as a free screening.
- Cash or cash-equivalent gifts (for example, checks, gift certificates, gift cards, and coupons).
- Weapons of any kind.
- Tobacco of any kind.
- Items that reasonably might be viewed as lewd, vulgar, pornographic, or offensive.

Prohibited gifts must be refused, returned immediately to the sender, or donated appropriately.

**Gifts, Meals and Entertainment to/from Government Officials**

We may not accept or solicit gifts from government officials. This includes foreign government officials and their agents. We may not offer a gift to any government official. Most often, even when government officials are on site for a prolonged period of time, it is impermissible under federal and state laws, rules or regulations for a healthcare entity to provide meals to the government official.

## CONFLICTS OF INTEREST

Every year, managers and above are required to complete a conflict-of-interest statement to declare if they are aware of any possible conflicts that might influence their decision-making so that the best interests of Prospect are not paramount. Conflicts of interest occur any time relationships or personal financial interests influence, or might reasonably appear to influence, your ability to make an objective and fair decision based solely on what is best for Prospect. Actual or perceived conflicts of interest arise from many kinds of situations. For that reason, this is an area in which it is important to know the policies and procedures and ask for guidance when the situation arises.

The best way to make you of aware of possible conflicts is to provide some examples:

- A director of pharmacy is given an opportunity to attend a conference in Hawaii paid for by the maker of a pharmaceutical dispensing system. The director is one of the decision makers for purchases for the hospital's pharmacy. \*SEE ALSO SECTION ON GIFTS, MEALS AND ENTERTAINMENT TO/ FROM VENDORS
- The medical office needs new cabinets. The office manager's brother owns a cabinet-making company. The office manager tells her brother what the other three candidates bid and he comes in below that bid.



- A marketing director at the hospital agrees to act as a consultant for another local hospital's new surgery center.

All these situations could pose a conflict of interest. It is also possible for each of these conflicts to be removed. For example, if the pharmacy director declines to have the vendor pay for the trip and the hospital believes that the conference would be beneficial, and the pharmacy director then pays for the conference instead, it may be permissible for the pharmacy director to attend the conference. If the office manager does not provide information about the lowest bid and does not participate in the decision, we might hire the cabinet maker. Often times, there may be a solution to the conflict.

For further guidance, talk with your immediate supervisor, your human resources representative, or your compliance officer.

# Respect Our Patients’ Rights, Privacy, Confidentiality and Security



When we think of privacy and security we often limit our thoughts to our patients’ protected health information, but there is so much more to this subject than that. It also includes information contained in business records, employee files, and confidential or proprietary information about Prospect Medical Holdings and any of its affiliated entities.

## **PATIENTS’ RIGHTS AND RESPONSIBILITIES**

All patient care provided at Prospect is administered in accordance with the Patient’s Bill of Rights. Every patient is provided with a statement of these rights when they become a Prospect member, or are admitted to the facility. We are responsible for informing patients about their proposed plan of care, including the risks, benefits and alternatives available to them. We respect patients’ rights to make informed decisions about treatment, as well as to establish and have followed advance directives. Patients are free to choose their service providers, including but not limited to physicians and ancillary service providers such as home health, home infusion and durable medical equipment suppliers.

## **PATIENT PRIVACY: HIPAA, HITECH, AND OTHER STATE PRIVACY LAWS**

Much of the information we collect from patients –

pretty much anything we document or receive that is stored in a patient’s record or on business records – is protected under privacy and information security laws. We may also be obligated to protect other information based on contracts we have with third parties such as health plans or other providers. Keeping data confidential, private, and secure is essential to:

- Preserve the trust of our members and patients.
- Comply with federal and state regulations and Prospect Medical Holdings’ policies, procedures or processes.
- Protect our reputation and the reputation of our patients.

In 1996, the Federal government passed the first nationwide patient privacy law, HIPAA – the Health Insurance Portability and Accountability Act. Under HIPAA, we are required to safeguard protected health information, which is any medical information that has as a component a personal identifier such as name, date of birth or social security number. Even things like a patient’s room number are considered patient identifiers. We need to make sure that only those with a need to know have access to a patient’s protected health information. Many states, such as California, have adopted similar privacy laws. Some of these laws have provisions that are stricter than HIPAA so it’s important to know what the state laws require. In 2009, the federal government added the HITECH law, which expanded the reach of HIPAA to include business associates of covered entities and added additional reporting requirements when breaches occur.

If you become aware of or suspect a breach may have occurred, you should report it immediately to your supervisor, your compliance officer or another member of leadership, or call the Compliance and Ethics Action Line. Many states have very short and strict timelines for

reporting potential breaches of HIPAA. The sooner you report the breach, the sooner the investigation can be completed.

Here are some easy ways to help maintain the privacy of our patients and members:

- When handling confidential patient or member payment information (e.g., credit card information, account information, etc.) or working with our payment systems, follow all laws and policies and procedures that apply to your job.
- Discuss patient information only when it is required for your job.
- Keep electronic devices secure and passwords protected.
- Click on the send secure button in the email system to send sensitive email in an encrypted format or when faxing information.
- Verify that the fax number you are sending to is correct. Retrieve printouts containing protected health information promptly from shared fax machines and printers.

#### **Texting, Social Media and Cell Phones**

Care providers should not use personal cell phones or other devices to text patient information to other care providers. Remember – patient names and room numbers are patient identifiers. This means that the content of that text is protected health information. Also remember, for patient safety reasons, patient room numbers are not to be used as one of the two identifiers when providing patient care. Ask yourself if you would trust your medical information to the local telephone carrier. Company-provided devices are safeguarded to prevent unauthorized access or use of information stored on the device. If you lose your device, notify your supervisor and the IT department immediately.

Almost every patient, visitor, vendor, and employee walks into our facilities carrying a cell phone that is capable of taking pictures and video and uploading them to the Internet or social media sites. In healthcare settings, this poses a significant risk to the ability of the facility

to maintain patient privacy. Cell phones should not be used in patient care areas. This includes patient rooms, procedure rooms, and facility hallways or nurses' stations. Encourage cell phones to be used in visitor areas or outside the hospital. Cell phones should not be used to record patient care. This is related to patient privacy but, more importantly, to patient safety. There are some limited exceptions (e.g., the labor and delivery area). Before you allow this kind of use, get the permission of your supervisor and/or the attending physician.

Never post information about your patients on Facebook, Instagram or any other social media site.

## **SECURITY**

### **Securing Electronic Devices**

You should store confidential information such as protected health information on the company's secured network servers rather than on the hard drive of an electronic device. Many employees may need to take their electronic devices home or outside the facility. We encrypt and password-protect electronic devices so that, should they fall into the hands of someone other than our employee, the information remains inaccessible. You must ensure that any devices used to store information outside the Prospect network are encrypted and password-protected. This includes CDs, flash drives, portable drives, and other clinical devices. If the device is lost or stolen, you must notify your supervisor and Prospect's Information Technology Department immediately.

Another reason for using the secured Prospect Medical network is that the network is backed up daily to ensure the safety and security of the contents. Documents saved on a portable device may not be retrievable in the event of loss, theft or destruction of the device.

### **Securing the Prospect Medical Networks and Systems**

You may have heard recently about health systems being rendered inoperable and held for ransom. In most cases, criminals gained entry by hacking into the system. They often get help from unsuspecting employees. For example, an employee opens an email that contains a virus or provides an entry into the system or receives a phone call asking for information. How do you know if the email or call is a problem? Here are some things to look for:

- Is the email or call from an unknown entity or person?
- Is the email purportedly from a colleague but contains an unfamiliar request?
- Are there spelling or grammatical errors in the email address (for example, the email is from Banc of America)?
- Are you being asked to provide personal information? Genuine companies will not ask you for account information such as passwords, social security numbers or other personal information.
- Does the email or call contain a threat to take legal action, arrest you etc.?

**Environmental Security**

Securing our environment is essential to ensuring the confidentiality and privacy of our information. The following are ways by which you can help maintain the security of our facilities:

- Make sure doors to restricted areas are locked.
- Conduct frequent security rounds.

- Use a privacy screen on your computer monitor if the screen is visible and readable by others.
- Do not share your password under any circumstances.
- Log off of a shared computer or lock your computer before walking away from it so others cannot use it.
- Restrict access by vendors to protected health information unless an appropriate process has been followed. For example, under HIPAA, a vendor must sign a business associate agreement if it creates, receives, maintains and/or transmits protected health information on behalf of a Prospect Medical Holdings entity or business associate.

**Confidential and Proprietary Information**

Protected health information and other patient-related information is not the only type of information that should be safeguarded. Company information that discusses business strategies, intellectual property, pricing information, initiatives, and other proprietary information should not be shared with anyone outside the organization without the appropriate consent or authorization from the company. If you believe that such information is being used inappropriately, you should notify your supervisor or report it through the Compliance and Ethics Action Line.

# Provide A Safe and Compliant Workplace

## DIVERSITY AND INCLUSION WITHIN OUR WORKFORCE

At Prospect, we believe that a diverse and inclusive environment enriches our workforce and the communities we serve. To that end, we embrace the diversity of our coworkers, physicians, vendors and patients. We do not tolerate harassment or discrimination on the basis of race, ethnicity, religion, gender, sexual orientation, gender identity or expression, national origin, age, disability, veteran status or any other characteristics protected by law. We embrace diversity because it is our culture, and it is the right thing to do. We are also committed to providing reasonable accommodations to employees who have qualified physical or mental disabilities.



## HARASSMENT-FREE WORKPLACE

We strive to create a positive work environment. We do not tolerate conduct that disrupts our work environment, including behavior that is disrespectful, hostile, violent, intimidating, threatening or harassing. Harassment can be particularly harmful to the work environment. As a result, we have a special responsibility to report any instance of harassment that we may see or know about. Requests for sexual favors, sexual advances and other unwelcome verbal or physical conduct of a sexual nature are violations of our values and policies. We speak up if a coworker's conduct makes us feel uncomfortable. In some states, harassment and workplace violence is reportable to local regulatory agencies.

## DRUG-FREE WORKPLACE

Prospect works diligently to maintain an alcohol-free and drug-free environment at our facilities. If we suspect that you are under the influence of drugs or alcohol, you will be required to submit to appropriate drug or alcohol testing. If you are found to be performing any activity for Prospect while impaired by or under the influence of alcohol, marijuana, or illegal drugs, you will be subject to disciplinary action up to and including termination of your employment.

## MAINTAINING A SAFE WORKPLACE ENVIRONMENT

Safety is an important Prospect value. Prospect complies with all laws and regulations that govern workplace health and safety, and we strive to exceed minimum safety requirements. Keeping our environment safe is everyone's responsibility. It is your responsibility to understand the policies and procedures that govern safety in your area and to put those procedures into practice. You must notify



your supervisors when you identify an issue that poses a safety risk and follow up to make sure that it is resolved. We must all work together to create a safe, secure, and injury-free workplace.



Prospect is required to record and report work-related injuries. While we want to have zero occurrences of work-related injuries, they do occur, and it is critical that these accidents and incidents are reported. Laws require us to record and report these incidents, and doing so helps Prospect put better mechanisms, processes, and practices in place to avoid them in the future. If you are involved in an incident, you must report it promptly to your immediate supervisor, their manager, or your human resources representative and follow the necessary procedures.

**EXCLUDED OR INELIGIBLE PERSONS**

We do not employ, contract with or bill for any services that have been provided by an individual or entity that is excluded or ineligible to participate in government programs. Prospect’s regulatory compliance policies provide more detail, but if you become aware of an excluded or ineligible person, inform your supervisor, compliance officer or call the Compliance and Ethics Action Line.

## Engage In Appropriate Business Practices

### ANTITRUST AND COMPETITION

Prospect strictly complies with antitrust rules regarding competition. Generally, no director or employee shall enter into any understanding, agreement, plan or scheme with any competitor to fix prices, contract terms, territories or customers. Any questions regarding this area should be directed to Prospect's Legal Department.

### FINANCIAL REPORTING AND BOOKS AND RECORDS

Prospect maintains standards of accuracy and completeness in documenting, maintaining and reporting financial information in compliance with all legal requirements.

### POLITICAL ACTIVITIES AND CONTRIBUTIONS

We comply with all laws regulating political influence and campaign contributions. Prospect believes in the democratic political process and values its employees' interest in fostering principles of good government in the communities in which they live. Directors and employees may spend their own time and funds supporting political candidates and issues but Prospect will not reimburse



them for time or funds used for political contributions. Likewise, Prospect does not allow directors or employees to pressure another Prospect employee into making political contributions. Only when permitted by law and authorized by Prospect management may Prospect funds and facilities be used to inform or influence the voting public on an issue of importance to the company. Employees seeking guidance on the rules should consult with Prospect's Legal Department.

## Protect Our Reputation

Our reputation in the communities we serve is critical. What we say and how we say it will reflect on Prospect's reputation in the community. Federal and state laws protect the public from marketing that is deceptive and dishonest. Determining how, where, and to whom we advertise Prospect products and services involves strategy, creativity, and consistency.



It also involves being truthful and accurate. Prior authorization is required to communicate to the public, media, or to professional audiences as a spokesperson or representative of Prospect. This includes communications in any printed, spoken, or electronic form, such as speeches, interviews, advertisements, social media posts, and other sharing information using other digital media. External communications on behalf of Prospect must be reviewed and approved by Prospect's Communications Department. Some materials, depending on content and the audience, may also need to be reviewed by Prospect's Legal Department and your compliance officer.

# Take Responsibility For Our Mistakes and Strive To Make Things Right When Things Go Wrong



## WHAT DO WE REPORT?

Transparency is essential to the work that we do. When we make a mistake, we admit it and do whatever it takes to make it right. Most mistakes or problems are identified by someone who just feels that something isn't right. Sometimes, problems are found by accident. And sometimes, we proactively look for issues, such as when we are auditing and monitoring our systems. Regardless of how we find the mistake, potential issue, or big problem, we need to SPEAK UP and make sure it gets fixed.

How do you know if there is a problem? Ask yourself the following questions:

- Did I document what I did so that it can be charged and billed correctly?
- Does the healthcare entity have the correct accreditation and certifications to provide the care?
- Did I respect the patient's rights?
- Did the payor pay us the correct amount?

- Did we provide care without financial incentives?
- Was the care that was being provided medically necessary?
- Did every care provider have the right credentials and privileges?
- Did I provide care that met the standards of care for that patient?

Most likely, you do not have responsibility for all those things. But if you honestly believe that where you could maintain compliance, you did, then you have done your part. If you ask yourself those questions and the answer is no, then you may have something you need to report to your supervisor or compliance officer, or call the Compliance and Ethics Action Line.

It is the duty of every officer, employee and all other individuals affiliated with Prospect to comply fully with all governing laws, regulations, policies and procedures and the Code. Everyone must offer their complete cooperation with any investigation by Prospect and/or governing authorities.

All reports to the compliance department and the Compliance and Ethics Action Line should be made in good faith. Do not make a report if you do not believe in good faith that laws, policies or the Code of Conduct have been violated. Do not twist or make up facts to get someone else in trouble. Appropriate disciplinary action will be taken if information has not been provided in good faith.

Prospect employees should feel comfortable raising their hands and saying, "I made a mistake." And managers are responsible for promoting an environment in which problems are raised and – most importantly – solved without fear of retaliation.

**HOW DO WE REPORT AN ISSUE?**

Because transparency is so important to the integrity of our organization, we have numerous ways that you can report a possible compliance issue. First, you can always report an issue to your immediate supervisor, compliance officer, or any member of the leadership team.

If you wish to remain anonymous, you can call the Compliance and Ethics Action Line. Should you choose to remain anonymous, please make sure that you provide enough detail and information that allows us to investigate the issue. These resources are available 24 hours per day, seven days a week.

**COMPLIANCE AND ETHICS ACTION LINE:**

1-844-PMETHIC (1-844-763-8442)

**NON-RETALIATION**

When someone raises a good-faith concern to their supervisor or compliance officer, calls the Compliance and Ethics Action Line, or cooperates with an investigation or corrective action, retaliation against that person is not permitted. Prospect takes reports of retaliation very seriously. If you feel that you have experienced retaliation, immediately report it to the appropriate manager or supervisor who is not involved in the issue or call your

compliance officer or the Compliance and Ethics Action Line. Prospect will immediately investigate and take appropriate action with respect to all suspected acts of retaliation or intimidation. Any individual who is found to have retaliated against an employee or intimidated an employee will be subject to immediate discipline, up to and including termination of employment.

**INTERACTIONS WITH GOVERNMENT ENTITIES**

Healthcare is a heavily regulated industry. Numerous local, state, and federal agencies are responsible for ensuring organizations operate in compliance with regulations. From time to time, federal and state agencies may make unannounced visits to our facilities to conduct inspections. You also may get an inquiry, subpoena, or other legal document from a government agency regarding Prospect's business or care. Prospect staff must cooperate with government officials. If you receive a government agency inquiry in the course of your work duties or a subpoena or other legal document that is not addressed to you personally, contact your immediate supervisor or compliance officer right away.

If an agency representative or inspector approaches you at work, you should notify administration immediately.

## Our Compliance and Ethics Program

Prospect is committed to doing the right thing. Our compliance and ethics program promotes the values and integrity that help us make a positive impact on the lives of our physicians, employees, patients, visitors and communities. We promote compliance and ethics by informing and educating staff and others who conduct business on our behalf about our requirements and expectations. We also regularly monitor our compliance program to identify any existing compliance-related issues, to determine whether the program is operating as intended, and to identify potential improvements.



### Major Features of Our Compliance and Ethics Program

1. Written standards, policies and procedures and other supporting documents, such as the Code of Conduct, that promote our values.
2. Compliance Program Administration, including a Chief Compliance and Privacy Officer and local market-based Compliance and Privacy Officers. In addition, the Compliance Program is supported by corporate management-level and facility-level Compliance Program Committees.
3. Screening and evaluation of employees, physicians, vendors and other agents.
4. Ongoing communication, education and training on compliance issues.
5. Monitoring, auditing and internal reporting systems to identify and resolve compliance issues.
6. Discipline for non-compliance.
7. Timely investigations of compliance issues and commitment to take all appropriate remedial action, if necessary.

# Resources

<b>Chief Compliance and Privacy Officer</b>	<b>(310) 943-4500</b>
<b>Policies and Procedures and Training</b>	<b>(562) 293-3264</b>
<b>LOCAL COMPLIANCE AND PRIVACY OFFICERS</b>	
<b>Prospect Medical Systems</b>	<b>(714) 796-5919</b>
<b>Coordinated Regional Care</b>	<b>(714) 796-4257</b>
<b>California Facilities</b>	<b>(562) 293-3264</b>
<b>Connecticut (ECHN) Facilities</b>	<b>(860) 533-3487</b>
<b>Connecticut (Waterbury) Facilities</b>	<b>(203) 573-7128</b>
<b>New Jersey Facilities</b>	<b>(973) 672-8400</b>
<b>Pennsylvania Facilities</b>	<b>(610) 595-6440</b>
<b>Rhode Island Facilities</b>	<b>(401) 456-2266</b>
<b>Texas Facilities</b>	<b>(210) 587-8197</b>
<b>CDI Department</b>	<b>(818) 451-6037</b>
<b>Legal Department</b>	<b>(310) 943-4500</b>
<b>Quality Department</b>	<b>(310) 943-4500</b>
<b>Risk Department</b>	<b>(310) 943-4500</b>
<b>Human Resources Department</b>	<b>(310) 943-4500</b>
<b>Internal Audit Department</b>	<b>(562) 293-3286</b>
<b>Revenue Integrity Department</b>	<b>(210) 579-3202</b>
<b>Security Department</b>	<b>(310) 943-4500</b>
<b>Corporate Communications Department</b>	<b>(714) 796-5749</b>

## **COMPLIANCE AND ETHICS ACTION LINE**

If you need guidance on an ethics and compliance issue or you would like to report a suspected violation of the Code of Conduct:

1. Bring the matter to your supervisor
2. Discuss the matter with your management team or your Compliance Officer, and/or
3. Call the Compliance and Ethics Action Line at 1-844-PMETHIC (1-844-763-8442)



Effective as of August 29, 2018



# Acknowledgment Card

I certify that I have reviewed Prospect Medical's Code of Conduct and I agree to abide by the Code.

---

Signature

---

Printed Name (as listed in personnel records)

---

Department

---

Facility

---

Date