

CODE OF CONDUCT

CHLAMG Compliance Department





Letter to Our Colleagues

Dear Colleague,

Children's Hospital Los Angeles Medical Group (CHLAMG) enjoys a reputation of integrity and excellence in patient care and service to our community. This reputation is one of our greatest assets. Everything we are able to achieve depends on the trust our patients and professional associates place in us.

It is the policy of CHLAMG that all individuals conduct themselves with integrity and in conformance with all legal requirements, as well as CHLAMG's policies and procedures. We have prepared this Code of Conduct ("the Code") to outline our expectations in this area. The Code is meant to provide our employees, CHLAMG business associates, and the general public with a formal statement of our commitment to the standards and rules of ethical behavior. It is an essential component of our mission, vision, and values, and helps us to achieve our best together. To ensure the Code is followed throughout our operations, we have also created a Corporate Compliance Program and specific compliance policies and procedures that emphasize our commitment to integrity and our responsibility to operate with the highest principles as we care for our patients and support each other with compassion, respect, honesty, teamwork and excellence.

Please carefully review the materials that follow outlining CHLAMG's Code of Conduct and Compliance Program. Included in each section of the Code is a description of CHLAMG's standards of conduct for personnel. These standards are minimum requirements. We anticipate that our employees and agents will exceed these minimum standards. Employees are encouraged to ask for guidance when they question whether activities comply with legal requirements. It is important to remember we all share the responsibility for ensuring ethical behavior in all our endeavors.

CHLAMG is committed to providing high-quality patient care in the communities we serve, and advocates a responsive management style and patient-first philosophy based on integrity and competence. We treat our patients with respect and dignity, providing high-quality, compassionate care in a clean, safe environment. It is the responsibility of each of us to promote and maintain our reputation through compliant and ethical behavior.

Sincerely,

CHLAMG Executive Compliance Committee

CHLAMG Code of Conduct

Our commitment to ethical conduct and compliance depends on all CHLAMG personnel.

If you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, discuss it with your supervisor or use the reporting process in this Code of Conduct, including the toll free Compliance Hotline at **1-877-658-8022**.

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Any reference in this Code of Conduct to “CHLAMG personnel” or employment with CHLAMG refers to employment with, or employees of subsidiaries of Children’s Hospital Los Angeles Medical Group including Pediatric Management Group, LLC (PMG), and CHLAMG/Pathology, LP (CHLAMG Pathology). Any reference to “CHLAMG facilities” refers to any facility-based inpatient, outpatient, or clinic at a CHLAMG-represented hospital or site, and all standalone CHLAMG facilities.

Introduction

CHLAMG has developed this Code of Conduct as a resource to summarize basic healthcare compliance standards and provide an overview of the CHLAMG Compliance Program. The Code of Conduct is not intended to fully describe the laws that apply to personnel or to detail company policies and procedures. The CHLAMG Compliance Policies and Procedures Manual (describes compliance concepts and gives guidance on acceptable behavior for CHLAMG personnel) should be read along with the CHLAMG Code of Conduct, as well as all related PMG Business Operations, Finance, and Human Resources policies found in each department. Current versions of the Code of Conduct and CHLAMG Compliance policies can be found on our website at www.childrenshospitalamedicalgroup.org

Patient Care

CHLAMG is committed to providing high-quality patient care in the communities we serve, and advocates a responsive management style and a patient-first philosophy based on integrity and competence. We treat our patients with respect and dignity, providing high quality, compassionate care in a clean, safe environment.

Commitment to Compliance

CHLAMG is committed to full compliance with all applicable laws and regulations. Adherence to compliance and ethical standards is part of the job performance evaluation criteria for all CHLAMG personnel. Failure to comply with these requirements will be viewed seriously, and will subject individuals to disciplinary action up to and including termination. CHLAMG has developed policies and procedures that describe how the duties and obligations of CHLAMG personnel are to be performed. CHLAMG personnel are required to know, understand, and follow all policies and procedures that apply to their work, and to seek clarification from their supervisor if they have any questions.

Code of Conduct

CHLAMG has developed this Code of Conduct, which is designed to deter wrongdoing and promote honest and ethical conduct. The Code of Conduct details the fundamental principles, values, and framework for compliance within the organization, providing guidance on acceptable behavior for CHLAMG personnel and making clear the expectation that CHLAMG personnel will comply with all applicable governmental laws, rules and regulations, and will report violations of the law or company policies to appropriate persons. The Code of Conduct is available on the Web at www.childrenshospitalamedicalgroup.org, the PMG Human Resources Department, or the CHLAMG Compliance Department.

Leadership Responsibilities

CHLAMG expects its leaders to set the example to be in every respect a role model. Our leaders help to create a culture that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise, without fear of retaliation. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

CHLAMG Compliance Program

CHLAMG is committed to an effective Compliance Program that includes the following elements:

1. Designation of a CHLAMG Compliance Officer, CHLAMG Compliance Director, and Executive Compliance Committee
2. Development of written Compliance Plan, Compliance Policies and Procedures, and the CHLAMG Code of Conduct, which contains written standards of conduct
3. Open lines of communication including a toll-free hotline that permits anonymous reporting without fear of retaliation
4. Appropriate training and education
5. Internal monitoring and auditing activities
6. Enforcement of disciplinary standards
7. Response to detected deficiencies

The Compliance Program also defines roles and responsibilities, assigns oversight for compliance, and conducts assessments of the Program's effectiveness. The CHLAMG Compliance Program is part of the operations of all CHLAMG facilities and corporate functions. The Compliance Program reviews and evaluates compliance issues and concerns within the organization relating to federal and state healthcare programs, and is designed to ensure compliance with all laws, rules, and regulations relating to these programs. As a part of its Compliance Program, CHLAMG has developed a Compliance Plan, a Compliance Policy and Procedure Manual, and the Code of Conduct, which are designed to communicate to personnel the intent to comply with all applicable laws and CHLAMG policies and procedures.

CHLAMG is committed to an effective Compliance Program that will:

- Review the organization's business activities and consequent legal compliance and legal risks
- Educate all personnel regarding the Code of Conduct and compliance requirements, and train relevant personnel to conduct their job activities in compliance with state and federal law and according to the policies and procedures of the Compliance Program
- Implement auditing, monitoring, and reporting functions to measure the effectiveness of the Compliance Program and to address problems in an efficient and timely manner
- Include enforcement and disciplinary components to ensure that all personnel take their compliance responsibilities seriously and adhere to all applicable requirements

Overall responsibility for operation and oversight of the Compliance Program belongs to the CHLAMG Board of Directors. However, the day-to-day responsibility for operation and oversight rests with the CHLAMG Compliance Director and CHLAMG Compliance Officer, who have direct access to the Board of Directors and make regular reports to the Audit Committee of the Board on the status of the CHLAMG Compliance Program. The CHLAMG Executive Compliance Committee supports the CHLAMG Compliance Officer and Compliance Director in these duties.

Compliance Officer and Compliance Committee Designation

The CHLAMG Compliance Officer is a physician appointed by the CHLAMG President for unlimited terms of four (4) years to oversee the CHLAMG Compliance Program. The CHLAMG Compliance Director reports jointly to the CHLAMG Compliance Officer and the PMG Chief Executive Officer, and directs the activities of the CHLAMG Compliance Department. The Compliance Director focuses on compliance with the rules and regulations of regulatory agencies and CHLAMG policies and procedures described within this code, along with others, and works to ensure that behavior meets these standards of conduct.

The CHLAMG Executive Compliance Committee supports the CHLAMG Compliance Officer and Compliance Director, and provides oversight for the implementation and operation of the Compliance Program. Members of the Compliance Committee include:

- CHLAMG Compliance Officer, who chairs the Committee
- CHLAMG President
- Pediatric Management Group Chief Executive Officer
- Pediatrics Department Chair
- Surgery Department Chair
- Anesthesia/Critical Care Medicine Department Chair
- Pathology Department Chair
- Radiology Department Chair
- CHLAMG Compliance Director

The Executive Compliance Committee reviews the reports and recommendations of the CHLAMG Compliance Officer and Director concerning Compliance Program activities, including data regarding compliance generated through audits, monitoring, and individual reporting. Based on these reports, the Executive Compliance Committee makes recommendations regarding the effectiveness of the Compliance Program.

Compliance Policies and Procedures

CHLAMG has developed written compliance policies and procedures that are designed to establish bright-line rules to help personnel carry out their job functions in compliance with federal and state healthcare program requirements, and to further the mission and objectives of CHLAMG. Appendix A is a summary list of the relevant CHLAMG Compliance Policies & Procedures referenced in this Code of Conduct. The full CHLAMG Compliance Policy & Procedure Manual is available on the Web at www.childrenshospitalamedicalgroup.org, or by contacting the CHLAMG Compliance Director at 323-361-2173, or CHLAMGcompliance@chla.usc.edu.

Open Lines of Communication

CHLAMG encourages open communication without fear of retaliation. This facilitates our ability to identify and respond to compliance problems. If there are questions or concerns regarding compliance with state or federal law or any aspect of the Compliance Program including the compliance policies or procedures, personnel should seek immediate clarification from their supervisor or CHLAMG Compliance Director. They can also call the toll-free Compliance Hotline **(1-877-658-8022)**. Hotline reporting may be made anonymously. If anyone has knowledge of, or in good faith suspects any wrongdoing involving:

- documentation, coding, or billing for services
- the organization's financial practices
- violation of law or regulation
- a violation of CHLAMG or facility policy; or
- any other compliance concern

they are expected to report it promptly so that an investigation can be conducted and appropriate action taken.

Toll-Free Compliance Hotline: Anyone may report suspected improper conduct by using the toll-free Compliance Hotline **(1-877-658-8022). Reports using this method may be made anonymously.**

Response to Detected Deficiencies

CHLAMG is committed to responding consistently and decisively to detected deficiencies. As deficiencies are discovered through audits, reporting mechanisms, and other activities involved with the operation of Compliance Program, corrective measures and disciplinary actions will be developed to address the noncompliance. CHLAMG has policies and procedures that the organization uses for:

- conducting internal investigations
- developing corrective action plans for specific instances involving compliance-related issues
- implementing remedial action when a gap or violation has been identified in the Compliance Program in order to prevent recurrence

Corrective action plans and other remedial actions will typically include, among other actions, personnel education and training, additional monitoring and auditing, and can involve reporting to outside agencies, as required.

Enforcement of Disciplinary Standards

CHLAMG personnel who violate the law, CHLAMG policies, or the guidelines described in the CHLAMG Code of Conduct, including the duty to report suspected violations, are subject to disciplinary action. Disciplinary actions will reflect the severity of noncompliance up to and including immediate termination. In addition, adherence to compliance and ethical standards is a part of the job performance evaluation criteria for all personnel. Supervisors and the Compliance Director are expected to work with the Human Resources Department to ensure that each instance involving the enforcement of disciplinary standards is thoroughly documented and that disciplinary standards are enforced consistently across the organization. All CHLAMG personnel are expected and required to adhere to and follow the CHLAMG compliance policies. Failure to do so can result in disciplinary action, including but not limited to immediate termination.

Reporting Improper Conduct

CHLAMG is committed to complying with all applicable laws and regulations, including those designed to prevent and deter fraud, waste, and abuse. The organization desires a climate that discourages improper conduct and facilitates open communication of compliance concerns and/or questions. If CHLAMG personnel have knowledge of, or in good faith suspect wrongdoing in the documentation, coding, or billing of professional services, in the organization's financial practices, involving violations of any law or regulation, or involving a violation of CHLAMG policy, they are expected to promptly report it so that an investigation can be conducted and appropriate action taken. Failure to report suspected violations may result in disciplinary action up to and including termination.

There are many ways to report suspected improper conduct. In most cases, concerns should be brought to the attention of a supervisor. However, if this does not result in appropriate action, or if the individual is uncomfortable discussing these issues with their supervisor, they should take their concerns to another member of management, or use the reporting methods available through the CHLAMG Compliance Program. Failure to report any known illegal conduct can have serious consequences.

CHLAMG encourages all personnel to bring concerns forward immediately using the established internal channels. Individuals may be reluctant to discuss wrongdoing with their supervisors because they fear retaliation. **No retaliation will be permitted against CHLAMG personnel who bring forward concerns made in good faith.** Only where it has been clearly determined that someone has made a report of wrongdoing maliciously, frivolously, or in bad faith will disciplinary action be considered.

Below is the procedure for reporting and investigating potential compliance issues:

1. If at any time CHLAMG personnel become aware of or suspect illegal or unethical conduct or a violation of CHLAMG policies, they must report it immediately to an appropriate individual. Such individuals may include their immediate supervisor, manager, Compliance Director, or PMG Human Resources Director.
2. Anyone may make a report by using the toll-free Compliance Hotline **(1-877-658-8022)**.

Reports using this method may be made anonymously, if the individual chooses.

3. Self-reporting is encouraged. CHLAMG personnel who self-report their own wrongdoing or violation of law will be given due consideration in potential mitigation of any disciplinary action that may be taken.
4. Once a report is received, an appropriate person will then conduct an investigation into the allegations to determine the nature, scope, and duration of wrongdoing, if any. CHLAMG investigates all non-frivolous claims of wrongdoing. If the allegations are substantiated, a corrective action plan will be developed. Appropriate corrective action may include, for example, restitution of overpayment amounts, notifying an appropriate governmental agency, disciplinary action, or making changes to policies and procedures to prevent future occurrences.
5. Retaliation in any form against anyone who makes a report of wrongdoing or cooperates in an investigation is strictly prohibited. If an individual feels that they have been retaliated against, they should report it immediately using any of the reporting methods referenced in this policy.

Our commitment to compliance and ethical conduct depends on all personnel. Should anyone find himself or herself in an ethical dilemma or suspect inappropriate or illegal conduct, they should refer to this Code of Conduct for guidance in reporting suspected unethical conduct, including the toll free Compliance Hotline **(1-877-658-8022)**.

Supervisors Receiving Complaints

Supervisors receiving a complaint that raises a potential compliance issue will promptly report it to the CHLAMG Compliance Director. Complaints that do not raise a potential compliance issue will be referred to the appropriate department (e.g., human resources, revenue cycle management). Supervisors will not take retaliatory action against personnel who report complaints in good faith and/or cooperate in an investigation. Retaliation or reprisal against anyone for reporting a complaint in good faith or cooperates in an investigation is strictly prohibited by law and is a violation of both the CHLAMG Code of Conduct and CHLAMG Compliance Policy. Disciplinary action will be considered when it has been clearly determined that someone has made a malicious, frivolous, or bad faith report of wrongdoing.

Medical Records

CHLAMG strives to ensure entries in medical records are accurate and provide information that documents the treatment provided and supports the claims submitted. Tampering with or falsifying medical records, financial documents, or other business records of CHLAMG, CHLA, or other hospital site will not be tolerated. The confidentiality of patient records and information must be maintained in accordance with privacy and security laws and regulations that protect patient information, including protected health information (PHI) under the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic Clinical Health (HITECH) Act of 2009, and other applicable state laws. HIPAA/HITECH regulations are discussed later in this Code of Conduct. See also the CHLAMG Compliance Policy and Procedure Manual, which is available on the Web at www.childrenshospitalamedicalgroup.org, or by contacting the CHLAMG Compliance Director at 323-361-2173.

Internal Monitoring and Auditing

CHLAMG personnel are expected to cooperate with all CHLAMG Compliance Department-authorized auditing and monitoring activities. The CHLAMG Compliance Director develops an annual audit work plan and also conducts or oversees audits that are designed to monitor compliance with laws, regulations, and internal requirements, and to identify opportunities to enhance ethical business practices throughout the organization. The CHLAMG Compliance Director develops an annual audit work plan for the organization including risk assessment results and areas of the Office of Inspector General's (OIG) work plan focus, which is reviewed and approved by the Executive Compliance Committee. The CHLAMG Compliance Director initiates compliance audits at least annually, and more often as needed, to identify and correct problems deemed high-risk for compliance, or to address other significant compliance issues. Audit reports prepared by the CHLAMG Compliance Director are presented to the CHLAMG Executive Compliance Committee at least quarterly.

Training and Education

CHLAMG provides compliance training and education for its personnel that:

- Assists physicians/providers with documentation, coding, and billing practices
- Addresses the prevention of fraud, waste, and abuse
- Reviews the elements of the Compliance Program
- Provides information about applicable laws, policies, and procedures
- Discusses the ethical standards and compliance expectations set forth in the CHLAMG Code of Conduct

The purpose of training and education programs is to ensure that physicians, non-physician practitioners, personnel, contractors, and other individuals that function on behalf of CHLAMG are fully capable of performing their work in compliance with rules, regulations, and other standards.

Ineligible Persons – Excluded Individuals and Entities

CHLAMG does not do business with, hire, or bill for services rendered by individuals or entities that are excluded or ineligible to participate in federal or state healthcare programs. The CHLAMG Compliance Director and/or the PMG Human Resources Director are responsible for ensuring appropriate screening of personnel, physician, and non-physician practitioners, and maintaining a record of this information. CHLAMG personnel have a responsibility to report to their supervisor or human resources department if they become excluded, disbarred, or otherwise ineligible to participate in Federal healthcare programs. CHLAMG has a compliance policy that describes the requirement that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to ensure that no government healthcare program payment is sought for items or services provided or prescribed by an ineligible physician, provider, or contractor.

Healthcare Laws, Regulations and Requirements

This section of the Code of Conduct contains an overview of some of the more important federal laws and regulations that apply to CHLAMG. It is not intended to be a complete discussion of these laws and regulations, or to describe every applicable law and regulation. CHLAMG expects its personnel to fully comply with all applicable laws and regulations - federal, state, and local. Failure to comply with legal requirements is viewed seriously by CHLAMG, and can lead to disciplinary action up to and including immediate termination.

Submission of Accurate Claims and Information

All claims and requests for reimbursement from the Federal healthcare programs including Medi-Cal, Medicare, and commercial health plans, and all documentation supporting such claims or requests, must be complete and accurate and comply with legal requirements. They must reflect reasonable and necessary services ordered by appropriately licensed medical professionals who are participating/enrolled providers in Medi-Cal, Medicare, and commercial health plans. This includes, among other important areas, appropriate CPT® Evaluation and Management and procedural documentation, coding, and billing for outpatient visits and consultations, inpatient admissions and visits, consultations, and discharges, HCPCS and CPT® surgical codes and modifiers, ICD-10-CM diagnosis coding, and other supplemental payment considerations.

CHLAMG expects all persons involved in healthcare billing and claims reimbursement activities to submit timely, accurate, and proper claims and information. Appropriate documentation is required to support all claims, and the diagnosis and procedure codes must accurately reflect the information documented in the medical records and other applicable documents.

CHLAMG will only utilize coding professionals who are actively credentialed as a Certified Coding Specialist (CCS), Certified Coding Specialist – Physician-based (CCS-P), or Certified Professional Coder (CPC), and in good standing with the American Health

Information Management Association (AHIMA) or American Academy of Professional Coders (AAPC), respectively. Coding personnel must adhere to the AHIMA Standards of Ethical Coding or AAPC Code of Ethics, which can be found on the Web at www.ahima.org/standards/ethicalcoding, www.aapc.org/codeofethics and the CHLAMG/PMG policies and procedures at www.childrenshospitalamedicalgroup.org.

CHLAMG revenue cycle personnel must adhere to all relevant rules and regulations pertaining to Federal and State healthcare program requirements, as well as CHLAMG's billing and compliance policies, including but not limited to the following:

- accuracy in all billing activities, including the submission of claims and information
- billing for items actually rendered
- billing only for medically necessary services
- billing with correct billing codes and modifiers
- ensuring that no duplicate billing occurs
- ensuring that no unbundling occurs
- ensuring that no billing for non-covered services as if they were covered occurs
- preparing accurate financial statements and records
- adherence to NCCI edits

If a billing error is identified subsequent to the submission of a claim to Medi-Cal, Medicare, or commercial health plans, steps should be taken to submit the corrected claim. The error should be reported using the following process:

- PMG will use best efforts to quantify the overpayment as soon as practicable
- PMG supervisor shall immediately report to the PMG Executive Director of Revenue Cycle, the CHLAMG Compliance Director, and the PMG Chief Financial Officer all potential or actual overpayments from government payors in excess of \$25,000
- Within 60 days after identification of an overpayment from government payors, the facility will repay the overpayment unless such overpayment would be subject to reconciliation and/or adjustment pursuant to routine policies and procedures established by the government payor or fiscal intermediary
- The facility will take remedial steps to correct the problem and prevent the overpayment from recurring

Referral Statutes

The Anti-Kickback statute and Stark law (§1128B (b) and 1877 of the Social Security Act), as well as certain state laws, prohibit the offer or payment of any compensation or other remuneration to any party for the referral of patients and/or federal or state healthcare business. The Stark Law prohibits providers from billing Medi-Cal, Medicare, or other government payors for services rendered because of an improper financial arrangement between hospitals and a referring physician or an Immediate Family Member of a referring physician. ("Immediate Family Members" is defined under federal law as spouse; natural or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and the spouse of a grandparent or grandchild.)

Financial arrangements with referral sources governed by the laws can include, but are not limited to: (1) leases, (2) medical directorships, (3) physician services agreements, (4) recruitment arrangements, (5) on-call agreements, and (6) other arrangements.

When CHLA or other hospital facility enters into financial arrangements for the purchase of goods and/or services with physicians (including immediate family members), the physician group, any entity owned or operated by physicians, and/or any other existing or potential healthcare referral sources, they will consider the appropriate use of resources, and all agreements and contracts will be in accordance with legal statutory and regulatory requirements, as well as CHLAMG and facility policies and procedures.

- CHLAMG personnel will not solicit or receive from any person or entity, nor offer or give to any person or entity, anything of material value if that person or entity is in a position to refer business to a CHLAMG facility, or if CHLAMG is in a position to refer business to that person or entity, except as permitted by law
- CHLAMG personnel will not submit or cause to be submitted a bill or claim for reimbursement for services provided pursuant to a prohibited referral
- All agreements between hospitals and CHLAMG physicians (including immediate family members of physicians) or other Referral Sources must be submitted in accordance with the CHLAMG contracting process, and will be prepared, reviewed, and approved by the CHLAMG Attorney to ensure their compliance with Anti-Kickback statute, Stark Law, and state law requirements
- All agreements where remuneration is exchanged between hospitals and a CHLAMG physician or other Referral Source must, at a minimum, be based upon fair market value and commercially reasonable and will not take into account the value or volume of referrals to any facility or physician
- CHLAMG has established and provided policies, protocols, and standards (and will continue to do so in the future as necessary) on the specific requirements for agreements with physicians and other Referral Sources, which shall be adhered to and followed by all CHLAMG personnel.

Any non-monetary compensation to physicians is subject to tracking and annual limits and must not be based upon the volume or value of referrals or violate the Anti-Kickback Statute or Stark Law.

Gifts, Gratuities, and Business Courtesies

In order to avoid even the appearance of improper relationships with vendors, service providers, or individuals who conduct or seek to do business with CHLAMG, the acceptance of gifts, gratuities, or business courtesies is prohibited. It may be permissible to accept a modest perishable gift such as a floral arrangement, cookies, candy, or similar food items to be shared by staff members. Promotional items such as pens, notepads, coffee cups, or similar items may be accepted from a vendor or business associate as long as they are nominal in value (\$10 or less per instance and no more than \$50 in the aggregate, annually). No gifts or items of any kind should be solicited from patients or their families. See also the CHLAMG Compliance Policy and Procedure Manual, which is available on the Web at www.childrenshospitalallamedicalgroup.org, or by contacting the CHLAMG Compliance Director at 323-361-2173, or the Office of the PMG Chief Financial Officer at 323-361-3291.

Quality of Patient Care

Participation in Medi-Cal and Medicare requires that hospitals and other healthcare providers deliver care to patients that is medically necessary and is of a quality that meets professionally recognized standards of care. CHLAMG is committed to providing high quality care to patients and will not tolerate facilities or personnel who provide substandard or unnecessary care. Facilities must meet the Department of Health Care Services (DHCS) CCR Title 22 guidelines for provision of quality health care and the Medicare conditions of participation that apply to them, including those requiring a quality assessment and performance improvement program, and must develop quality of care protocols and implement mechanisms for evaluating compliance with the protocols.

The Office of Inspector General (OIG) is authorized to exclude healthcare providers from participation in federal and state healthcare programs that provide unnecessary or substandard items or services provided to any patient. Government authorities are increasingly focused on the issue of substandard care and have brought enforcement actions ranging from administrative remedies to sanctions, which could include monetary penalties and exclusion from the government programs.

CHLAMG personnel are expected to adhere to all applicable standards and conditions including, among others, DHCS CCR Title 22, the conditions of participation (COPs) for Medicare and The Joint Commission on Hospital Accreditation (JCAHO) standards. CHLAMG personnel must obtain and maintain the professional skill and training necessary to competently and effectively carry out their job responsibilities, including all professional licenses necessary to perform their work.

Emergency Medical Treatment and Labor Act (EMTALA)

CHLAMG personnel are expected to comply with all applicable requirements of the Emergency Medical Treatment and Active Labor Act (“EMTALA”) (§ 1867(a) of the Social Security Act). EMTALA is a federal law requiring, among other things, that a hospital with an emergency department provides a medical screening examination (“MSE”) to any individual who comes to the emergency department (“ED”) and requests such an examination regardless of his/her ability to pay or insurance coverage status. EMTALA prohibits such hospital from refusing the MSE and, if the individual has an emergency medical condition (“EMC”), the hospital must provide appropriate stabilizing treatment or appropriate transfer of such individual to another facility, and accept appropriate transfers if the hospital has the specialized capabilities and capacity to treat the individual to be transferred that another facility lacks.

EMTALA applies to situations such as the following:

- When any person comes to the ED and a request for examination or treatment is made for an EMC
- When visitors in the hospital or on hospital property (entire main campus of the hospital with certain exceptions) experience an EMC
- After a patient receives a MSE and it is determined that an EMC exists, EMTALA continues to apply through such time as the patient’s EMC is stabilized and the

- patient is admitted to the hospital or transferred
- To an “off-campus” site that is licensed as an emergency room, is held out to the public as a place that provides care for EMCs (e.g. urgent care centers), or a location that provides care for EMC to at least one-third of the outpatients it treated for the previous 12-month period
- To 23-hour observation patients that are not admitted to the facility
- To hospital-owned ambulances; however, if an ambulance diverts a patient due to a community-wide emergency medical service (“EMS”) protocol for hospital diversion, there is no EMTALA violation
- To non-hospital owned ambulances on hospital property

Privacy and Security of Patient Health Information (HIPAA)

Patient health information is protected under both state and federal laws. Under federal law, this is referred to as “protected health information” or “PHI” and is governed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009, and their implementing regulations, including the HIPAA Privacy Rule and the HIPAA Security Rule.

The HIPAA Privacy Rule provides federal privacy protections for PHI held by covered entities such as CHLAMG clinics and hospital sites, and describes patient rights with respect to their PHI. The HIPAA Security Rule requires covered entities and their business associates that use PHI to use administrative, physical, and technical safeguards to ensure the confidentiality, integrity, and availability of electronic protected health information.

CHLAMG has policies and procedures in place addressing the applicable privacy and security requirements. All personnel receive training on HIPAA requirements and are expected to obey these requirements and keep PHI confidential during its collection, use, storage, and destruction. CHLAMG personnel are not permitted to access, obtain, disclose, or discuss PHI without written authorization from the patient or their legal representative, unless necessary for treatment, payment, healthcare operations, or as required by law.

Attached to this Code of Conduct in Appendix A is a summary of the CHLAMG Compliance Policy & Procedure Manual. Copies of the CHLAMG compliance policies and procedures, including HIPAA Privacy and Security, are also available on the internet at www.childrenshospitalamedicalgroup.org, or by contacting the CHLAMG Compliance Director at 323-361-2173.

False Claims Laws and Whistleblower Protection

CHLAMG fully complies with the False Claims Act (FCA) (31 U.S.C. § 3729-3772) and similar state laws. These laws fight fraud and abuse in government healthcare programs. Under the FCA, individuals can bring a lawsuit in the name of the United States by filing a complaint confidentially “under seal” in court, if they discover that a fraudulent claim has been made for reimbursement by a government agency. The FCA applies to both organizations and individuals who engage in billing fraud. FCA lawsuits function to recover government funds paid because of false claims. Fines against the entity that submitted the false claims include a penalty of up to three times the government’s damages, civil penalties ranging from \$5,500 to \$11,000 per false claim, and the costs of the lawsuit. The federal FCA applies to claims for reimbursement for federally funded programs including, for example, claims submitted to Medi-Cal or Medicare. The federal FCA contains a “qui tam” provision, commonly called the “whistleblower” provision, which permits a private person with knowledge of a false claim to file a lawsuit on behalf of the United States Government. An individual who exposes wasteful, harmful, or illegal acts is often called a “whistleblower,” or “qui tam relator.” A qui tam relator may be awarded a percentage of the funds recovered. The FCA provides protection for qui tam relators from termination, demotion, suspension, or discrimination related to these claims. However, if an individual files such a lawsuit frivolously, they may be subject to sanctions including the responsibility for paying the other party’s attorney’s fees. If a qui tam relator is convicted of criminal conduct, the qui tam relator will not receive any proceeds and will be dismissed from the lawsuit.

In addition to the federal FCA, there are individual state laws providing that persons who report fraud and abuse by participating healthcare providers in the Medi-Cal Program may be entitled to a portion of the recovery against the healthcare providers. Similar to the federal FCA, there are protections against retaliation. State false claims act statutes often mirror the federal FCA and have similar penalty provisions.

Another federal law that resembles the FCA provides administrative remedies, subject to limited court review, for knowingly submitting false claims and statements. Under this law, the Program Fraud Civil Remedies Act of 1986 (“PFCRA”), a false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, or that asserts a material fact that is false, or that omits a material fact. The PFCRA provides for a maximum civil penalty of \$5,000 per claim or statement, and an assessment of not more than twice the amount of each false or fraudulent claim.

Relationships with Federal Healthcare Beneficiaries

Federal fraud and abuse laws prohibit offering or providing inducements to beneficiaries in government healthcare programs, and authorize the OIG to impose civil monetary penalties (CMPs) for these violations. CHLAMG personnel may not offer valuable items or services to Medicare, Medi-Cal, or other government healthcare program beneficiaries to attract their business. This includes gifts, gratuities, certain cost-sharing waivers, and other things of value.

Government Investigations, Subpoenas, and Audits

It is the policy of CHLAMG to cooperate fully with any lawful government investigation, subpoena, or audit. CHLAMG has developed a compliance policy addressing these situations entitled “Response to Government Inquiries, Investigations, or Audits”. If CHLAMG personnel are contacted at a CHLAMG workplace by an official, representative, investigator, or other individual acting on behalf of the government, they should immediately contact the CHLAMG Compliance Director, and ask to see credentials or proper identification, including a business card, before speaking further with the person. For additional information on Government Investigations, Subpoenas, and Audits, see the CHLAMG Compliance Policy and Procedure Manual, which is available on the Web at www.childrenshospitalamedicalgroup.org, or contact the CHLAMG Compliance Director at 323-361-2173.

Request for Interviews

A government official, representative, investigator, or other individual acting on behalf of the government may request an interview with CHLAMG personnel. The CHLAMG Compliance Director must be immediately notified and consulted regarding any such request. The CHLAMG Compliance Policies and Procedure Manual contains additional information regarding government requests for interviews and can be found on the Web at www.childrenshospitalamedicalgroup.org, or contact the CHLAMG Compliance Director at 323-361-2173.

Demand for Documents

A government official, representative, investigator, or other individual acting on behalf of the government may arrive at a CHLAMG premise or facility with written authority seeking documents. This authorization may come in the form of a demand letter, subpoena, or search warrant. CHLAMG personnel should notify the CHLAMG Compliance Director, PMG Chief Executive Officer, and/or PMG Chief Financial Officer immediately. Once there has been notice of an investigation, the destruction portion of any policy on record retention is suspended and NO documents may be destroyed until notified otherwise by the CHLAMG Compliance Director. If a government official, representative, investigator, or other individual acting on behalf of the government presents a valid search warrant and identification, personnel must understand that officials have the authority to enter the premises to search for evidence of criminal activity, and to seize those documents or items listed in the warrant. No individual shall interfere with the search, and must provide the documents or items sought in the warrant. For additional information on Demand for Documents, see the CHLAMG Compliance Policy and Procedure Manual, which is available on the Web at www.childrenshospitalamedicalgroup.org, or contact the CHLAMG Compliance Director at 323-361-2173.

Employment

CHLAMG promotes diversity and strives to provide a workplace environment that is in full compliance with all applicable employment-related laws. CHLAMG has a vital interest in maintaining a safe and healthy work environment for the protection of both patients and employees. CHLAMG prohibits workplace violence, threats of harm, and any kind of harassment of its employees.

Equal Employment Opportunity/Non-Discrimination

It is CHLAMG's policy to provide equal employment opportunities to all employees, prospective and current. CHLAMG is committed to complying with all laws and regulations relating to equal employment and non-discrimination matters for all protected classes of employees. Reasonable accommodations are made for known disabilities in accordance with the Americans with Disabilities Act. CHLAMG personnel who are aware of any breach of the Equal Employment Opportunity (EEO) guidelines, or have questions concerning these guidelines should contact the PMG Human Resources Director.

Labor Laws

CHLAMG is committed to compliance with federal and state wage and hour laws including:

- The Fair Labor Standards Act (FLSA) which addresses federal minimum wage and overtime pay requirements
- The Immigration and Nationality Act, which applies to employers that hire foreign workers on a temporary or permanent basis to perform certain types of work
- The Consumer Credit Protection Act (CCPA), as it relates to protection for workers whose wages are garnished
- The Family Medical Leave Act (FMLA), which entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave
- The National Labor Relations Act (NLRA) which governs the rights of workers to join labor unions and engage in other concerted activity
- Other applicable laws and regulations relating to the wages and hours of workers

For additional details of CHLAMG's Employment Practices, contact the PMG Human Resources Director.

Conflicts of Interest

CHLAMG personnel have a duty to be loyal, to advance the legitimate business interests of CHLAMG, to not obtain any improper personal benefit by virtue of employment with CHLAMG, and to avoid conflicts of interest with CHLAMG. The CHLAMG Compliance Policy on Conflicts of Interest applies to all CHLAMG employees. Employees of CHLAMG are governed by the Conflicts of Interest policy available through the Pediatric Management Group (PMG) Office of the Chief Financial Officer.

Personnel should not place themselves in a position where their actions or the activities or interests of others with whom they, or with whom a member of their family, may have a financial, business, professional, family, or social relationship that could be in conflict with the interests of CHLAMG or its subsidiaries.

Examples of conflicts of interest include:

- A direct or indirect interest in any transaction which might in any way affect an employee's objectivity, independent judgment, or conduct in carrying out his or her job responsibilities
- Conducting business while performing services for another individual or company while at work
- Using CHLAMG property or other resources for outside activities
- Direct or indirect involvement in outside commercial interests, such as vendors, physicians, patients, competitors, or others having a business relationship with the facility, which could influence the decisions or actions of an employee performing his or her job
- Using or revealing outside the facility any confidential or proprietary information concerning the facility
- Using for personal gain confidential or "insider" information obtained as a result of employment with the facility
- Using or disclosing CHLAMG intellectual property for personal gain

CHLAMG personnel are required to disclose any situation that creates an actual or potential conflict of interest to their supervisors or the PMG Office of the Chief Financial Officer. In some situations, a waiver may be obtained only when full disclosure and appropriate reviews are made and approval is granted. Violations of conflict of interest policies are subject to corrective action, up to and including immediate dismissal. If appropriate under the circumstances, CHLAMG may seek to recover damages or improperly received gains and/or encourage prosecution for potential criminal offenses.

Appendix A:

Summary of Compliance Policies & Procedures

CHLAMG has developed written compliance policies and procedures that are designed to establish clear rules that help personnel carry out their job functions in compliance with State and Federal healthcare program requirements, and to further the mission and objectives of CHLAMG. Copies of the CHLAMG compliance policies and procedures are available on the Web at www.children'shospitalamedicalgroup.org, or by contacting the CHLAMG Compliance Department. Below is a summary of CHLAMG compliance policies.

- 1.0** CHLAMG Compliance Program: This policy outlines the Compliance Program components and describes the program's goal of assuring compliance with all laws, rules, and regulations relating to federal and state healthcare programs.
- 2.0** CHLAMG Compliance Officer/CHLAMG Compliance Director: This policy describes the role and responsibilities of the CHLAMG Compliance Director & Officer, who are charged with overseeing the Compliance Program, and with assuring the effectiveness of healthcare compliance functions at every level of the organization.
- 3.0** CHLAMG Executive Compliance Committee: This policy sets forth the duties and responsibilities of the CHLAMG Compliance Committee, which provides support for the CHLAMG Compliance Officer and Compliance Director in overseeing the Compliance Program for CHLAMG.
- 4.0** Education on Federal and State False Claims Laws: This policy sets forth the education requirements for the organization regarding federal and state false claims statutes and whistleblower protections, and the role of such laws in preventing and detecting fraud, waste, and abuse in the federal healthcare programs, as required the Deficit Reduction Act of 2005 (DRA).
- 5.0** Reporting Unethical or Illegal Conduct: This policy describes the mechanisms developed by CHLAMG for personnel to report any known or suspected ethical violations or other activity that may be inconsistent with provisions of the CHLAMG Code of Conduct, Compliance Program, or CHLAMG and facility policies, or that an individual believes may otherwise violate federal or state laws or regulations. These mechanisms provide for anonymous reporting.
- 6.0** Process for Handling the CHLAMG Compliance Hotline: This policy establishes protocols for how the Compliance Hotline reports are received, documented, investigated, and ultimately resolved, including a process to allow for anonymous reporting, if that is requested by the caller.
- 7.0** Conducting Internal Investigations: This policy discusses the procedures the organization uses for conducting internal investigations, and sets forth the expectation that all CHLAMG personnel are expected to cooperate in these investigations.
- 8.0** Compliance Corrective Action: This policy describes the process for the development and imposition of Corrective Action Plans (CAPs) for compliance-related issues. CAPs are intended to assist noncompliant individual(s) to

understand specific issues, and to reduce the likelihood of future noncompliance. They are developed to effectively address the particular instances or issues of noncompliance, and are intended to reflect the severity of the noncompliance.

- 9.0** Compliance Remedial Action: The Compliance Remedial Action policy outlines the procedure for developing and implementing remedial action when a gap has been identified in the Compliance Program, or when a compliance violation is detected. Remedial action is used to prevent recurrence of compliance violations in the organization, and is a key factor in the success of the Compliance Program.
- 10.0** Compliance Document Retention: The Compliance Document Retention policy sets forth the process and policy for Compliance Program-related document retention, destruction, and privacy.
- 11.0** Ineligible Persons: The Ineligible Persons policy requires that appropriate checks be performed for applicable individuals in accordance with state and federal laws relating to exclusion from government healthcare programs and licensure status. This policy is designed to ensure that no government healthcare program payment is sought for services provided or prescribed by an ineligible person.
- 12.0** Response to Government Inquiries, Investigations, or Audits: This policy establishes procedures for personnel regarding inquiries, investigations, and audits from government officials, representatives, investigators or other individuals acting on behalf of the government, to ensure that personnel act appropriately in cooperation with the investigation or audit, and to enable CHLAMG to lawfully protect its interests.
- 13.0** Billing and Claims Reimbursement: The Billing and Claims Reimbursement policy discusses the expectation that CHLAMG personnel will comply with all federal and state regulatory requirements for billing, including the preparation and submission of accurate claims consistent with such requirements. The policy also describes the procedures for overpayment refunds and reporting in the event a billing error is identified.
- 14.0** Conflicts of Interest: Policy for personnel concerning the identification, disclosure, and management, or elimination of potential and actual conflicts of interest
- 15.0** CHLAMG Compliance Policies: This policy manual establishes the duties and responsibilities regarding the drafting, updating, approval, and maintenance of all CHLAMG compliance policies.
- 16.0** Policy on Legal Medical Record Standards: This policy describes the medical record content, maintenance, and confidentiality requirements for non-facility based CHLAMG practices sites and locations.
- 17.0** Policy on Gifts, Gratuities, and Business Courtesies: This policy describes the prohibition of accepting or offering gifts, gratuities, and/or business courtesies in exchange for business considerations. The policy pertains to physicians and staff and describes exceptions to the general rule.

CHLAMG's commitment to compliance and ethical conduct depends on all personnel. Should you find yourself in an ethical dilemma or suspect inappropriate or illegal conduct, remember the internal processes that are available for guidance or reporting, including reporting to your supervisor or using the toll-free compliance hotline at

(1-877-658-8022)

CHLAMG Compliance Director, 323-361-2173 or CHLAMGcompliance@chla.usc.edu

You can find an electronic copy of this Code of Conduct and the CHLAMG Compliance Policy Manual at www.childrenshospitalamedicalgroup.org

Any reference in this Code of Conduct to "CHLAMG personnel" or employment with CHLAMG refers to employment with, or employees of subsidiaries of Children's Hospital Los Angeles Medical Group, including Pediatric Management Group, LLC (PMG), and CHLAMG/Pathology, LP (CHLAMG Pathology). Any reference to "CHLAMG facilities" refers to any facility-based inpatient, outpatient, or clinic service at a CHLAMG-represented center or site, and all standalone CHLAMG facilities.



Compliance Department

Employee Acknowledgement Form for CHLAMG Code of Conduct

I have received a copy of the CHLAMG Code of Conduct. I have read and understand this Code of Conduct, and I agree to abide by it. I have also received information on accessing the CHLAMG Compliance Policy and Procedure Manual, and accept my responsibility for reading and observing all requirements found within the Manual and the Code of Conduct.

I understand my responsibility to promptly report any incident of misconduct or perceived misconduct that I may experience or witness. I further understand that CHLAMG takes a zero-tolerance approach to violations of CHLAMG Compliance Policies and this Code of Conduct, and that violations or retaliation against whistleblowers will result in disciplinary measures up to and including termination of employment.

By signing this acknowledgement, I am indicating that I have read and will abide by CHLAMG's Code of Conduct.

Employee Signature

Employee name (printed)

Department Name/Division

Date

Tear this form out, complete, sign, date and return to CHLAMG Compliance Department.

