

Corporate Compliance

November 1, 2020

Dear Employees:

SouthCoast Health and its affiliates are committed to providing compassionate, quality care and exceptional service to every patient. To do this, we must continue SCH's traditional commitment of compliance with all applicable laws, policies and standards. Every SCH employee and every agent with authority to commit SCH shall know and comply with the laws and policies applicable to their activities. Those who have responsibility for overseeing SCH's daily operations have primary responsibility to ensure that the activities they supervise are in full compliance with all applicable laws and policies.

To help in ensuring compliance with laws and policies, the SCH Board of Managers has appointed a Corporate Compliance Committee. The Committee will oversee compliance with all laws and policies. The members of the Committee are:

1. John Marrero, CEO
2. Patricia Hunt, CFO

The Corporate Compliance Officer for SCH is John Marrero. As such, Mr. Marrero has ultimate responsibility for overseeing compliance with applicable laws, regulations and policies.

The Corporate Compliance Committee has developed and the SCH Board of Managers has approved the Corporate Compliance Program described in this Corporate Compliance Manual. This Program is the result of an extensive audit conducted throughout SCH to find which areas of the law have the greatest potential risk of noncompliance. We did not try to cover all of the license requirements, accreditation standards or many legal requirements applicable to SCH or its individual departments or operating units.

This Corporate Compliance Program describes what we believe will be an effective program to prevent noncompliance with applicable laws, regulations and policies and to respond appropriately if noncompliance occurs.

Of course, your concerns about compliance with applicable laws and policies should be discussed first with your supervisor. Most questions can be answered at that level. If you have any questions about the Corporate Compliance program or if your concerns about compliance are not resolved through discussions with your supervisor, you should contact the Corporate Compliance Officer immediately. The number is (912) 303-3577.

Each employee and agent of SCH should comply with the standards expressed herein as SCH's continued reputation for excellence depends on you.

Theodore Geffen, M.D.
President and Chief Executive Officer

John Marrero
CEO and Corporate Compliance Officer

Code of Conduct

I. Introduction

It is the policy of SouthCoast Health (SCH) that all persons acting for SCH conduct themselves ethically and in conformance with all applicable laws, regulations, professional standards, and SCH policies and procedures. This Code of Conduct is part of the SCH's Corporate Compliance Program. By Adopting the Corporate Compliance Program and this Code of Conduct, the SCH Board is telling everyone who works or does business with or for SCH that it expects all activities by SCH to be performed honestly, legally, professionally, and ethically.

The general purposes of the Corporate Compliance Program are to:

- establish compliance standards and procedures;
- prevent unethical or unlawful behavior through education, monitoring, and discipline;
- halt such behavior as soon as reasonably possible after its discovery, and
- respond to problems correctly.

The information and procedures you need to know are:

- The Corporate Compliance Committee of the SCH Board oversees the Corporate Compliance Program and reports to the SCH Board.
- The Corporate Compliance Program applies to all SCH corporations and all directors, employees, and persons who act for SCH, including physicians with admitting privileges at SCH Hospital (SCH Personnel) – which includes you.

John Marrero, SCH's CEO, is the Corporate Compliance Officer (CCO).

You must know and follow the legal, professional, and ethical standards that apply to your work. In addition, you must avoid conduct that appears improper.

You must report to your supervisor or the CCO any activity that you believe, in good faith is not in compliance with legal, professional, or ethical standards.

All reports of concerns about compliance will be investigated by the CCO, or by an attorney reporting to the CCO, as confidentially as the circumstances permit.

You will be disciplined in accordance with SCH personnel policies if you:

- fail to comply with legal, professional or ethical standards,
- encourage or help others to violate such standards,
- fail to report violations by others, or
- retaliate against anyone who reports a compliance concern.

All of your work is subject to surprise audits by the Corporate Compliance Committee to determine if it is in compliance with legal, professional, and ethical standards.

The SCH's legal services is there to serve SCH and to assist you in the event that you receive an unusual request for information from any governmental agency. If any governmental agency asks you for unusual information, you are encouraged to contact the Legal Services staff for assistance. In most governmental investigations, the SCH's legal services will represent both SCH and you.

However, if you have repeatedly and knowingly violated SCH's policies, you may have to pay the cost of your own defense.

The following standards are guidance for SCH Personnel. These standards are neither exclusive nor complete. You are required to comply with all applicable laws, whether or not specifically addressed in this Code of Conduct. When there is no applicable law or standard, you must act ethically.

SCH's administrative policies and the policy manuals of affiliates may contain more detailed standards that are also applicable. Additional information on the laws described in the Code of Conduct is available. If you need more detailed information about any legal issue related to your job, you should contact your supervisor or the CCO.

To the extent that this Code pertains to patient care, it serves only as a guideline and does not substitute for professional medical judgment consistent with applicable standards of care.

II. Patient Protection

A. Patient Safety, Security and Comfort

SCH is committed to providing health care services at a level of excellence that makes the SCH the healthcare provider of choice. SCH complies with laws and regulations regarding patient safety, security and comfort. Patient care policies may be contained in various manuals relating to administration, emergency care, confidentiality, infection control, and other topics and in the manuals of specific departments and affiliates.

You must be aware of the legal, professional, and ethical standards and SCH policies that apply to patient care activities. Supervisory personnel must assure that everyone he or she supervises knows and complies with standards and SCH policies protecting patients.

Grounds for disciplinary action include the following confirmed acts:

- Any act of rudeness to or in the presence of a patient or a patient's family;
- Any act or omission that unnecessarily endangers a patient;
- Any sexual contact with a patient;

- Any failure to provide appropriately prescribed care for a patient;
- The wrongful taking of any property which belongs to a patient;
- The falsification of any information in a medical record;
- The failure to document or comply with a patient's advance directives; and
- The failure to timely report any failure of medical equipment or any injury to a patient caused by any medical service.

B. Confidentiality of Medical Information

It is SCH's policy to protect the confidentiality of patient medical information. Patient medical information is considered confidential under Georgia law. There are strict protections for information relating to psychiatric and psychological care, mental retardation, mental illness, and AIDS. Federal law prohibits the disclosure of records relating to the identity, diagnosis, prognosis, or treatment of any patient for a drug or alcohol abuse program. Both federal and state laws protect the confidentiality of information related to peer review and medical review functions performed by a healthcare provider.

Except as authorized by the patient or SCH's policies, you may not –

- Obtain a patient's medical information except to provide care, perform medical quality review, submit claims for reimbursement, or for other authorized and appropriate purposes;
- Discuss or reveal information relating to a patient's identity or medical condition with any other person who does not need to know the patient's medical condition for purposes of providing care, performing medical quality review, submitting claims for reimbursement, or other authorized and appropriate purposes; or
- Discuss a patient's identity or medical condition with an authorized person under such circumstances that the conversation can be heard by an unauthorized person.

You should refer all requests for patient medical information, by subpoena or otherwise, from anyone other than a patient, an authorized physician, or authorized SCH Personnel to the Practice Manager, which shall consult the Legal Services department where appropriate.

III. Fraud and Abuse

Various federal and state fraud and abuse laws apply to the operations of SCH. The most significant of these laws make it a crime to –

- File false claims;
- Solicit, receive, offer or pay anything of value, with the intent to induce a referral of Medicare or Medicaid business;
- Engage in transactions that provide excessive economic benefits to corporate insiders; and

- In the case of physicians, refer Medicare and Medicaid patients for certain health services to entities with which the physician or an immediate family member has a financial relationship.

Fraud and abuse laws are very complex. A summary of these laws is contained in the Appendices to the Corporate Compliance Program. SCH Personnel who are responsible for decisions that might involve the fraud and abuse laws must obtain sufficient knowledge of these laws to assure compliance. Specifically, SCH Personnel who are responsible for establishing charges, entering charges, coding charges, approving agreements with physicians or other providers, and marketing activities must review the Fraud and Abuse Appendix.

The CCO must approve all agreements between SCH and SCH Personnel, physicians, and other healthcare providers.

You must know that SCH Personnel may not –

- Make or enter any charge for a service that was not provided;
- Record a charge for a service that differs in any way from the actual service provided (including by entering a false, fraudulent, or erroneous CPT code);
- Falsely certify that a service was medically necessary;
- Make or use, or cause another to make or use, any false record or statement in connection with obtaining payment for a false or fraudulent claim or in connection with the SCH's compliance with Medicare or Medicaid conditions of participation or with licensure and accreditation standards;

IV. Antitrust

The purposes of the antitrust laws are to eliminate practices that interfere with free competition and to promote fair competition. The goal is to give each business a full opportunity to compete based on quality, service and price. The consequences of antitrust claims are severe for both SCH and the individuals involved. There can be prison sentences for individuals and substantial criminal fines and civil damages for both the individuals, SCH and/or one or more of its affiliates. Even if found not guilty of a violation, litigation costs can be very large.

Activities that influence the pricing of SCH's goods and services, as well as activities that influence what SCH pays for goods and services are subject to antitrust laws. SCH Personnel who are responsible for making such business decisions must read the Antitrust Appendix and become familiar with the requirements of the antitrust laws.

V. Employment

A. In General

SCH's administrative policy manuals contain extensive policies on employment. All supervisory personnel are expected to know and adhere to these policies. You must comply with laws that regulate employment. Examples of conduct governed by these laws include wage and hour requirements, state and federal civil rights laws, collective bargaining and union laws, as well as laws protecting employees from arbitrary termination of employment.

Some employment laws and standards are summarized in the following paragraphs.

B. Discrimination

It is SCH's policy not to discriminate against any applicant, or Employee based on race, creed, color, religion, sex, pregnancy, gender identity, sexual orientation, genetics, national origin, age, handicap, veteran status, or other legally prohibited basis. Comprehensive nondiscrimination policies are contained in the administrative policy manuals.

C. Harassment

SCH is committed to maintaining work environments that are free from any form of sexual harassment or protected class harassment. Submission to or rejection of unwelcome sexual advances, or conduct of a sexual nature, may not be the basis for employment decisions. In addition, SCH will not tolerate any sexual or racial conduct that interferes with work performance or creates an intimidating, hostile, or offensive work environment.

If you experience sexual or protected class harassment on the job, you must report the conduct to your supervisor, the Human Resources Department, or the Corporate Compliance Hotline. Supervisory personnel must be alert to the possibility of non-compliance with this reporting policy and must create an environment in which such conduct is not tolerated.

D. Health and Safety

The health and safety of SCH Personnel is important to the SCH. Our policy is to comply with all laws and regulations pertaining to health and safety.

There are numerous policies relating to health and safety in manuals relating to infection control, the safety program, and elsewhere. It is your responsibility to know and comply with the policies relating to your work activities. Supervisory personnel must be aware of all health and safety laws and policies applicable to their departments and must assure compliance with all SCH Personnel they supervise.

At a minimum, you must –

- Review and comply with all safety policies contained in the safety manual and administrative or department policies related specifically to your job function and department.
- Review and comply with the instructions, including information contained in material safety data sheets, safety manuals, and relevant SCH or affiliate policies relating to any hazardous materials, including infectious waste, you must handle.
- Wear required personal protection equipment, including that recommended by the CDC for universal precautions, that recommended by any other agency or SCH policy for hazardous materials or dangerous activities, and wear seat belts while driving or riding in any SCH vehicle.
- Report to your immediate supervisor or another manager all hazardous conditions.
- Report to your immediate supervisor or another manager any work related injury or illness as soon as possible and no later than the day such injury or illness occurs.
- Comply with SCH's policies relating to a drug-free workplace.

E. Drug Free Workplace

The SCH CEO may authorize serving alcoholic beverages at official SCH functions. Otherwise, you are subject to disciplinary action if you –

- use alcohol at SCH functions, or
- possess, use, distribute, transfer, manufacture, or sell alcohol, illegal drugs or legal drugs without a valid prescription
 - on SCH property,
 - in a SCH vehicle,
 - as a SCH representative, or
 - on SCH time.

You are subject to testing for alcohol and/or substance abuse upon employment, post-accident, and for cause.

F. Conflicts of Interest

You must avoid all conflicts of interest. A conflict of interest can arise from any situation where your personal interest is not, or might appear not to be, in the best interest of SCH. Any opportunity for personal gain (other than normal wages) could present a conflict of interest.

Although it is not possible to list every conceivable type of conflict of interest, the conflict of interest, the following principles are provided for evaluating possible conflicts –

You may not offer, give, ask for, or receive anything of value in exchange for the sale or purchase by SCH of any goods or services.

Any outside activity, such as a second job or a significant interest in another business, must not involve any personal interest that could affect the independence of your judgment, interfere with SCH duties, or discredit or embarrass SCH.

You may not engage in any activity that aids a SCH competitor. Examples are soliciting business for a competitor, sending patients to a competitor for services offered by SCH, and giving a competitor confidential business information that belongs to SCH. (This does not prohibit providing services to a competitor as an employee or contractor if that can be done without otherwise violating this policy).

You may not have any personal interest in the sale or purchase of property by SCH without full disclosure and strict compliance with SCH policies such as the policy on disposal of excess property.

You may not, without prior approval, convey SCH property or proprietary information or provide free SCH services to a member of the public or to an employee or agent of another company. The appropriate SCH Vice President must approve any exception to this policy. If the individual is a vice-president, any exception must be approved by the SCH CEO.

You may not use SCH's assets, including but not limited to, its equipment, inventory, funds, office supplies, concepts, business strategies and plans, financial data, intellectual property rights or other information, for the benefit of any person or entity except SCH.

You may not solicit or accept personal gifts or benefits of any nature from patients, physicians, suppliers, or anyone doing or seeking to do business with SCH, unless the gift is of nominal value or its primarily of an advertising/promotional nature. Any gift with a value of \$100 or more must be reported to the CCO.

You must disclose all possible conflicts of interest when those interests may affect or be perceived as affecting a decision on a proposed SCH transaction or arrangement.

SCH does not permit bribes or kickbacks. SCH will not approve any arrangement when SCH Personnel know or should suspect from the surrounding circumstances (after a reasonable good faith inquiry) that the intent or probable result is to reward improperly, either directly or indirectly –

Any employee or official or other representative of any government, governmental agency or entity owned or controlled by a government;

Any officer, director, employee, shareholder or other representative of a customer, supplier or other institution with which SCH has an existing or prospective business relationship.

You may not reward such individuals for taking action favorable to SCH or to SCH Personnel. The concept of an improper reward includes the giving of

anything of value, not just money. No action would otherwise be suspect is permissible merely because it appears to be customary in a particular location or particular area of business activity.

Requests for special billing or payment procedures that suggest possible violations of law, such as evasion of income tax, currency exchange controls, or price or profit controls are contrary to policy, and no such billing or payment procedures shall be used. Such practices can also result in false, artificial, or misleading entries in the books or records of SCH and they are strictly prohibited.

G. Employee Benefits

Federal law (especially the Employee Retirement Income Security Act of 1974 {ERISA}) imposes criminal penalties for certain conduct related to employees' benefit plans. ERISA includes criminal provisions relating to: (1) violations of fiduciary duties or reporting and disclosure requirements; (2) coercive interference with plan and statutory rights; and (3) prohibition of persons convicted of specified crimes from working with plans. In addition, state criminal laws of general applicability may apply to conduct relating to retirement plans.

SCH Personnel whose responsibilities include aspects of ERISA-plan administration are expected to read the ERISA Appendix to the Corporate Compliance Program and to know the specific fiduciary and other duties required of them by ERISA and to adhere scrupulously to those standards. The CCO will assist through ongoing education and by providing specific opinions when requested to do so.

****Please refer to Employee Handbook online for complete details for the above Employment Policies****

VII. Intellectual Property

A. General

Federal and state laws protect ownership of intellectual property. Intellectual property includes copyrights, trademarks, patents, and trade secrets. Each of these is described in the following sections. You are required to adhere to the standards of intellectual property law.

B. Copyrights

Copyright laws provide protection automatically when an original work of authorship – a book or an article, a computer software program, a videotaped program, or an audiocassette – is produced in written form or on computer disk, video or audio tape. These are called protected works. Only the author has the right to reproduce, perform, or display the protected work and to create derivative

works from it. The copyright laws protect the way the author expresses ideas but not the author's ideas themselves.

C. Trademarks

Trademark laws protect consumers from confusion about the source and quality of goods or services. Trademarks may become protected either by registration or by actual use which creates an impression in the public's mind that there is an association between the trademark and the product or service. Infringement is the use of a similar mark in a manner likely to cause confusion.

D. Patents

Patent laws give an inventor exclusive rights to make, use and sell the patented invention, which may include a process, a machine, or the manufacture or composition of a tangible thing. Once a patent is issued, the invention is protected.

E. Trade Secrets

Trade secret laws prohibit misappropriation of valuable information that is not generally available and is protected from public disclosure by the owner taking reasonable steps under the circumstances. Generally, this involves secrecy agreements (also know as nondisclosure or confidentiality agreements).

F. Examples of Sensitive Activities

Following are examples of the types of activities that deserve careful consideration in the intellectual property area –

Installing computer software on more than one computer system.

Copying an entire issue of a magazine or newsletter.

Copying articles from journals, newsletters, or magazines for reasons other than limited internal distribution.

Downloading information from a subscription database for uses beyond temporary reference.

Creating a new training video or presentation that includes artwork or clips from an existing work by another organization.

Adopting a new slogan, name, or symbol for goods or services SCH will make available to customers or the public.

Making and using a new process or device developed internally and possibly selling or giving it to others.

Failing to act upon notice or information that SCH may be infringing on a patent.

Disclosing to others outside SCH any information received in confidence from a supplier or contractor.

Disclosing to others outside SCH any confidential or proprietary information belonging to SCH, such as concepts, business strategies and plans, financial data, or other information relating to how SCH does business.

VIII. Environmental

SCH is subject to numerous legal requirements under a variety of environmental laws concerning the handling, release, reporting, transporting and disposal of hazardous materials and wastes. Failure to observe environmental laws can be a criminal act. Courts have held that ignorance of the law is not an excuse, nor is it a defense that the persons charged did not realize the material was hazardous. If you handle or are responsible for hazardous materials or wastes, you must be knowledgeable about the nature of such materials and the environmental regulations affecting them.

Some requirements that apply to you are as follows:

You may not knowingly place another person in imminent danger of death or injury.

You may not destroy, mutilate, erase, dispose of, conceal or otherwise make unavailable a record with respect to the location, title, or condition of a facility, or the identity, amount or characteristics of any hazardous substance within a facility.

You may not falsify, tamper with, render inaccurate, or fail to install a required monitoring device.

You may not omit material information from, or make a false statement or representation in, any application, label, manifest, record, report, permit, plan or other document filed, maintained or used for purposes of compliance with environmental regulations.

You may not treat, store, or dispose of hazardous wastes without a permit.

Hazardous wastes may only be stored in appropriately labeled containers, in approved areas, and for periods of time permitted by applicable regulations.

If you transport, dispose of, or causes the transport or disposal, of a hazardous waste, you must provide the appropriate manifests and ensure that the facility has the appropriate permits.

If you transport hazardous material, you must insure that the package or container identifies the proper class description, packaging, markings and labeling, and otherwise complies with transportation regulations.

SCH must file and maintain copies of applicable records. You may not violate any condition or discharge limitation contained in a permit for the discharge of wastewater.

You may not violate any order or permit relating to the incineration of medical wastes, or otherwise knowingly release into the air hazardous air pollutants or extremely hazardous substances that place another in imminent danger of death or serious bodily injury.

These are only some of the requirements of the environmental laws. You must become familiar with the specific standards applicable to your area of work.

IX. Comprehensive Document System

SCH shall maintain a comprehensive document system with policies and procedures covering the: (a) creation, (b) distribution, (c) retention, (d) storage and retrieval, and (e) destruction of all documents (including information maintained in computer files).

Because of the wide variety of documents created in an organization the size of SCH, it is not possible to provide in this Code of Conduct a comprehensive listing of all applicable standards. You must familiarize yourself with the specific policies and procedures applicable to documents with which you work.

As a general rule, you shall –

Create only those documents absolutely required by law and necessary to do business;

Distribute documents to the smallest possible audience (e.g., using a “need to know” standard), with adequate security.