

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 1 OF 7

SCOPE: All Employees, Board of Directors, Medical Staff and Contractors

POLICY STATEMENT: All employees, Board members, Medical Staff members and contractors shall follow the Code of Conduct in the performance of their job duties and related functions.

Policy:

This Code of Conduct has been established to serve as a guideline for personnel to follow in the performance of their job duties and related functions within the organization. Additionally, the Code of Conduct applies to outside consultants, contractors and temporary personnel. The primary objective of the Code of Conduct is to create a work environment that promotes cooperation, professionalism, and compliance with the law. Compliance with the Code of Conduct is a significant factor in employment performance evaluations.

Compliance With Laws:

Kern Valley Healthcare District (KVHD) expects that its employees, affiliates and contractors will comply with all applicable laws. When the application of the law is uncertain, KVHD will seek guidance from legal counsel.

Open Communication:

KVHD encourages open lines of communication between personnel. There are several ways to report unlawful or unethical situations:

1. The supervisor is the best place to start;
2. Call the Compliance Hotline;
3. Compliance Officer;
4. Contact the Human Resources Director;
5. Contact the Chief Executive Officer (CEO);
6. Contact the Board of Directors; or
7. Contact General Counsel.

All reports of unlawful or unethical conduct will be investigated promptly by the Compliance Officer. KVHD will not tolerate threats or acts of retaliation or retribution.

Personal Conduct:

KVHD's reputation for the highest standards of conduct rests not on periodic audits performed by external agencies, but on the highest measure of mutual trust and responsibility that exists between those working at KVHD. It is based on all individuals exercising good judgment and acting in accordance with this Code of Conduct and the law.

Ethical behavior on the job essentially comes down to honesty and fairness in dealing with other employees, medical staff, contractors, patients, vendors, competitors, the government and the public. It is no exaggeration to say that KVHD's integrity and reputation are in each individual's hands.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 2 OF 7

KVHD's basic belief in the importance of respect for the individual has led to a strict regard for the privacy and dignity of personnel. When management determines that personal conduct adversely affects performance or the legitimate interests of KVHD, the organization may be required to take action.

The Work Environment:

KVHD strives to provide personnel with a safe and productive work environment. The work environment also must be free from discrimination and harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, veteran status, or other factors that are unrelated to KVHD's legitimate business interests. KVHD will not tolerate sexual advances, actions, comments, or any other conduct in the workplace that creates an intimidating or otherwise offensive environment. Similarly, the use of racial or religious slurs — or any other remarks, jokes, or conduct that encourages or permits an offensive work environment — will not be tolerated.

Anyone who has knowledge of or believes they have experienced such conduct should bring such activity to the attention of KVHD either by informing their supervisor, calling the Compliance Hotline, contacting the Compliance Officer, the Human Resources Director, CEO or, as a last resort, the chair of the Board of Directors. KVHD considers all complaints of such conduct to be serious matters, and all complaints will be thoroughly investigated promptly.

Other prohibited activities include:

- Threats;
- Violent behavior;
- The possession of weapons not in accordance with the KVHD weapons policy;
- The distribution of offensive jokes or other offensive materials via e-mail or any other manner; and
- The use, distribution, sale or possession of illegal drugs or any other controlled substance, except to the extent permitted by law for approved medical purposes.

In addition, personnel may not be on KVHD premises or in KVHD work environment if they are under the influence of or affected by illegal drugs, alcohol, or controlled substances used other than as prescribed, or the use of prescription or legal drugs that may cause an altered state that renders personnel unable to perform assigned duties.

Employee Privacy:

KVHD collects and maintains personal information that relates to employment, including limited medical and benefit information. Access to personal information is restricted solely to people with a need to know. Personal information is released outside KVHD or its agents only with employee approval, except in response to appropriate investigatory or legal requirements, or in accordance with other applicable law. Employees who are responsible for maintaining personal information and those who are provided access to such information must ensure that the information is not disclosed in violation of KVHD's Personnel policies or practices.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 3 OF 7

Use of Hospital Property:

Hospital equipment, systems, facilities, corporate charge cards and supplies must be used only for Hospital business.

Personal items, messages or information that the Individual considers private should not be placed or kept in telephone systems, computer systems, offices, work spaces, desks, credenzas or file cabinets. Employees have no expectation of privacy with regard to items or information stored or maintained on hospital equipment or premises, including computers. Management is permitted to access these areas at any time for any reason and without warning. Employees shall not search for or retrieve articles from another employee's workspace without prior approval from that employee or management.

Since supplies of certain everyday items are readily available at hospital work locations, the question of making personal use of them frequently arises. The answer is clear: employees may not use hospital supplies for personal use.

Use of Hospital Computers:

The increasing reliance placed on computer systems, internal information and communications equipment in carrying out KVHD business makes it absolutely essential to ensure their integrity. Like other KVHD assets, this equipment and the information made available through a wide variety of databases should be used only for conducting KVHD business. Their unauthorized use, whether or not for personal gain, is a misappropriation of KVHD assets and a gift of public funds in violation of the California Constitution.

While KVHD conducts audits to help ensure that the organization's systems, networks and databases are being used properly, it is everyone's responsibility to make sure that each use of any hospital system is authorized and proper.

Personnel are not allowed to load or download software or data onto KVHD computer systems unless it is for business purposes and is approved in advance by the appropriate supervisor. Personnel shall not use hospital e-mail systems to deliver or forward inappropriate jokes, unauthorized political materials, religious messages, or any other potentially offensive materials. Personnel are strictly forbidden from using computers to access the Internet for purposes of gambling, viewing pornography, or engaging in any illegal activities.

Employees have no expectation of privacy with regard to items or information stored or maintained on KVHD equipment or premises.

Use of Proprietary Information

Proprietary information is generally confidential information that is developed by KVHD as part of its business and operations. Such information includes, but is not limited to, the business, financial, marketing, and contract arrangements associated with hospital services and products. It also includes computer-access passwords, procedures used in producing computer or data processing records, personnel and medical records, and payroll data. Other proprietary information includes management know-how and processes; hospital business and product plans with outside vendors; a variety of internal databases; and copyrighted material, such as software.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 4 OF 7

The value of this proprietary information is well known to many people in the Healthcare industry. Besides competitors, they include industry and security analysts, members of the press, and consultants. KVHD alone is entitled to determine who may possess its proprietary information and what use may be made of it, except for specific legal requirements such as the publication of certain reports and the California Public Records Act.

Personnel often have access to information that KVHD considers proprietary. Therefore, it is very important not to use or disclose proprietary information except as authorized by KVHD.

Inadvertent Disclosure:

The unintentional disclosure of proprietary information can be just as harmful as intentional disclosure. To avoid unintentional disclosure, never discuss with any unauthorized person proprietary information that has not been made public by KVHD. This information includes unannounced products or services, prices, earnings, procurement plans, business volumes, capital requirements, confidential financial information, marketing and service strategies, business plans, salaries, and other confidential information. Furthermore, confidential information should not be discussed with authorized hospital employees in the presence of others who are not authorized — for example, at a conference reception or in a public area such as an airplane. This also applies to discussions with family members or with friends, who might innocently or inadvertently pass the information on to someone else.

Proprietary and Competitive Information About Others:

In the normal course of business, it is not unusual to acquire information about many other organizations, including competitors (competitors are other hospitals and health facilities). Doing so is a normal business activity and is not unethical in itself. However, there are limits to the ways that information should be acquired and used. Improper solicitation of confidential data about a competitor from a competitor's employees or from hospital patients is prohibited. KVHD will not tolerate any form of questionable intelligence-gathering.

Direct Requests for Information:

If an employee receives a request for information or to conduct an interview from an attorney, investigator, or any law enforcement officer, and it concerns KVHD's business, the request will be referred to the office of KVHD's Chief Executive Officer.

Disclosure and Use of Proprietary Information:

Besides the obligation not to disclose any hospital proprietary information to anyone outside KVHD, everyone is also required to use such information only in connection with KVHD's business. These obligations apply regardless of who developed the information.

Recording and Reporting Information:

Record and report all information accurately and honestly. To submit a document that contains false information — an expense report for meals not eaten, miles not driven, or for any other expense not incurred — is dishonest reporting and is prohibited.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 5 OF 7

Dishonest reporting of information to organizations and people outside KVHD is also strictly prohibited and could lead to civil or even criminal liability. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Do not make false or misleading statements in oral or written communications.

Exception:

Nothing contained herein is to be construed as prohibiting conduct legally protected by the National Labor Relations Act or other applicable state or federal law.

Gifts and Entertainment:

KVHD understands that vendors and others doing business with the organization may wish to provide gifts, promotional items, and entertainment to hospital personnel as part of such vendors' own marketing activities. KVHD also understands that there may be occasions where the organization may wish to provide reasonable business gifts to promote the district's services. However, the giving and receipt of such items can easily be abused and have unintended consequences; giving and receiving gifts, particularly in the health care industry, can create substantial legal risks.

General Policy

It is the general policy of KVHD that no one may solicit, receive, offer, or pay any money or gift that is, or could be reasonably construed to be, an inducement in exchange for influence or assistance in conducting hospital business. It is the intent of KVHD that this policy be construed broadly such that all business transactions with vendors, contractors, and other third parties are transacted to avoid even the appearance of improper activity.

Spending Limits — Gifts, Dining and Entertainment

KVHD has developed policies that clearly define the spending limits permitted for items such as gifts, dining and entertainment. All personnel are strictly prohibited from making any expenditures of hospital or personal funds for gifts, dining or entertainment in any way related to hospital business unless such expenditures are made in strict accordance with hospital policies.

Marketing and Promotions in Health Care

As a provider of health care services, the marketing and promotional activities of KVHD may be subject to Anti-Kickback and other laws that specifically apply to the health care industry. KVHD has adopted policies elsewhere in this Compliance Program to specifically address the requirements of such laws.

It is the policy of KVHD that personnel are not allowed to solicit, offer or receive any payment or remuneration of any kind (regardless of the value) in exchange for referring, or recommending the referral of, patients or customers to KVHD.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 6 OF 7

Marketing

KVHD has expended significant efforts and resources in developing its services and reputation for providing high-quality patient care. Part of those efforts involve advertising, marketing, and other promotional activities. While such activities are important to the success of KVHD, they are also potential sources of legal liability as a result of health care laws (such as the Anti-Kickback laws) that regulate the marketing of health care services. Therefore, it is important that KVHD closely monitor and regulate advertising, marketing, and other promotional activities to ensure that all such activities are performed in accordance with District objectives and applicable law.

This Compliance Program contains various policies applicable to specific business activities of KVHD. In addition to those policies, it is the general policy of KVHD that no personnel engage in any advertising, marketing, or other promotional activities on behalf of KVHD unless such activities are approved in advance by the CEO. Employees should ask their supervisor to determine the appropriate District representative to contact. In addition, no advertising, marketing, or other promotional activities targeted at health care providers or potential patients may be conducted unless approved in advance by Kern Valley Healthcare District administration.

All content posted on Internet websites maintained by KVHD must be approved in advance by KVHD's CEO, or designee.

Conflicts of Interest

A conflict of interest may arise when engaging in any activities or advancing any personal interests at the expense of KVHD's interests. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee, a relative, or a friend as a result of KVHD's business dealings. Avoid situations in which one's loyalty may become divided.

Providing assistance to an organization that provides services and products in competition with KVHD's current or potential services or products is an obvious conflict of interest. Prior consent is required to work for such a competing organization as an employee, a consultant, or a member of its governing board. Such activities are prohibited because they divide one's loyalty between KVHD and that organization. Failure to obtain prior consent from KVHD's administration may be grounds for termination.

Outside Employment and Business Interests

Do not work on any personal business venture on KVHD premises or while working on District time. In addition, do not use KVHD equipment, telephones, computers, materials, resources or proprietary information for any outside work. Abstain from any decision or discussion affecting KVHD when serving as a member of an outside organization or board or in public office, except when specific permission to participate has been granted by KVHD's administration.

Contracting with KVHD

Do not contract with KVHD to be a supplier, to represent a supplier to KVHD, or to work for a supplier to KVHD while employed by KVHD unless prior consent has been obtained. In addition, do not accept money or benefits, of any kind, for any advice or services provided to a supplier in connection with its business with KVHD.

TITLE: Code of Conduct	
DEPARTMENT: ADMINISTRATION	PAGE 7 OF 7

Anti-Competitive Activities

KVHD expects all employees, directors, and medical staff members to perform their job duties effectively and fairly. False or misleading statements about a competitor are inappropriate, invite disrespect and complaints, and may violate the law. Be sure that any comparisons made about competitors’ products and services are fair and accurate. (Competitors include other hospitals and health facilities.)

Reporting Violations

KVHD supports and encourages each employee, director, medical staff member and contractor to maintain individual responsibility for monitoring and reporting any activity that violates or appears to violate any applicable statutes, regulations, policies, or this Code of Conduct.

KVHD has established a reporting mechanism that permits anonymous reporting, if the person making the report desires anonymity. Employees who become aware of a violation of KVHD Compliance Program, including this Code of Conduct, must report the improper conduct to the Compliance Officer. That officer, or a designee, will then investigate all reports and ensure that appropriate follow-up actions are taken.

Hospital policy prohibits retaliation against anyone who makes such a report in good faith. In addition, it is the policy of KVHD that no one will be punished on the basis that he/she reported what he/she reasonably believed to be improper activity or a violation of this Program.

Employees are subject to disciplinary action if after an investigation, KVHD reasonably concludes that the reporting employee knowingly fabricated, or knowingly distorted, exaggerated, or minimized the facts to either cause harm to someone else or to protect or benefit themselves.

REFERENCES:

Federal Register, OIG Compliance Program Guidance for Hospitals, Office of Inspector General, Department of Health and Human Services, February 23, 1998.

Hospital Compliance Manual, 1st Edition, California Hospital Association, January 2010.

APPROVAL	DATE	APPROVAL	DATE
Department/Division Manager	05/11	Interdisciplinary Team	N/A
Unit Medical Director (if applicable)	N/A	Governing Board	10/05/11
Medical Staff Committee (if applicable)	N/A	Administration/Compliance	7/26/11
Reviewed By:		Reviewed By:	
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