

Standards of Ethical Business Practices

I. PURPOSE

- A. The mission of Salinas Valley Memorial Healthcare System (SVMHS) recognizes that earning and maintaining a reputation for integrity encompasses more than compliance with law, regulations and contractual obligations.
- B. The mission of SVMHS is to provide quality healthcare to our patients and to improve the health and well-being of our community. The vision of SVMHS is to be a center of excellence where an inspired team delivers compassionate and culturally sensitive care, outstanding quality, and an exceptional patient experience.
- C. All employees, applicable contractors or agents, physicians, members of governance, vendors, contractors, and volunteers (“we” for purposes of this document) will conduct ourselves with the utmost integrity and in compliance with all applicable laws, regulations and policies at all times and will conduct business in an ethical and trustworthy manner.
- D. It is each individual’s responsibility to be familiar with and abide by the standards set forth. These standards cannot address every possible circumstance we may encounter in performing our duties. We are expected to use good judgement and may consult our supervisor or the Director of Internal Audit and Compliance (Compliance Officer) when appropriate.
- E. Managers and above have an additional responsibility to instruct and advise those who report to them on legal policies and requirements applicable to their job functions.
- F. SVMHS has adopted a [COMPLIANCE PLAN](#) that incorporates its policies and procedures for promoting compliance with the law and preventing and detecting violations. SVMHS has determined that the appropriate approach to compliance is to organize, centralize and formalize compliance policies and procedures. These Standards are part of that program.
- G. Everyone who receives a copy of this policy is expected to comply with its requirements.

II. POLICY

A. STANDARDS OF ETHICAL BUSINESS PRACTICES

- Integrity in the broadest sense must govern our actions in all relationships, including those with patients, referral sources, suppliers, providers and one another. SVMHS has instituted the [COMPLIANCE PLAN](#) in accordance with federal guidelines. We must all be personally committed to follow our Compliance Program in order to comply with all Applicable federal, state, and local laws and regulations governing our business conduct.

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- The Corporate Compliance Program applies to all [directors](#), employees ([including management and members of governance](#)), [medical staff members](#), volunteers, [contractors and agents of SVMHS](#) (“we”). We will conduct all business in accordance with applicable laws and regulations. We will also conduct our business in an ethical and trustworthy manner. We will display the qualities and character of professionals at all times in the treatment of patients, interaction with visitors, physicians, volunteers, fellow employees, contractors, and the community at large.
 - Each of us has an important role in ensuring compliance with applicable laws, regulations, these standards, and our policies and procedures. We are encouraged to ask questions or seek clarification to better understand compliance responsibilities.
- B. Compliance with these rules of ethics and business conduct can become very confusing. Common sense and sound judgment are our best guides in determining the appropriateness of the behavior and necessary course of action. However, if we find ourselves in a situation where we are unsure of the ethical implications, we can ask ourselves a few simple questions.
- Are my actions legal?
 - Am I being fair and honest?
 - Is this in the best interest of SVMHS and the patients we serve?
 - Will my actions stand the test of time?
 - How will I feel about myself afterward?
 - How will it look in the newspaper?
 - Will I sleep soundly tonight?
 - What would I tell my child to do?
- C. If we are still in doubt or need clarification, there are numerous resources available to assist us in meeting the challenges of performing our duties and responsibilities. It is always a good idea to go to our supervisor first. If we believe that our concern needs further resolution, feel free to use the following resources:
- Human Resources at (831) 755-0759
 - Director of Internal Audit and Compliance (Compliance Officer) at (831) 759-1958.
 - Reports concerning compliance issues may also be made anonymously and electronically through our Compliance Hotline, EthicsPoint at <https://www.ethicspoint.com>. You will be given a report number and may log in under that report number to follow-up.
 - SVMHS has a [NON-COMPLIANCE REPORTING AND RESPONSE AND NON-RETALIATION POLICY](#). There will not be a penalty for [good faith reports regarding compliance issues](#); however, self-reporting does not protect

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us from any consequences for engaging in inappropriate activities. If you feel you may have been retaliated against [for a good faith report](#), you may call Human Resources at the number above.

NON-RETALIATIONNON-RETALIATION

III. STANDARDS

A. **STANDARD: COMPLIANCE WITH LAWS AND REGULATIONS** (Service Pillar)

- Healthcare is a highly regulated business that requires compliance with many federal and state laws and regulations. It is important to stay informed and be diligent about the work we perform.
- As a California Public District Hospital we must comply with California Healthcare District Law. These laws are incorporated into our policies and procedures.
- Following is a summary of certain federal and state laws related to fraud, waste, and abuse: (For further information, see *COMPLIANCE PLAN*.)

1. Anti-Kickback. The [federal Anti-Kickback Statute is a criminal law that prohibits the exchange or offer of anything of value to induce or reward referrals of federal health care program business. Many states, including California, also have their own state anti-kickback statutes that are similar to the federal Anti-Kickback Statute.](#)

[For example, the federal Anti-Kickback Statute prohibits any SVMHS employee from accepting or granting bribes or kickbacks \(e.g., cash, in-kind contributions, subsidies in exchange for referrals of Medicare patients or Medicare business to SVMHS. For further information, please see GIFT, TICKET AND HONORARIA POLICY GIFT, TICKET AND HONORARIA POLICY.](#)

2. False Claims Act (FCA). The [federal FCA](#) prohibits anyone from submitting claims they know, or should know, are false or misleading to the government. [California also has a similar state false claims act provisions.](#) It is important to completely, accurately, and clearly document all services rendered and only submit claims for which sufficient documentation is in the medical

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record. [For further information, please see SVMHS' FALSE CLAIMS ACT PROVISIONS POLICY.](#)

Examples [of actions that may violate the federal or California False Claims Acts](#) include:

- i. Billing for services not rendered in full or in part by a qualified medical professional
 - ii. Duplicate billing to the same payer
 - iii. Billing more than one payer for the same service at the same time
 - iv. Billing that does not reflect the actual items or services provided
 - v. Upcoding
3. [Physician Self-Referral \(Stark\) Law.](#) The Stark [Law prohibits physicians from referring patients for “designated health services” to an entity with which the physician has a financial relationship unless a Stark Law exception applies. In addition, an entity \(e.g., hospital\) receiving the prohibited Stark Law referral is prohibiting from billing Medicare for any designated health service associated with that referral. The term “designated health services” includes inpatient and outpatient hospital services.](#)
- [For example, the Stark Law would prohibit a physician from referring a patient to Salinas Valley Memorial Hospital \(the “Hospital”\) for inpatient or outpatient hospital services, and prohibit the Hospital for billing Medicare for those services, if that physician has a financial arrangement \(e.g., a medical director agreement or on-call coverage agreement\) with the Hospital that does not meet a Stark Law exception.](#)
4. Antitrust. We must all comply with antitrust laws regulating competition. Antitrust laws are intended to prohibit an unfair competitive advantage.

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**B. *GIFT, TICKET AND HONORARIA POLICY* FALSE CLAIM ACT
PROVISIONS STANDARD: QUALITY OF CARE (Quality Pillar)**

We are committed to treating all patients equally and with dignity and respect regardless of their ability to pay and to provide a safe healthcare environment for all employees, patients, families, and visitors. Following are ways we can do that.

- Administer and Record Healthcare Services Properly. Patient care must be appropriate, medically necessary, and well documented.
- Emergency Medical Treatment and Active Labor Act (EMTALA). We will treat all patients who present to the Emergency Department regardless of their ability to pay. For further information, see the [COMPLIANCE PLAN](#)
- Other ways we facilitate compliance with this standard include:
 - a. Care for patients as unique and important individuals.
 - b. Not discriminate in the admission and/or treatment of patients or the provisions of accommodations and services based on race, creed, disability, nation or origin, or any other legally protected class of individuals.
 - c. Make decisions to treat, admit, transfer, or discharge a patient within the limits of our capabilities to render care or service and in a manner that addresses the clinical needs of the patient.
 - d. Promote a caring, concerned, compassionate healthcare delivery system.
 - e. Develop and refine an integrated delivery system.
 - f. Represent ourselves in an honest, decent, and proper manner in all interactions with our customers and the community.
 - g. Protect the integrity of clinical-decision making regardless of how providers of care are compensated or shared risk arrangements are structured.
 - h. Respect our patients' rights to be informed of the existence of business partnerships among our hospitals, educational institutions, other healthcare providers, payers, or networks that may influence the patients' treatment and care.
 - i. Collaborate with educational institutions to enhance health education for the community, its patients, and employees.

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C. STANDARD: WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES (Quality, People Pillars)

Each of us has the right to work in an environment free of disruptive behavior, harassment, or discrimination. Patients, visitors, and guests have the right to receive care in a safe place.

- Safe Workplace. We are strongly committed to health and safety and strive to provide a safe and healthful environment at SVMHS. Each of us is responsible for creating and maintaining a safe environment at SVMHS for all employees, patients, families, and visitors. The following plans have been developed to support our efforts. Each of us is responsible to comply with those plans:
 - i. Patient Safety Plan
 - ii. Hazardous Materials and Waste Management Plan
- Harassment. No form of harassment will be permitted at SVMHS. Harassment includes verbal, non-verbal, or physical conduct intended to intimidate, or threaten another individual. For further information, see the [STANDARDS OF PROFESSIONAL BEHAVIOR](#) and [DISCRIMINATION/HARASSMENT POLICY](#))
- Discrimination. We believe in the fair treatment in our internal and external business dealings. It is our policy to treat employees without regard to their race, color, religion, gender, ethnic origin, age, disability, sexual orientation, or any other classification prohibited by applicable law. We recruit, hire, train, promote, assign, transfer, layoff, recall, and terminate employees based on their ability, achievement, experience, and conduct. (For further information, see the [STANDARDS OF PROFESSIONAL BEHAVIOR](#) and [DISCRIMINATION/HARASSMENT POLICY](#) .)
- Exemption from Job Responsibilities. An employee of SVMHS may be excluded from the performance of a job responsibility for reasons of religious or cultural beliefs. However, this excusal may only occur if it does not negatively affect the care, treatment, and/or services provided to any SVMHS patient.

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D. STANDARD: PRIVACY AND CONFIDENTIALITY (Community Pillar)

The protection of the privacy and confidentiality of information created and/or obtained in the course of business is of the utmost importance. Each of us has the duty to use this information responsibly.

- Protected Health Information. Due to the nature of our business, we have access to personal information about our patients' health. It is our responsibility to safeguard this information and to only access, use or disclose personal information in accordance with applicable laws, including the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended. (For further information, see the COMPLIANCE PLAN and the HIPAA BREACH INVESTIGATION AND RESPONSE PROCEDURE.)
- COMPLIANCE Personal information. We treat as confidential personal employee information including salary, benefits, and personnel file information. This should only be accessed and/or used when appropriate in the performance of our job responsibilities.
- Property. We are also committed to use corporate property responsibly and for its intended use.
- Security. We are all responsible for the appropriate use of the security measures at our disposal, including confidential login credentials, passwords, access badges, and keys. (For further information, see the COMPLIANCE PLAN and the INFORMATION MANAGEMENT PLAN.)
- Social Media. Social media presents a special challenge for healthcare providers. We are expected to use social media responsibly and in compliance with our policies and procedures related to privacy, confidentiality, and security.

E. STANDARD: BUSINESS AND PERSONAL CONDUCT (People Pillar)

We are committed to conducting business in a professional and ethical manner and in the best interests of SVMHS. Following are values and standards that apply to that conduct.

- Conflict of Interest. Each of us will avoid any relationship, influence, or activity that might impair our abilities to make objective and fair decisions when performing our jobs. According to the CONFLICT OF INTEREST approved by the Monterey County Board of Supervisors, certain employees, contractors, and members of governance must disclose

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potential conflicts of interest. Even if we are not required to disclose, it is still important to let our supervisors know of any potential conflicts. (For further information, see the [COMPLIANCE PLAN](#).) Examples include:

- a. Becoming employed by a potential competitor, regardless of the nature of employment, while still working at SVMHS.
- b. Owning or having substantial financial interest in a company that competes with or sells supplies to SVMHS.
- c. Accepting of gifts, payments, or services from those seeking to do business with SVMHS.
- d. Purchasing of goods or services for SVMHS from a firm owned or controlled by an employee or close relative of an SVMHS employee.
- e. Acting as a consultant to SVMHS customers, competitors, or suppliers.

- Gifts and Gratuities. We are prohibited from receiving or soliciting gifts or gratuities from patients and their families. Gifts and gratuities may include cash, gift cards, services, entertainment, or anything of value. A patient or patient's family member wishing to present a monetary gift should be referred to the Foundation. (For further information, see the [GIFT, TICKET AND HONORARIA POLICY](#).)

F. STANDARD: BILLING, NEGOTIATIONS, AND FINANCIAL REPORTING (Financial Pillar)

- Billing Practices. We will be fair and consistent with our mission and sound business practices. We will endeavor to provide an accurate, timely, understandable bill for services rendered and inform patients about the charges for which they are responsible. We will resolve expeditiously a question about a charge. Other responsibilities include:
 1. Billing only for services provided and ordered by a physician.
 2. Using accurate billing codes that reflect accurately the services furnished.
 3. Refunding credit balances on a timely basis.
 4. Not billing patients for contractual allowances.
 5. Not billing patients or insurers for avoidable unexpected outcomes.
 6. Not writing off or adjusting claims without documenting the reason and following applicable Business Office policies and procedures.

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7. Not offering financial incentives to improperly code, charge, or bill a claim.

- Purchase Negotiations. In the purchase of goods or services for SVMHS, we will treat all suppliers uniformly and fairly. In deciding among competing suppliers, we will weigh all facts and avoid favoritism. (For further information, see the [PROCUREMENT MANUAL](#) .)
- Financial Reporting. Each of us is responsible to utilize SVMHS assets and resources in the most efficient and effective manner. SVMHS has established and maintains a standard of accuracy and completeness in its financial records. We will comply with the recording requirements of applicable laws, and generally acceptable accounting principles. (For further information, see the [COMPLIANCE PLAN](#) .)

G. STANDARD: COMMUNICATIONS (Quality, Financial Pillars)

- Suppliers, vendors, trade and professional organizations, and others may seek endorsement or testimonial from SVMHS employees. Whether or not payment or consideration is offered in return for the endorsement or testimonial, no SVMHS employee may agree to an endorsement or testimonial without specific approval by the President/CEO or designee. Should this be approved, the approval will be in writing.
- Required community disclosures will be transparent, accurate, and timely.
- We will advertise using ethical and honest business practices and in compliance with applicable laws. We will also make clear in our marketing those services that are provided by an organization affiliated with SVMHS. Prohibited marketing practices include:
 - i. Providing bonuses, incentives, kickbacks, or bribes to induce or obtain referrals or admissions.
 - ii. Inaccurate statements about the availability or quality of our services.
 - iii. Untruthful allegations or assertions about other healthcare providers.

H. STANDARD: RESEARCH, INVESTIGATIONS, AND CLINICAL TRIALS (Growth, Quality Pillars)

- SVMHS is engaged in clinical research involving human subjects. As such, we are required to adhere to rules promulgated by the Food and Drug Administration (FDA), Office for Civil Rights (OCR), Office of

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Inspector General (OIG), Medicare/CMS, as well as state laws and local standards for patient rights. The rights of these subjects are protected in accordance with national and international standards. (For further information, see [COMPLIANCE PLAN](#) .)

IV. DEFINITIONS

- A. None.

V. PROCEDURE

- A. Each employee or representative of SVMHS shall conduct SVMHS' business transactions with honesty, accuracy, fairness and respect for others. No unethical practices can be resorted to on the grounds that it is "customary" or that it serves other worthy goals. The expediency should never compromise integrity.

VI. EDUCATION/TRAINING

- A. New Employee Orientation
- B. E-learning
- C. Department meetings as needed.

VII. DOCUMENTATION

- A. Attendance at educational sessions will be documented.
- B. Completion of E-learning is monitored and reports are made available to all department managers /designees quarterly. Records are retained by the Education Department.
- C. Attendance at New Employee Orientation will be documented.
- D. Records are retained by the Education Department.

VIII. REFERENCES

- A. American Hospital Association (AHA) Guidelines for Corporate Compliance Programs
- B. The Joint Commission , Human Resources, Leadership and Medical Staff , Title 22 Article 70701 – Governance Standards
- C. Society of Corporate Compliance and Ethics, The Complete Compliance and Ethics Manual 2016

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- D. Department of Justice/Office of Inspector General Guidelines for Corporate Compliance Program
- E. 2010 Federal Sentencing Guidelines Manual Chapter 8, Part B2
- F. United States Federal Register, Volume 63, No. 35, Monday, February 23, 1998 “Notices”, pp. 8987-8993
- G. United States Federal Register, Vol. 70, No. 19, Monday, January 31, 2005, “Notices”, pp. 4874-4875
- H. HCCA-OIG Compliance Effectiveness Roundtable “Measuring Compliance Program Effectiveness: A Resource Guide”, January 17, 2017
- I. SVMHS Organizational Policies, Procedures, and Plans

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