



Byram Healthcare
Employee Code of Conduct

Byram Healthcare

Employee Code of Conduct

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1. Message from the CEO and EVP

Dear Teammates,

As a Teammate or vendor of Byram Healthcare Centers, Inc. (“Byram Healthcare” or “Byram”), we have a responsibility for providing high quality patient care and products. As an organization, which is part of the Patient Direct division of Owens & Minor Inc., with a long history of honest and ethical behavior, we share in the commitment to conduct our business with integrity, and following the enterprise-wide IDEAL Values we are committed to.

This Code of Conduct (Code) has been adopted by Byram and is a vital part of how we achieve our mission and vision and provides guidance to ensure our work is accomplished in an ethical and legal manner. Each member of the Byram community is expected to respect our Mission, Values, comply with applicable laws and policies, uphold individual responsibility and accountability, respect company resources, provide accurate financial reporting, protect privacy of records, and act with the highest integrity. Please read the Code of Conduct carefully.

If you have questions or encounter a situation which you believe may violate the Code of Conduct, consult with your supervisor, Human Resources, or the Compliance Department, or call the **NAVEX Compliance Helpline at 1-866-293-2599** or <https://secure.ethicspoint.com/domain/media/en/gui/2584/index.html>. You will not be retaliated against for asking questions or raising in good faith a concern related to the Code of Conduct or compliance with laws.

We appreciate your commitment to Byram Healthcare. We believe adhering to the principles of the Corporate Compliance Program and the Code of Conduct will allow Byram and its teammates to create and reinforce a corporate culture that embraces compliance and maintains our reputation as a leader in providing quality supplies and appropriate patient care with integrity.

Perry Bernocchi, CEO and EVP, Patient Direct

2. Purpose of the Code of Conduct

a. Our Mission Statement and Values

Be the partner of choice to improve outcomes and affordability of care for people living with chronic diseases.

We Behave with Integrity and Practice Openness

These qualities are important for all companies, particularly in the field in which Byram operates, because we are dealing with people's health. In addition, we attach great value to transparency in all aspects of our operations and expect the same from everyone with whom we do business.

The core values are aligned with the skills we expect all of our Teammates to possess in order for us to carry out our strategy. We also refer to these skills as group competencies; they serve as the basis for our recruitment policy and appraisal system.

b. Who is Responsible

Delivering on our promise to the patient is something that concerns all Teammates at Byram. There is only one way to bring and hold together such a large and diverse company: through common goals and shared values.

We work in healthcare. For that reason alone it is important for us to be aware of our values. They are the guiding principles behind our behavior towards our patients, because their health is of paramount importance. In addition, Byram wishes to provide a stimulating work environment and provide a substantial contribution to society.

All Byram officers, directors, and Teammates (together, "Teammates"), subsidiaries and affiliates, and third-parties representing Byram must follow the Code of Conduct and Byram compliance policies. Failure of a Teammate to abide by the Code of Conduct and Byram's compliance policies may result in disciplinary action, up to and including termination of employment.

Third parties representing Byram, including consultants, agents, sales representatives, distributors, and independent contractors, must be provided with the Code of Conduct and agree to comply with both the Code of Conduct and Byram's compliance policies. Failure of a third party to abide by the Code of Conduct and compliance policies may result in contract termination.

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c. Integrity Procedures

If a Teammate suspects a breach of the Code of Conduct within Byram, then the Teammate should report the suspected breach using the integrity procedure. The integrity procedure provides a method for any Teammate to disclose, to their manager, the Compliance Officer, or through our anonymous hotline, any identified issues or questions associated with Byram policies, conduct, practices, or procedures, including any issues that potentially violate applicable laws and regulations.

Teammates who raise concerns in good faith through any method will not be retaliated against.

When an integrity concern is raised, Byram will make a good faith, and to the extent possible confidential, inquiry into the allegations. Whenever possible, Byram will provide feedback regarding the investigation to the person raising the concern.

d. Anti-Retaliation

Byram does not tolerate retaliation, discrimination against, or harassment of any Teammate who seeks advice, voices a concern, or reports suspected or actual misconduct in good faith. Even if the suspicion cannot be confirmed, negative action will not be taken against any Byram Teammate who follows the integrity procedures and reports a concern in good faith. Teammates who retaliate against another Teammate for raising a concern will be subject to disciplinary action, up to and including termination of employment.

e. Penalties for Violating the Code of Conduct

Teammates who violate the spirit or letter of the Code of Conduct and other Byram Policies and Procedures are subject to disciplinary action, up to and including termination of employment.

Misconduct that may result in discipline includes:

- Violating the Code of Conduct;
- Requesting others violate the Code of Conduct;
- Failing to promptly raise an integrity concern;
- Failing to cooperate in an investigation; or
- Retaliating against another Teammate for raising a concern in good faith.

3. Company Code of Conduct

Working at Byram means that everybody is held accountable for compliance with the core values.

We have translated our core values into a set of company Code of Conduct.

- Be customer oriented
- Act honestly
- Obey the law
- Act impartially and with integrity in dealing with business partners
- Avoid conflicts of interest
- Treat your colleagues with respect

Conduct in situations that are not fully covered by these Code of Conduct should be governed by the core values on which they are based. The Code of Conduct are not meant to replace individual responsibility and common sense, but they do help in taking decisions on what we do and how.

a. Be Customer Oriented

Make the needs of patients and customers the focus of your actions. Always act according to the following four brand values:

- Expert: We are experts in the products that our patients receive from us.
- Personal: The patient is central to us.
- Innovative: We always look for solutions and innovative concepts.
- Accessible: We are accessible and nearby if necessary, 24 hours a day.

Treat patient details with care and treat information as confidential.

b. Act Honestly

Perform your job duties honestly and in line with current ethical standards in society. Demand integrity, honesty, and fairness from yourself and others concerning all aspects of business operations. Act in good faith, responsibly, competently and diligently. Always provide accurate information and ensure that data is documented and used properly in business operations. Treat Byram's resources and facilities in a responsible manner.

i. Books and Record Keeping

Byram accounting and reporting will maintain books and records in accordance with generally accepted accounting principles, standards, and regulations for accounting and financial reporting. Teammates must comply with all Byram policies and applicable laws and regulations related to the preservation of documents and records. This includes maintaining complete, accurate, and timely records and accounts that accurately reflect all business transactions.

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ii. Record Retention

Records must be maintained, stored, and when appropriate, destroyed, in accordance with applicable laws and regulations and Byram policies. Requests by third parties, lawsuits, or other inquiries may require that certain record retention policies be halted for a period of time in order to preserve relevant records. In such cases, Teammates will receive a “Legal Hold” and may not alter or discard any relevant information until informed otherwise by the General Counsel.

iii. Acceptable Use of Company Resources

Byram may provide certain resources, such as computers and cell phones, to Teammates. Additionally, Byram maintains information systems and networks that support the work we do. To ensure the integrity of our systems and protect the confidential information we create and obtain through the course of our work, all company resources and systems must be used appropriately. This includes using software and devices in authorized manners and following Byram policies related to security, such as requirements to routinely change access passwords.

In no event are Teammates allowed to: use company resources to harass other Teammates; make defamatory, illegal, or obscene statements; use resources in a manner that interferes with an Teammate’s ability to do work; or otherwise violate another Teammates’ rights.

Byram reserves the right to review documents, including electronic communications, sent from, received on or stored on company systems to the extent permitted under applicable laws.

iv. Social Media

“Social media” includes both internal-facing and external-facing platforms that enable us to share content, opinions, experiences and more. Byram respects the rights of all Teammates to engage in social media, so long as Teammates obey all applicable laws and regulations, including:

- Respect the privacy rights of patients, customers, other Teammates, suppliers, and third party vendors, and be sure to comply with the Company’s Privacy and Confidentiality Policy;
- Be transparent, including making all necessary disclosures;
- When necessary, obtain all necessary permissions before posting, such as patient consents;
- Be truthful, accurate and respectful, and avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating or that disparages patients, customers, other Teammates, suppliers, or third party vendors. Examples of such conduct might include offensive posts meant to intentionally harm someone’s reputation or posts that could contribute to a hostile environment on the basis of any status protected by law or Byram policy; and
- Refer media inquiries to the Senior Vice President of Marketing.

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Byram-sponsored social media must be approved by the Legal Department prior to posting to any social media sites.

If you have any questions or concerns regarding appropriate use of social media, please contact Marketing or the Privacy Officer.

v. Communications with the Public

Byram is committed to providing accurate and reliable information to the public, including the media. All public disclosures or statements must be honest, accurate and timely. If you receive a request for information from the media, the request should be directed to the Marketing and Business Development.

c. Adhere to the Law

Perform your duties in accordance with all applicable laws and regulations. Interpret these laws and regulations only in the manner in which they have been intended, and if necessary, obtain sound legal advice. Applicable healthcare laws are further described in the Appendix to the Code of Conduct.

i. Overview of Healthcare laws

The healthcare industry is complex and challenging, and the market in which we work is governed by many Code of Conduct and regulations designed to protect patients and eliminate fraud and improper influence on medical judgment. Byram follows all applicable laws and regulatory requirements, and each Teammate is responsible for being familiar with the Code of Conduct and regulations that apply to your business function. Byram's Code of Conduct and policies and procedures are designed to provide Teammates with guidance to ensure compliance.

The applicable laws include the Federal Anti-Kickback Statute, self-referral laws, and fraud, waste and abuse laws. In accordance with these laws, Byram will not waive insurance co-payments or deductibles, or otherwise provide financial or non-cash benefits to individuals in order to induce such individuals to purchase products from Byram. Furthermore, any rebates, discounts, or other pricing options provided by Byram or received by Byram from suppliers, manufacturers, and other third parties must be approved by Legal and Compliance prior to offering or accepting the terms.

Any concerns regarding the legality or propriety of a proposed transaction, marketing activity, or other interaction with a healthcare provider should be addressed to management, the Compliance Officer, or Byram's Legal Department. For additional information on applicable healthcare laws, see the Appendix.

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ii. **Fraud, Waste and Abuse**

Byram is reimbursed for many items and services rendered under federal and state programs, and therefore Byram is subject to a variety of regulations and requirements. Byram is committed to detecting and preventing fraud and financial waste and abuse.

Prohibited activities include, among other things, billing for items not provided or necessary, falsifying documentation, assigning improper codes to receive reimbursement, offering or receiving a kickback, or retaining an overpayment for goods or services.

iii. **Interactions with Healthcare Providers**

Federal laws, including the Anti-Kickback Statute, govern the way we interact with healthcare providers. All Teammates are prohibited from offering, paying, soliciting, or receiving any money, gifts, services, or anything of value in return for the referral of patients or other customers, or to induce the purchase of items or services. Any Teammate who receives any money, gifts, services, or anything of value from patients, suppliers, manufacturers, business partners, physicians, or other third parties in return for a referral or inducement to purchase an item or service will be disciplined, up to and including termination of employment.

iv. **Interactions with Manufacturers**

As with interactions with healthcare providers, interactions with manufacturers must adhere to federal and state laws, including the Anti-Kickback Statute. All Teammates are prohibited from offering, paying, soliciting, or receiving any money, gifts, services, or anything of value in return for the referral of a product, or to induce the purchase of items or services. Any Teammate who receives any money, gift, services, or anything of value from manufacturers or other business partners in return for a referral or to induce the referral of an item or service will be disciplined, up to and including termination of employment.

v. **Promotional Activities**

Certain laws govern the way that Byram can market and promote the products it sells. These laws make it illegal to use misleading or false statements when marketing products, including statements about the products Byram sells as well as the products sold by competitors. Teammates must be familiar with Byram's sales and marketing policies.

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vi. Anti-Bribery and Anti-Corruption

The United States Foreign Corrupt Practices Act (“FCPA”) prohibits providing, or offering to provide, anything of value to any foreign official, foreign political party, or foreign political party official or candidate, whether directly or indirectly (for example, through an agent or distributor), whether within or outside the United States, in order to obtain or retain business or secure any improper advantage. The FCPA also makes it illegal to inaccurately record transactions. The definition of foreign government official under the FCPA is broad, and in many countries pharmacists, physicians, nurses, and other healthcare providers are considered foreign government officials.

As a U.S. company, Byram must ensure that it, and all Teammates, comply with the FCPA and other applicable anti-bribery and anti-corruption laws. No Teammate or third party acting on behalf of

Byram may make a payment or provide anything of value to a foreign government official that is intended to improperly influence the official, or to gain an unfair business advantage. If you have any questions regarding whether any promise to act or not act is in compliance with the FCPA, you must contact Legal or Compliance.

vii. Confidential and Proprietary Information

Each Teammate is required to protect and prevent disclosure of Byram’s sensitive, confidential or proprietary information, including information relating to our patients.

Byram is committed to ensuring that patient medical records and other records containing protected health information (“PHI”) are protected against any uses or disclosures that are not permitted by federal or state privacy laws. Byram will protect PHI in its possession in accordance with the Health Insurance Portability and Accountability Act (“HIPAA”) and other applicable laws and regulations.

viii. Referral Sources

Self-referral laws, including the Stark Law, prohibit certain physician referrals for healthcare services reimbursable under federal healthcare laws. In particular, the Stark law prohibits physician referrals for designated health services if the physician or an immediate family member has a financial relationship (including an ownership interest, investment, or other compensation arrangement) with that entity.

Byram will not pay incentives to Teammates, suppliers, manufacturers, physicians, or any other third party for the referral of business to Byram. Financial relationships with entities that refer patients and customers to Byram will be based on the fair market value of items and services provided, negotiated at arms-length, and will in no way be related to the value or volume of referrals or contain an inducement to refer.

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ix. Antitrust and Fair Dealing

Antitrust and competition laws prohibit agreements, formal or informal, between competitors that undermine competition. The laws are complex and regulate how Byram interacts with competitors, obtains and handles information about competitors, and participates in professional organizations. Byram is committed to following all antitrust laws and regulations. Questions or concerns regarding antitrust laws should be addressed to the General Counsel.

x. Screening of Ineligible Persons

Byram must meet certain regulatory requirements related to employment of individuals who have been excluded from participation in federal healthcare programs. To ensure these requirements are satisfied, Byram will conduct routine and customary criminal background checks and exclusion checks on prospective and current Teammates and third party vendors.

As part of this process, Byram will confirm that no Teammates or third party vendors have been sanctioned and/or excluded from participation in any federal healthcare program. The checks include criminal background checks, the OIG's list of excluded individuals/entities, the GSA's list of barred contractors/vendors, and any applicable state Medicaid program exclusion lists. Byram will not employ or contract with individuals or entities when a background check or investigation determines that the individual or entity has been convicted of any applicable felony criminal offense in the past five years or has been sanctioned and/or excluded from any federal healthcare program.

All employment applicants are required to disclose at the time of application any criminal convictions, sanctions, and/or exclusions from any federal healthcare program. Additionally, Teammates have an ongoing duty to notify Byram immediately if they are convicted or excluded.

xi. Deficit Reduction Act

The Deficit Reduction Act of 2005 ("DRA") section 6032 requires healthcare entities receiving a certain amount in Medicaid funds to provide False Claims Act training and education to Teammates. Byram is committed to meeting the requirements of the DRA and to preventing and detecting any fraud, waste, or abuse. All Teammates must comply with applicable federal and state laws and Byram policies and procedures for detecting and preventing fraud, waste and abuse.

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xii. Government Investigations and Requests for Information

Government agencies, regulatory organizations, and their authorized agents may, from time to time, conduct surveys or request information about Byram, the patients we serve, or our suppliers. Byram responds to federal, state and local government requests for information in a timely and cooperative manner while preserving our organization's legal rights. All regulatory inquiries concerning Byram should be handled by the General Counsel and the Chief Compliance Officer, and Teammates should not take it upon themselves to respond directly to requests for information.

Regulatory inquiries may be received by mail, email, telephone or personal visit. In the case of a personal visit, there may be a demand for immediate production or inspection of documents. If you receive such an inquiry or demand you should immediately contact the Chief Compliance Officer or General Counsel. Teammates should respond that Byram intends to cooperate but that the matter must first be discussed with Legal Counsel.

d. Be Professional and Honest in External Business Relations

i. Interactions with Governmental and Official Bodies

Deal with governmental and official bodies in a responsible manner when seeking licenses, permits or other regulatory approvals and in connection with audits, investigations and reviews.

ii. Interactions with Suppliers and Manufacturers

Byram's interactions with suppliers and manufacturers must be based on lawful and fair practices. Byram will only do business with suppliers and manufacturers that comply with all applicable laws and Byram policies and procedures.

Only do business with business partners who adhere to applicable regulations and legislation, who are reliable, and who treat their Teammates and other stakeholders honestly and fairly. Avoid situations that make effective cooperation or fair competition impossible.

Never offer, pay or accept bribes or any payment or favor that could be construed as such, either directly or indirectly, and do not accept or offer any person gifts or favors that do not fully comply with Byram policies and procedures.

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iii. Charitable Giving

Byram may provide funding for charitable programs and may donate products for charitable uses in compliance with industry standards and applicable laws and regulations related to charitable giving. Charitable giving decisions are never made to induce or reward healthcare professionals for using Byram products or recommending such products to healthcare professionals. All charitable giving must be documented and must comply with applicable tax and disclosure requirements. Charitable contributions made on behalf Byram must be reviewed and approved by the Owens and Minor Foundation in advance.

Make no contributions on behalf of Byram to political parties and organizations with a political background.

e. Avoid Conflicts of Interest

Do not engage in any financial, business or private activities that might conflict with the interests of Byram. Use business opportunities in the interests of Byram, and not for your own benefit. In short: Prevent conflicts of interest arising between personal and professional relationships.

Do not engage in any activities outside the company that could make it difficult to perform your duties for the company objectively and effectively.

Ensure that your work for the company is never secondary to personal gain or interests. No Teammate, his or her partner, or any family member may improperly benefit from the Teammate's position at the company.

Teammates must disclose, in writing, all of your outside activities, financial interests or relationships that may either present a conflict or present the appearance of a conflict. Do not misuse or use for personal gain Byram resources, property, time, or facilities.

Examples of potential conflicts of interest include, but are not limited to:

- Receiving gifts (other than gifts of nominal value) from suppliers, customers, or competitors, particularly if you are making decisions on behalf of Byram;
- Receiving personal discounts or other benefits from suppliers, service providers, or customers that the public or your peers do not receive;
- Directing business to suppliers when you know they are owned or managed by a relative or close friend; or
- Hiring, promoting or supervising a relative or close friend.

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f. Treat your Colleagues with Respect

Treat colleagues, regardless of their position in the company, with respect, and respect their right to privacy. Respect religious, political, social, ethical and cultural customs and views of colleagues, even if yours are different. Wherever possible, support and assist colleagues, irrespective of their rank or position in the company, to achieve the company's objectives.

If you have any doubts regarding the appropriateness of the behavior of a colleague, consult your supervisor.

i. Culture of Compliance

Byram is committed to maintaining a culture of compliance. Compliance entails many elements, including abiding by applicable laws and regulations, maintaining ethical relationships with our business partners and healthcare professionals, protecting the rights of our customers, and protecting medical decision-making from improper influences.

Our culture depends on each and every Teammate and contractor adopting and understanding our values and adopting and following all applicable laws and policies and procedures. We must act with integrity in everything we do.

ii. Open Communication

Byram maintains a culture of compliance through open communication at all levels of our organization. Byram welcomes and expects all Teammates to seek guidance or clarification if there is any uncertainty as to the application of a policy or to any potential compliance concern. Additionally, Byram Teammates have an obligation to report suspected or actual violations of the Code of Conduct or any Byram policies and procedures.

Byram will train personnel on the Code of Conduct and additional policies and procedures to ensure that all personnel understand the expectations we must meet in the course of our employment.

iii. Internal Monitoring

Byram uses internal monitoring to verify compliance with policy and law and to assist in identifying potential risk areas. Internal monitoring may include audits or other risk evaluation techniques, including audits of the compliance program. Internal monitoring will be used to identify areas ripe for additional training, policies, or procedures. Byram Teammates must participate in internal monitoring activities as requested.

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iv. Reporting Compliance Concerns

Byram Teammates must report suspected or actual violations of law or company policy. There are many ways to fulfill this obligation, including through mail, email, or phone call to:

- Your direct supervisor or manager;
- The Compliance Department;
- The Legal Department; or
- Human Resources.

You may also utilize NAVEX Compliance Helpline at 1-866-293-2599 or <https://secure.ethicspoint.com/domain/media/en/gui/2584/index.html>.

Byram takes all reports seriously and will thoroughly investigate any concerns raised. In the event misconduct is confirmed, Byram will hold all individuals accountable, regardless of position, status or seniority.

v. No Retaliation or Harassment

Byram is committed to providing a compliant and ethical work environment for all of our Teammates. As part of this commitment, Byram strictly prohibits any type of retaliation against any individual who, in good faith, reports any actual or suspected violation of the Code of Conduct or other policy or illegal activity. If you feel you have been retaliated against, you should report immediately to any member of management, Human Resources, or the Compliance Department. Claims of retaliation or harassment will be investigated thoroughly, and if substantiated, the retaliator will be subject to disciplinary action in accordance with Byram policy, up to and including termination of employment.

Byram does not tolerate retaliation, discrimination against, or harassment of any Teammate who seeks advice, voices a concern, or reports suspected or actual misconduct in good faith. Even if reported concerns cannot be confirmed, negative action will not be taken against any Byram Teammate for making a report.

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4. Byram Healthcare Code of Conduct Teammate Acknowledgment and Certification

Print Name

Department

I acknowledge that I have read the Byram Healthcare Code of Conduct, that I understand the contents and that I agree to abide by all of the terms. I agree to be bound by any published amendments and revisions to the Code and any other policies, guidelines and procedures issued by Byram for the purpose of ensuring compliance with applicable federal, state and local laws, code and regulations, as well as maintaining the reputation and integrity of Byram. I also agree to be bound by all Byram policies, guidelines and procedures that establish the code for Teammate conduct and compliance.

I understand that any violation of the Code, any other Byram policy, guideline or procedure or applicable law, rule or regulation may subject me to disciplinary action up to and including termination of my employment, as well as other penalties prescribed by law.

Signature: _____ Date: _____

Appendix: Relevant Healthcare Statutes

a. Federal Anti-Kickback Statute

The Federal Anti-Kickback Statute (“AKS”) prohibits the payment or transfer of anything of value by a person or company in exchange for purchasing healthcare goods or services that are covered by Medicare or Medicaid. Under the AKS, anything of value may include cash or cash equivalents as well as reductions in price, discounts, or other rebates that are given in exchange for referrals or recommendations.

The U.S. government has established certain Safe Harbors to permit reasonable business arrangements in healthcare that might otherwise violate the AKS. Safe Harbors have precise requirements, and any transactions with healthcare providers must be reviewed by Byram Legal before execution.

b. False Claims Act

The Federal False Claims Act (“FCA”) prohibits a person or company from submitting or causing to be submitted to the U.S. government a false or fraudulent claim for payment. This includes claims for payment under federal healthcare programs, including Medicare and Medicaid. Penalties for violation of the FCA are severe and include significant fines and possible exclusion from participation in federal healthcare programs.

Liability under the FCA may be based on providing claims for goods or services that were never furnished or for goods or services that were not necessary. FCA liability may also be based on goods or services that were provided in connection with a kickback provided to a healthcare provider.

Allegations that a company or individual has violated the FCA can be brought by the government or by individual citizens on behalf of the government.

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c. **Health Insurance Portability and Accountability Act (“HIPAA”)**

The Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (collectively, “HIPAA”) are designed to protect the privacy and security of individuals’ protected health information (“PHI”). HIPAA applies to (i) certain health care providers, health plans and health care clearinghouses (defined as “covered entities”); and (ii) persons and entities that create, receive, maintain or transmit PHI on behalf of a covered entity (defined as “business associates”). The HIPAA Privacy Rule limits how covered entities and business associates can use and disclose PHI. The HIPAA Privacy Rule also provides individuals with certain rights with respect to their PHI, such as the right to access PHI and the right to request an amendment to PHI. The HIPAA Security Rule requires covered entities and business associates to implement appropriate administrative, physical and technical safeguards to ensure the confidentiality, integrity and security of electronic PHI. The HIPAA Breach Notification Rule requires covered entities to notify individuals, the government and, in some cases, the media if there is a breach of unsecured PHI. HIPAA violations may result in civil monetary penalties and criminal liability as well as reputational harm.

d. **State Laws**

In addition to federal laws, some individual states impose additional laws to regulate healthcare companies. Several states have their own standards for tracking payments to physicians, anti-kickback statutes that apply to non-government payers, false claims, confidentiality, and disclosure laws. Additionally, state specific licensure laws must be followed.

e. **Stark Law**

The Ethics in Patient Referrals Act—commonly known as the “Stark Law”—is a Federal strict liability statute that prohibits physicians from referring patients to healthcare entities with which the physician has a financial relationship, unless an exception applies. These types of referrals are commonly known as “self-referrals.” Sanctions for violating the Stark Law can include denial of payment, civil monetary penalties of at least \$13,508 per claim submitted, and exclusion from Federal healthcare programs (e.g., Medicare and Medicaid).

Due to the broad scope of the Stark Law’s prohibition on self-referrals, it is necessary for health care entities to structure most financial relationships with referring physician to comply with an “exception.” Exceptions to the Stark Law generally require health care entities to reduce compensation arrangements with referring physicians to a signed, written agreement. Further, all compensation exchanged with referring physicians must be fair market value, commercially reasonable, and cannot vary based upon the volume or value of referrals made by the physician to the health care entity. The Stark Law is highly complex, and Teammates must consult Byram legal before entering into any arrangement with a physician.

