



Code of Conduct
The Road to Integrity

Dear Colleague,

At RegionalCare we believe The Heart of Healthcare is service to others. Our single goal is to provide affordable, accessible, first-rate healthcare that improves the health and well-being of the people we serve and raises the quality of life for all concerned. In serving others the name RegionalCare must always stand for honesty and integrity at the highest level. To assure this, I am pleased to introduce the RegionalCare Code of Conduct.



The RegionalCare Code of Conduct is part of our overall program of Ethics and Compliance. It serves as a guide for each of us – board, trustees, employees, volunteers and service providers – as we strive to conduct all of our business dealings with a high degree of honesty and integrity. Medical and business decisions can be complex. The Code of Conduct is a plain guide to using good judgment and making the right choices. I expect all of us to know and follow it. We all have a role to play and every one of us can make a real difference. Everyone has individual responsibility and accountability to follow our legal and regulatory compliance policies, and to conduct activities in an ethical manner. To help you, our Code of Conduct sets out our standards on how we should behave with our stakeholders – patients, fellow employees, community, physicians and regulators. However, no code of conduct can spell out appropriate behavior for every situation. RegionalCare relies on each of us to use good judgment of what is right and proper in any particular situation. If there is any doubt, ask yourself:

1. Does it comply with RegionalCare standards, including this Code and our policies and procedures?
2. How would my action look as a headline in tomorrow's newspaper?
3. How would my family or friends view my behavior?
4. Does it follow the letter and spirit of the law and regulation?

Additional guidance is available on our compliance website. If you have any questions about the Code or ethical concerns please contact your supervisor, another member of management at your facility, your facility Ethics and Compliance Officer, or the Chief Ethics and Compliance Officer. You may also call the corporate ethics line at 1-888-9CARE91 (1-888-922-7391). We assure you there will be no retribution or retaliation for any inquiry or for reporting a possible breach of the Code.

You are a critical member of our team and play an important role in our future. Thank you for ensuring quality and integrity at RegionalCare and supporting our People First focus.

Sincerely,

Martin S. Rash
Chairman & CEO, RegionalCare Hospital Partners

PROGRAM OVERVIEW

RegionalCare Hospital Partner's Code of Conduct, which was adopted by Corporate Compliance Committee, has been incorporated into a compliance program developed to help reduce risk and prevent the potential exposure for misconduct. It is an aid to the development of effective internal controls that promote adherence to applicable federal and state laws, and the program requirements of federal, state and private health plans. The adoption and implementation of this voluntary compliance program significantly advances the prevention of fraud, waste and abuse in our health care efforts. The Program also furthers the fundamental mission and core values of our facilities. In practice, this compliance program articulates and demonstrates RegionalCare's commitment to an effective compliance process.

The Code of Conduct was designed to provide all employees, physicians, contractors, vendors and agents with guidance to perform their daily activities in accordance with all federal, state and local laws. The Code of Conduct sets forth a summary of the basic written policies governing compliance within the Company. This code should answer many of the questions you may have concerning conduct expected during your employment. **Please take the time to read and understand the content of this handbook.**

In addition to these guidelines, individuals including contractors and affiliates should follow other policies and procedures adopted by the Company, as well as applicable laws.

Initially, every employee will receive training on our Code of Conduct. Also, all individuals will receive annual training to update their awareness of RegionalCare's Code of Conduct and established Ethics & Compliance Program Guidelines. Control and monitoring systems are in place to ensure violations; should they be discovered, will be corrected on a timely basis. The entire program receives oversight from RegionalCare's Corporate Executive Compliance Committee (a committee authorized by the Board of Directors of the Company), Corporate General Counsel, Chief Ethics & Compliance Officer, Facility Ethics & Compliance Officers and Facility Compliance Committees.

You should retain this handbook for future reference.

Starley H. Carr
SVP, Chief Ethics & Compliance Officer



Our Mission

To provide high quality, compassionate healthcare and to improve the health and well-being of people within the communities we serve across the country.

Our Vision

We believe the heart of healthcare is service to others.

Our primary focus is to meet the needs of our patients and their families; the local physicians who serve our patients; and our dedicated, compassionate employees.

Core Values

Foundational to everything we do and the decisions we make are the five RegionalCare Hospital Partners Core Values.



People - We will always focus on people – our patients, their families, our employees, local physicians, and the community we serve.

- We will be an organization known for personal honesty and corporate integrity; always striving to “do the right thing.”
- We are committed to developing our employees – helping them be as successful as possible.
- We will foster an environment that allows for open, honest communication and collaboration.
- Hiring, training, and rewarding good employees is the key to success in everything we do.

Service - *Our number one priority is to meet the needs of our patients, their families, and the communities we serve.*

- Service is not a “thing to do,” it is a belief we live by and central to who we are.
- We will celebrate the successes of our employees and foster a culture of recognizing and rewarding outstanding service and compassion.
- The role of our leaders is to serve their employees and create an environment where everyone can best meet the needs of our patients.
- We recognize we have a responsibility to serve, and we are committed to using our time, skills, and resources beyond our local facilities.

Quality - *We believe that quality care is a commitment to doing the right thing for our patients.*

- We expect that a natural result of our organizational commitment to quality and safety will be recognition as a national leader in the delivery of quality care.
- We will be a fully compliant organization; integrity and accountability are the bedrock for all decisions.
- Quality and patient safety are a commitment - not just good results in a national database or comparisons against peer organizations.

Growth - *We are committed to the long-term health and well-being of the communities we serve – adding facilities and services to meet the needs of the community.*

- We believe it is important that our physicians and local boards provide leadership in determining the needs of the facility and community.
- We are responsible for our own results – we will think with creativity, tenacity, and a sense of urgency.
- The facilities and communities we partner with belong to the people of the community. We will be good stewards of the trust we have been shown.

Finance - *We will be good stewards of all resources, including finances and facilities, treating them as if they are our own.*

- We will operate our facilities in a manner that allows us to make the appropriate, needed investments in the facility.
- We will maintain all appropriate financial controls to insure that we meet and exceed all reporting requirements.
- We will safeguard the company’s assets and continually strive to manage our resources in a manner consistent with clinical quality metrics and with an eye toward evolving public policy.

Table of Contents

STANDARD OF BEHAVIOR	1
QUALITY OF CARE	2
LEGAL RESPONSIBILITIES	2
Computer Software	
Copyrighted Materials	
Antitrust	
Contracts	
False Claims Act	
EMTALA	
Medicare/Medicaid Anti-Kickback Statute	
Self-Referral Statute	
Reporting Fraud, Waste and Abuse	
Ineligible Persons and Felony Crimes	
ADDRESSING INTEGRITY CONCERNS	6
REGIONALCARE INTEGRITY HOTLINE	7
CORPORATE RESOURCES	9
RESPONSIBILITY OF OUR LEADERS	10
BILLING/CODING PRACTICES	11
Accuracy of Documentation	
Retention of Records	
CONFIDENTIALITY OF INFORMATION	13
Patient Information	
Employee Information	
Passwords	
Proprietary Business Information	
CONFLICTS OF INTREST	14
Entertainment	
Gifts	
Gifts to Physicians	
Outside Employment	
Relationships with Family Members	
Relationships with Vendors and Suppliers	
FAIR TREATMENT OF EMPLOYEES	19
Harassment or Discrimination	
Sexual Harassment	
GOVERNMENT INVESTIGATIONS	22
Subpoenas	
HEALTH, SAFETY AND ENVIRONMENTAL CONCERNS	24
Hazardous Chemicals	
Firearms and Explosives	
INSIDER INFORMATION	25
NON-RETALIATION/RETRIBUTION	26
PROTECTING ASSETS	27
Communication Systems	
Surplus Property	
USE OFALCOHOL AND DRUGS	29
Current Employee Testing	
Employee Assistance Program	
Post-Employment Drug Testing	
Prescription Drugs	
Prohibition of Alcohol and Illegal Drugs	
COMPLIANCE TRAINING AND EDUCATION	32
General Training	
Newly Acquired Facility	
New Employee	
Specialized Training	
Newsletters	
DEFICIT REDUCTION ACT	34
ACKNOWLEDGMENT	35

STANDARD OF BEHAVIOR

Each individual must commit and adhere to this Standard of Behavior:

- I will treat all people with respect, dignity and respond to their needs.
- I will provide patients with quality care.
- I will build positive relationships with patients, guests and fellow employees.
- I will address patients by name and identify myself to them.
- I will answer all call lights and telephones promptly and courteously.
- I will present myself to patients and guests in a professional manner.
- I will take the time to explain all tests, procedures and treatments to the patient, within the scope of my authority.
- I will comply with patient/staff privacy and confidentiality requirements.
- I will respect the privacy of patients.
- I will be committed to patient safety as my first priority.
- I will be committed to a positive behavior by promoting cooperation throughout the facility.
- I will be a responsible team member who is honest, trustworthy, ethical and accountable for all my actions.
- I understand not only my role on the team, but also the larger goals of other departments and my facility as we strive to meet our community's needs.

QUALITY OF CARE

RegionalCare's primary purpose for existing is to provide high quality care in a cost effective manner. We are committed to providing health care services that meet the needs of each individual, family and community where we have facilities in a safe and productive environment. We provide patient care designed to achieve the intended outcome of the patient's treatment plan in an appropriate manner. We treat patients with respect and professionalism and in a manner that preserves their dignity and self-esteem. We will involve patients in decisions about their health care and continue to seek new approaches to increase the quality of care we deliver.

We are responsible for providing health services and products while complying with all applicable laws, regulations and standards, including state and federal legislation regarding patients' rights. Clinical assessments of prospective patients will be undertaken by individuals qualified to conduct such assessments. RegionalCare will seek out and employ only health care professionals with proper experience and expertise in meeting the needs of our patients.

It is essential that all employees bring knowledge of any deficiencies or errors in health care services to the attention of someone in authority within the facility or Company who can properly assess and correct any problems. It is each employee's responsibility to ensure that only the best care be provided and this responsibility cannot be ignored.

SPECIAL LEGAL RESPONSIBILITIES

We will uphold all laws and regulations. If there is a doubt as to the legality of any action, seek advice from your supervisor or manager, and, as appropriate, the RegionalCare's General Counsel before taking that action. Primary areas of concern for health care providers are the Federal Anti-Kickback Statute, the Stark II Self-Referral Statute, Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules, HITECH and the Federal Civil and Criminal False Claim Act. Set forth below are examples of specific legal concerns, but by no means cover all of the legal issues of concern to RegionalCare facilities.

RegionalCare adheres to all state and federal laws and regulations governing the health care industry

Computer Software

Do not make unauthorized copies of computer software programs or use personal software on any Company computer equipment. The creating or loading of unauthorized copies of programs into the Company system could cause technical problems (i.e., viruses) if not properly coordinated with Information Systems personnel. In addition, the unauthorized copying or introduction of unauthorized software could be a violation of federal copyright laws.

Copyrighted Materials

RegionalCare prohibits the unauthorized use of copyrighted, trademarked or licensed materials and safeguards the intellectual property of RegionalCare and those with whom we do business.

Antitrust

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing RegionalCare business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier. Our competitors are other health systems and facilities in markets where we have a facility.

RegionalCare competes fairly and in compliance with all antitrust laws. In order to succeed in the health care marketplace, each of us must be committed to competing vigorously on behalf of RegionalCare; however, we must never cross that line of fairness.

It is unlawful to agree, or attempt to agree, with competitors to fix prices, divide geographic markets or make any agreement that artificially raises the price of our services or improperly reduces competition. Particular care should be taken in pursuing joint ventures or alliances with other health care providers.

Seek advice from your supervisor, manager or the RegionalCare Corporate Legal Department before taking any action which may compromise fair competition or compliance with antitrust laws.

Contracts

We will accurately specify the services to be provided, benefits to be received, realistic time commitments, and reasonable compensation rate(s) in all contracts.

All contracts must be reviewed prior to issuance in accordance with established RegionalCare policy. Various factors determine the required level of review. Many contracts require re-

**All contracts must be
in writing and current**

view by RegionalCare General Counsel or outside counsel approved by Corporate General Counsel.

RegionalCare's policy is that every agreement, between a RegionalCare facility and a physician or other supplier or person in a position to influence referrals, must be in writing and approved by the General Counsel prior to entering into the agreement. Under no circumstances should agreements be tied, expressly or by implication, or by "private understanding," to referrals of any business.

False Claims Act

Liability arises where any person presents, or causes to be presented, a claim to the government, particularly to the Secretary of Health and Human Services, for medical or other items or services that the person knows or should have known that the claim is false or fraudulent. It imposes civil liability on organizations and/or individuals that make or cause to be made false or fraudulent claims to the government. A violation under this statute can result in penalties of up to \$11,000 per claim, plus three times the amount of the damages that the government sustains. In addition, the government can exclude the provider or individual from Medicare, Medicaid or other government health care programs.

EMTALA

The Emergency Medical Treatment and Labor Act (EMTALA) is a federal statute that addresses how hospitals deliver emergency medical services to the public. Known as the “anti-dumping” law, it prohibits a hospital emergency department (ED) from delaying care, refusing treatment, or transferring a patient to another hospital based on the patient’s ability to pay for services.

Medicare/Medicaid Anti-Kickback Statute

Under Federal Law, it is unlawful for any person to solicit, offer, pay or receive any remuneration, or anything of value, to or from any other person to induce or in return for:

- the referral of an individual to a hospital, medical facility, physician or any other person for the furnishing of an item or service reimbursable directly or indirectly, in whole or in part, under the Medicare or Medicaid programs;
- or the purchase, lease, order, or arranging for the purchase, lease or order of any foods, facility, services or item for which payment may be made, either directly or indirectly, in whole or in part, under the Medicare or Medicaid programs.

Stark II Self-Referral Statute

This statute prohibits physicians from referring Medicare or Medicaid patients to an entity for the furnishing of “designated health services,” including inpatient and outpatient hospital services, radiology services, durable medical equipment, physical therapy, home health services, and outpatient drugs if the physician or physician’s immediate family member has a “financial relationship” with the facility.

Reporting Fraud, Waste and Abuse

Individuals have a responsibility to report any known or suspected violations of law to the facility Ethics & Compliance Office (ECO), the Chief Ethics & Compliance Officer (CECO) or the Ethics Line. Failure to report violations of law shall constitute a serious violation of policy and subject an employee to disciplinary action up to and including termination of employment.

Ineligible Persons and Felony Crimes

RegionalCare will not grant medical staff membership or privileges to any individual, or contract with any potential referral source who is listed by a Federal or state agency as debarred, excluded, or otherwise ineligible for participation in federally or state-funded healthcare programs.

RegionalCare will not employ or contract with any individual or company who is ineligible for participation in federally or state-funded healthcare programs.

Any employee of RegionalCare who learns that they may become ineligible to participate in Federal or state-funded healthcare programs, or are charged or convicted with a felony crime must disclose this to the facility Human Resources Department, facility ECO or the Regional-Care Corporate Compliance Office.

Questions and Answers

Q: I sometimes attend trade shows or professional meetings where I run into old friends who work for our competitors. Are there any subjects that I should avoid?

A: Avoid anything that affects competition in the marketplace including prices, pricing policy, profit margins, or credit and billing practices. Trade shows and other similar gatherings pose particular problems when competitors start “talking shop.” The most serious problems often tend to arise at informal gatherings (e.g., meals after the meeting has concluded). Stay away from any business discussions with competitors.

Q: I have a friend in the managed care department of one of our competitors. She has been asked by her Company to survey managed care prices in the region. Can I give her copies of price lists and bids?

A: Absolutely not. Any sharing with competitors of pricing information not normally available to the public could be perceived as, or be legally treated as, an effort to fix fees or limit competition.

Q: I work in the business office and have noticed that rent is not being paid by a physician who is renting office space from the hospital. Is this a problem?

A: This could be a violation of the Anti-Kickback Statute and subject both the hospital and the physician to criminal penalties. Rent must not only be collected, it must be at fair market value. You should bring this matter to the attention of your supervisor.

Q: We have a physician who is a paid director to oversee our laboratory. She never attends any meetings and to my knowledge does very little to earn her pay. Is this a problem and should this be reported?

A: Physicians may occupy paid directorship positions; in fact, some departments require the oversight by a physician. If a physician is paid as a director, the time spent on these duties must be documented and paid at fair market value.

ADDRESSING INTEGRITY CONCERNS

Always ask a question before taking an action that may not be proper

RegionalCare and its affiliates include a multitude of different businesses: hospitals, outpatient centers, home health agencies, clinical laboratories, and skilled nursing clinics, to name a few. Within each of these businesses there are complex, ever changing, rules and regulations that govern each type of

service. We recognize that this can create areas of uncertainty for employees who carry out daily operations. Questions and concerns about the correct way to handle different situations may, and often do, arise. Open discussion of these issues without fear of retribution is vital to the effectiveness of our Ethics & Compliance Program. RegionalCare will not tolerate retaliation against any employee who reports any legitimate issue or concern. Remember, if there is any doubt or concern about the proper way of doing anything you should ask about it before you take any action.

We encourage individuals to use the following steps to find the answers they need:

1

If you are not sure about an action, you should ask these questions:

- Is the action legal?
- Is it consistent with RegionalCare values, the Ethics & Compliance Program Guidelines, as well as Company policies and procedures?

If you know it is wrong, don't do it.

2

Go to your immediate manager or supervisor about the issue. If you are not comfortable discussing the issue with your supervisor, go to the next step.

3

Take the issue to a higher level manager, supervisor, or ECO where you work. If you are not comfortable taking this step, consider the next step.

4

Discuss the issue with someone within the Corporate office (See Corporate Resources of this Handbook), or contact the Chief Ethics & Compliance Officer at 615-844-9851 or www.regionalcare.net. Their primary function is to assist you and your facility with your concerns. We welcome your call. If you are not comfortable with this step, go to the next step.

5

Call the RegionalCare Integrity Hotline at 1-888-9CARE91 (1-888-922-7391) or www.regionalcare.ethicspoint.com.

REGIONALCARE INTEGRITY HOTLINE

RegionalCare has established an Integrity Hotline that is answered by an outside company to enable employees to report problems or concerns involving ethical or compliance issues. This toll-free number **1-888-9CARE91** or **1-888-922-7391** allows employees to report a concern

The Toll-free Hotline 1-888-9CARE91 is answered by an outside company that allows you to report your concerns anonymously without fear of retribution

anonymously and without fear of retribution. Callers are not required to identify themselves. All calls will receive immediate attention and will be investigated in an appropriate manner.

The Integrity Hotline is intended to supplement existing internal communication channels. It is not intended to replace your local management team, senior management or other Company Resources

outlined under the RegionalCare resources section. The Integrity Hotline is available when you believe that you have exhausted normal Company channels or feel uncomfortable about bringing an issue to your supervisor, local manager, local Human Resources Manager or Facility Ethics & Compliance Officer.

The Hotline is designed to supplement normal reporting channels, not to replace them

Calls to the Integrity Hotline will not be traced or recorded and will be treated confidentially. You may remain anonymous if you choose. Anyone who retaliates, or attempts to retaliate against an individual who has made a call in good faith and with legitimate concern to the Integrity Hotline will be subject to disciplinary action, up to and including termination of employment.

Reporting Fraud, Waste and Abuse

Individuals have a responsibility to report any known or suspected violations of law to the facility ECO, the CECO or the Ethics Line. Failure to report violations of law shall constitute a serious violation of policy and subject an employee to disciplinary action up to and including termination of employment.

Questions and Answers

Q: What happens when I call the Integrity Hotline/EthicsLine?

A: The Integrity Hotline is available 24 hours a day, 7 days a week. You can communicate your concern through phone or web-based services. The Integrity Hotline is a confidential option provided by a third-party reporting service. Your concern is documented by an interview specialist and is then sent to the RegionalCare Compliance Department or an Independent Investigator. Each matter is closely reviewed before being submitted to RegionalCare's Compliance Department. If a department or individual is named within a submitted concern, the third-party reporting service directs the case to be investigated by an independent person.

Q: I had a dispute with my supervisor; therefore, I made a call to the Hotline alleging things I knew not to be accurate just to cause a problem for this supervisor. Are there consequences for my actions?

A. Yes, there can be serious consequences. The Hotline is for making legitimate complaints about suspected or possible wrongdoing by the Company or someone else. By making false or unfounded allegations, you may have caused undue hardships for a fellow employee and unnecessary use of valuable resources of the Company. We would consider this type behavior as unacceptable and could lead to disciplinary action up to and including termination of employment.

Q. I suspect that due to my poor work performance my supervisor is going to fire me at the end of the month. Knowing this, I called the Hotline to make several unfounded allegations of wrongdoing at my facility. Since the Company has a policy that prohibits retaliation or retribution against me for calling the Hotline, the Company could not fire me in this situation.

A. You could be fired under these circumstances as the reason for your termination is for poor work performance, not from retaliation for calling the Hotline. Your complaint would be investigated to determine the legitimacy of the allegations before closing the investigation.

Q: How will I know if anything has been done about my complaint?

A: If there were improprieties occurring, you will most likely see a change in the activities which you have reported. You can also call the Hotline to make inquiry into the status of the investigation. During your initial call or web-based submission, you will receive instructions how to retrieve available updates concerning your inquiry.

Q: I did not receive pay for the overtime I worked during the last pay period. Should I call the Hotline to get this resolved?

A: No. Calling the Hotline is not the place to address routine administrative matters. You should work with your supervisor and the facility's Human Resources Manager to resolve the issue. Should you call the Hotline, the investigation will begin by contacting your local HR manager and supervisor, which could delay faster action had you gone to the supervisor and HR manager in the first place.

CORPORATE RESOURCES

The following contacts may be utilized to help you find an answer to your questions. In most cases you **first** should have contacted your **supervisor, the Facility Human Resources Manager or the Facility Ethics & Compliance Officer**. If you believe it is inappropriate to contact one of these individuals, then you should consider contacting one of these Corporate resources.

RegionalCare Corporate Offices	(615) 844-9800
Chief Ethics & Compliance Officer	(615) 844-9851
Coding Compliance	(615) 844-9835
HIPAA Privacy and Security	(615) 844-9854
Human Resources	(615) 844-9814
Legal Department	(615) 844-9871
Integrity Compliance Hotline	1-888-9CARE91 or 1-888-922-7391
RegionalCare Website	www.regionalcare.net

RESPONSIBILITY OF OUR LEADERS

While it is the responsibility of all employees and affiliates to adhere to our Code of Conduct, our leaders are expected to be a model and set the example to be followed. We expect everyone in the organization with supervisory responsibility to exercise that responsibility in a manner that is kind, sensitive, thoughtful and respectful. We expect each supervisor to create an environment where anyone can feel free to raise a legitimate question or concern and propose ideas. We also expect that they will ensure those under their leadership will have the proper training and sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas. Our leaders must help create a culture within RegionalCare which promotes the highest standards of ethical behavior. We will never sacrifice ethical behavior in the pursuit of business objectives.

- As a leader I am committed to treating all colleagues with fairness, dignity and respect. I will provide them with the opportunity to develop professionally and to work in a team environment.
- As a leader I will work with our physicians and other health care providers to provide them a facility with modern equipment and outstanding professional support.
- As a leader I am committed to seeing that patients are provided with sensitive, compassionate, timely and cost-effective quality of care.
- As a leader I will uphold our contractual obligations in dealing with third-party payers in a way that promotes fairness and brings about efficiency and cost effectiveness to all involved.
- As a leader I will require suppliers and vendors to be committed to ethical principles.
- As a leader I will be committed to understanding the needs of my community and proudly support efforts to charitable events and promote good will.
- As a leader I will promote RegionalCare's commitment to the principles contained in this Code of Conduct.

BILLING/CODING PRACTICES

RegionalCare employees are responsible for ensuring our bills accurately reflect the services rendered and supplies used to treat our patients. RegionalCare facilities must only bill for services that have been properly ordered and performed.

Only bill for services which are properly ordered and performed

Employees are expected to understand and comply with all billing related policies and procedures established by the Company, as well as all third party carriers, including Medicare, Medicaid and other governmental programs. RegionalCare facilities will not routinely waive co-payments or deductible payments, except in strict conformity with specific Company policies.

When any payer agreement requires the collection of co-payments and/or deductible amounts, these amounts will be collected as required by the agreement. Decisions to waive any co-payment or deductible must be disclosed and implemented in accordance with Company policy.

Accuracy of Documentation

Records should be organized in a manner permitting prompt retrieval. You must dispose of old or unneeded records in accordance with state, federal or Company records' retention policy. If you are unsure, always contact your supervisor or manager before disposing of any Company records.

Code what you do, do what you code

Substantiating medical documentation must be provided for all services rendered. You must always bill on the principle that if the appropriate documentation has not been provided, then the service has not been rendered. **Medical records may not be removed from the facility.** Medical records (paper or electronic) may not be erased or altered except in accordance with RegionalCare policy, and never for the purpose of covering up errors or obtaining any payment to which we are not entitled.

Never destroy medical records without having appropriate authority

Retention of Records

Billing records are to be stored in a safe and secure location and must be retained for the longest period established either by law or RegionalCare policy. Staff involved in the preparation and/or submission of charges or billing data must be trained in coding and documentation practices. Billing policies and procedures must be written, approved by management, and periodically updated.

RegionalCare is responsible for preparing and maintaining accurate and reliable records

Individuals who suspect that improper billing or documentation has occurred should immediately alert their supervisor or a higher level manager. Additionally, any individual may contact the RegionalCare Compliance Officer or use the Integrity Hotline if it continues to be a concern.

Questions and Answers

Q: I discovered a coding error in the billing system and corrected it. What obligations do I have to determine if other claims were submitted in error?

A: It is RegionalCare’s policy to refund any overpayment made as a result of coding errors and to notify the appropriate payer of the problem. You should immediately notify your supervisor or a higher level RegionalCare official of your discovery so the nature and magnitude of any potential error can be determined and corrected.

Q: Physicians or nurses often call the Billing Office to correct or change a diagnosis in response to a complaint about the claim reimbursement. What should I do?

A: Corrections to medical claim information should only be made by the provider who submitted the original information. Additionally, all changes to claim information must be supported by medical record documentation prior to initiating any changes. It is only appropriate to make coding changes if the changes are legitimate corrections and the medical record documentation fully supports the requested changes.

Q: As a newly hired nurse in our home health agency, I noted that some of the patients I visited did not appear to be homebound. Should I report this?

A: Yes. You should report your observation to your supervisor so they can take action to ensure these services are not billed until the issue is resolved.

Q: Why is accurate record keeping and storage so important?

A: The law requires RegionalCare to prepare and retain a large number of forms and reports in connection with our business. It is our policy to ensure this is done in a complete and accurate manner. The same applies to forms and reports which are part of RegionalCare’s internal management information and control programs.

CONFIDENTIALITY OF INFORMATION

Patient Information: We treat our patient's information with care, respecting our patient's privacy. We will only use patient information for treatment purposes, to obtain payment, and

We are committed to providing the best possible care to all of our patients. This includes treating our patient's information with care, including maintaining every patient's confidentiality and keeping their protected health information secure.

for other health care operations, including administrative purposes and evaluation of the quality of care that our patients receive.

We collect information, including a patient's medical condition, history, medication, and family illnesses in order to provide the best possible care. Although there may be emergent or other situations

where it is necessary to disclose a patient's information (such as instances where the disclosure is required by law), we take care to maintain the confidentiality of our patients' information by sharing patient information only with those individuals who have a need to know for the purposes of treatment, payment or other healthcare operations.

We discuss or share protected patient information only with those who have a right or need to know, only if necessary authorizations have been received, and only in a manner consistent with legal requirements. We will avoid discussing protected patient information in public areas. We proactively safeguard patient information by keeping in line with the HIPAA regulations and our privacy and security policies and procedures. RegionalCare employees must never use or disclose confidential patient information in a manner that violates the privacy rights of our patients. Violation of this policy may result in disciplinary action up to and including immediate termination.

Employee information: We must respect the privacy of our fellow employees. Do not engage in gossip. Do not discuss information contained in another employee's personnel file unless you have a specific business purpose and you are authorized to do so.

Passwords: Passwords and other personal security codes are to be kept confidential. You are responsible for the actions resulting from the use of your accounts. Do not share your password or let others use your computer while you are logged in. For additional information, review Information Technology policies.

Proprietary business information: Do not give confidential or proprietary Company information to unauthorized persons such as competitors, suppliers, or outside contractors without prior approval of a supervisor. This includes financial information, customer lists, discounts, special prices, computer data and computer programs, as well as descriptions of Company processes or operations.

Do not disclose confidential or proprietary Company information

This restriction continues to apply even if you leave your employment at RegionalCare.

Questions and Answers

Q: Who has access to my personnel records and wage information?

A: Personnel records and wage information are confidential. Access to personnel files is limited to management and Human Resources. Individuals who have access to personnel files are held accountable for protecting the privacy of that information.

Q: Our facility occasionally receives calls from patients wanting to know the results of their tests. Can we provide this information?

A: Generally, no. Federal law and the laws of many states place restrictions on who can order and receive test results. In many states, disclosing test results directly to a patient would be a violation of such laws. The laboratory manager or director of your laboratory will know which rules apply in your location. Where a test order has been received from a physician or other authorized medical professional, it is RegionalCare's policy to refer patient calls directly back to his or her own doctor. RegionalCare employees should never attempt to substitute their own judgment for that of a patient's own doctor in the evaluation of test results.

CONFLICTS OF INTEREST

All individuals are expected to act in the best interest of RegionalCare Hospital Partners, Inc. A conflict of interest is defined as any activity, on behalf of the Company or otherwise, that involves the obtaining of an improper personal gain or advantage, or causes adverse effect

If a deal or relationship feels or looks like a conflict of interest, it probably is and should be avoided, or disclosed and resolved

upon the interest of the Company. In other words, individuals must avoid any activity, practice or act which conflicts with the interest of RegionalCare. Laws prohibit the payment or receipt of anything of value in return for purchasing, leasing, ordering, or recommending the purchase, lease or ordering of any goods, services or items covered

under the benefits of Medicare, Medicaid or another government program. RegionalCare employees must avoid situations that would create an actual, or even the appearance of a conflict of interest. Some situations to be avoided include the acceptance of gifts, loans, excessive entertainment from suppliers or vendors, use of privileged information, employment with a direct competitor, or use of the Company's property for personal gain.

Entertainment

Entertainment is generally a social event (e.g., a meal, attendance at a sporting or cultural event, participation in a sporting activity, etc.) where business matters are discussed but is not the main purpose of the event. All business entertainment events must include some business discussion and a host from the Company must be present. The cost associated with such event must not be excessive or extravagant in frequency or amount in any calendar year. Any single entertainment valued at over \$400.00 would require prior approval. (See Policy EC.016)

Entertainment may not be offered for the purpose of influencing or inducing the referral of business, whether or not that business is billed to the government, or which otherwise violates any law or regulation.

No employee, nor any member of the employee's family, may accept any personal gift or favor (including complimentary business or personal trips, entertainment or meals) from any of RegionalCare's competitors, contractors, customers or suppliers, or anyone with whom that employee does business on behalf of RegionalCare.

Any entertainment involving physicians or other persons who are in a position to refer patients or other business to our healthcare facilities must be undertaken in accordance with company policies and government regulations.

A host from the facility or Company must accompany a physician during any event where entertainment is involved

Gifts

RegionalCare employees are expected to remain above reproach in their business dealings, and are encouraged to err on the side of prudence and to avoid even the appearance of impropriety. It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business with or are seeking to do business with RegionalCare. We will never use gifts or other incentives to improperly influence relationships or business outcomes.

Gifts, whether given or received, are governed by this policy

Accordingly, RegionalCare's established policy prohibits giving or receiving any gift from those with whom we do business, valued in excess of \$150.00 per year if the gift or entertainment would influence, or reasonably appear to others to be capable of influencing, the employee's judgment in conducting business affairs with the donor. As an employee of RegionalCare, or one of its facilities, you may accept gifts with a total value of \$150.00 or less in any one year from any individual or organization who has a business relationship with RegionalCare. The \$150.00 limit is an aggregate, yearly limit for all gifts from the same source. If an employee receives one or more gifts exceeding \$150.00 in value, or if there is any question regarding whether the gift meets this standard, the employee must either seek prior approval to accept the gift, refuse the gift, or promptly return the gift to the donor. This policy applies to family members of an employee as well.

Requests for approval must be reviewed by the RegionalCare’s Corporate General Counsel or Chief Ethics & Compliance Officer. This does not affect gifts given to an employee by the Company.

Gifts may be given by a superior to a subordinate; however, subordinates are not to give gifts to superior or higher ranking employees.

No gifts may be offered for the purpose of influencing or inducing the referral of business, whether or not that business is billed to the government.

Acceptance or giving cash gifts of any amount, including cash equivalents, with those whom we do business is strictly prohibited.

Gifts from patients or patients' families should be avoided. Where courtesy requires acceptance of a gift, it should be of modest value and shareable with co-workers if possible.

RegionalCare will not lend money or extend credit to any officer, director or employee for their personal benefit or for the benefit of relatives or friends, nor will the Company arrange credit or guarantee obligations for any such persons. Advancement of legitimate business and travel expenses or the use of a Company credit card for legitimate business expenses with prior approval in accordance with the Company’s expense policy is permissible.

Gifts to Physicians

Under Federal law, it is unlawful for any person to solicit, offer, pay or receive anything of value that would induce the referral of business to a hospital or other medical facility if the item or service is reimbursable directly or indirectly, in whole or in part, under Medicare, Medicaid or another federal program.

Gifts must never be offered to influence the referral of a patient or business

Therefore, since physicians are individuals who refer patients to our facilities, any gifts to a physician must fall under the restrictions of the Federal Anti-Kickback Statute and are not to exceed those limitations. (Refer to Policy # EC.015). Under no circumstances will any gift, payment or other thing

of value be provided to a physician, or physician’s family, that in anyway could be construed as a payment for the referral of a patient or other business to a facility or the Company.

Any questions related to these guidelines should be resolved by contacting RegionalCare’s Corporate General Counsel or Chief Ethics & Compliance Officer.

Outside Employment

A conflict of interest occurs if an outside interest influences or appears to influence your ability to objectively meet your job responsibilities of your facility or RegionalCare. Employees may hold outside jobs as long as they meet performance standards. Outside employment with

You must notify HR of outside employment

a competitor of your facility or the Company is prohibited.

Employees who are considering outside jobs in addition to their RegionalCare employment are required to notify Human Resources of their intentions. Upon gaining employment in an outside job, the employee must report to their supervisor in detail the specific job functions and requirements of the outside job. Management reserves the right to determine if the outside job presents a conflict of interest.

It is the policy of RegionalCare that its employees will not have any direct or indirect financial interest in or personal business relationship with any firm or person with which the Company does business, or in any other activity, which would create a conflict of interest. If you have any questions regarding a conflict of interest you should discuss it with your manager as soon as possible. Violations of this policy will result in disciplinary action up to and including termination.

Relationship with Family Members

A manager or supervisor must not have direct responsibility for hiring or supervising a family member. A family member is defined as all individuals related by blood or marriage, or members of the same household. Family relationships include, but are not limited to spouse, parent, child, sibling, in-law, aunt, uncle, niece, nephew, grandparent, grandchild, and members of the employee's household.

Relationships with Vendors and Suppliers

Employees will maintain impartial relationships with actual and potential vendors, contractors and suppliers and are expected to make decisions that are in the best interest of the Company. Care must be exercised to avoid even the appearance of favoritism toward a vendor, contractor or supplier due to personal relationships. Employees may not hold a substantial interest in a business that provides services to the facility or Company that the employee supervises directly or indirectly. Any association or relationship with a vendor, contractor or supplier by an employee, or an employee's immediate family, must be disclosed to their supervisor. Corporate employees will provide this information to the Chief Ethics & Compliance Officer.

Always maintain an impartial relationship with vendors, contractors and suppliers

[For additional guidance see the Corporate Compliance and Corporate Human Resources Policies and Procedures.]

Questions and Answers

Q: My spouse is employed by a company that believes it can supply higher quality and less expensive supplies to our facility than the current supplier. Can my spouse call on RegionalCare?

A: Generally no, but another representative of your spouse's employer may do so. RegionalCare avoids purchasing goods or services from Company employees or members of their families. In this case, so long as both you and your spouse stay out of the purchasing decision, the Company can probably reach an independent judgment. Always notify your Human Resources Department of any close relationships you have with any of our suppliers.

Q: A physician that admits Medicare patients to the facility where I work wants the company to pay for a seminar being held in Hawaii. He wants the facility to also pay for his family's expenses to accompany him.

A: These expenses would not be considered as being reasonable and could give the appearance of being a payment for the business this physician refers to the facility. In this case, these expenses should not be paid by the Company.

Q: The Chief of Staff, who admits patients to the facility, is also on the facility board. The facility is having a meeting at an offsite location that will require all board members to travel and incur lodging and other travel expenses. Entertainment (golf, hunting, show, etc.) will be provided in connection with this meeting. Is it permissible for the facility to pay for all travel expenses for the physician and his spouse?

A: Yes, so long as expenses are reasonable and the main purpose of the travel is to attend a hospital sponsored meeting. All other spouses must be invited as well and their travel expenses paid.

Q: I oversee a contract with a company that has invited me to visit their plant in another state to observe the operation of a piece of equipment that we are upgrading in our facility. This company will pay all travel expenses for this trip. May I accept this offer?

A: You may accept so long as the expenses are reasonable and the main reason for the travel is to observe equipment which will benefit the hospital or Company that cannot be brought to your location.

Q: I have an opportunity to "moonlight" at our local competitor. Can I take the job?

A: No. Outside employment, especially with a competitor or supplier, may pose a conflict of interest; therefore, such employment is prohibited.

Q: In my job in the Accounts Payable Department, I noted we purchased a gift of several hundred dollars for a physician who refers a lot of patients to us. Is this acceptable?

A: Gifts to physicians by a hospital are limited by provisions of the Federal Anti-Kickback Statute and other federal laws. Should there be a question about such a gift, the matter should be brought to the attention of your supervisor, a higher level manager or the Chief Ethics & Compliance Officer.

Q: I used my own money to purchase two tickets for a professional football game. I would like to give them to a physician who is a member of the medical staff. Since RegionalCare is not paying for the tickets, does the Company's policy on gifts and entertainment apply?

A: Yes. It makes no difference whether you use your own money or the Company's money. You represent RegionalCare and the Company can be held responsible for your actions. Never spend your own money in lieu of the Company's money without confirming that the expense complies with the Company policy and other laws and regulations.

FAIR TREATMENT OF EMPLOYEES

RegionalCare is committed to providing a work environment that is free of unlawful discrimination and harassment. The Company strictly prohibits harassment of any kind, including harassment on the basis of race, religion, color, sex, age, national origin, mental or physical disability, veteran status, or any other characteristic protected by law. This policy applies to all employees, volunteers, physicians and vendors of a RegionalCare facility or corporate office.

Harassment or Discrimination

Harassment may take on many forms, but the most common forms include:

- verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- physical conduct such as assault, unwanted touching, blocking normal movement or interfering with another person because of sex, race or any other protected characteristic.

RegionalCare will not permit discrimination in any form

Such conduct becomes illegal when:

- submission to the conduct is explicitly or implicitly a term or condition of an individual's employment;
- submission to or rejection of this conduct is a basis for employment decisions;
- the conduct has the purpose or effect of substantially interfering with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

RegionalCare strongly urges the reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offenders' identity or position. Individuals who believe they have experienced conduct contrary to the Company's policy or who have concerns about such matters should file their complaints with any member of management, a Human Resources representative or the Compliance Hotline before the conduct becomes severe or pervasive. Reporting harassment to an Employee Assistance Program ("EAP") Counselor is not sufficient since all information an employee provides to the EAP is kept confidential. The Company cannot intervene and rectify inappropriate situations unless it is made aware of them.

Report all cases of discrimination to the proper Company official to ensure appropriate resolution

Sexual Harassment

Sexual harassment in any form is strictly prohibited. Sexual harassment occurs when submission to or rejection of unwelcome sexual conduct is used as a basis for employment decisions or when submission to sexual advances is a condition for receiving employment benefits, promotions, raises, etc. Sexual harassment also occurs when unwelcome sexual conduct unreasonably interferes with job performance or creates an intimidating, hostile or offensive working environment, even if it does not lead to tangible or economic job consequences. Sexual harassment includes the harassment of women by men, of men by women and same-sex gender based harassment.

Complaints may be made verbally or in writing to a manager, Human Resources representative or the Compliance Hotline. Any reported allegations of harassment, discrimination or retaliation will be promptly investigated. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action. If, after an internal investigation the Company determines that harassment has occurred, the harasser will be subject to disciplinary action up to and including termination, as the Company believes appropriate under the circumstances. The complainant will be informed of the action taken against the harasser and what steps will be taken to prevent any further harassment. Malicious, unsubstantiated complaints of harassment, discrimination or retaliation may also result in disciplinary action up to and including termination.

[For additional information and guidance consult Corporate Human Resources Policies and Procedures.]

Questions and Answers

Q: What qualifies as sexual harassment and what can I do if I believe that it is happening to me?

A: Sexual harassment includes any unwelcome or unwanted conduct of a sexual nature (verbal or physical) when submission to, or rejection of, this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, promotion, or other aspects of employment; or the conduct substantially or unreasonably interferes with an individual's employment or creates an intimidating, hostile, or offensive work environment. You should report this conduct to management, your Facility Human Resources Director or call the Compliance Hotline.

Q: What are my options if I feel that I have been discriminated against in my performance review?

A: You should discuss your concerns directly with your supervisor who should be prepared to give you a candid and honest appraisal of your performance. If this does not resolve your concern, you should bring your concerns to your Facility Human Resources Department or another appropriate Company official.

Q: I find it difficult to work because of the profane language and inappropriate humor among a few employees in my department. What should I do?

A: First, let the employee(s) know of your disapproval of their actions, or advise your supervisor that you find the offensive language and humor interfere with your work. If the situation is not corrected, you should then discuss the situation with your supervisor's manager or a Human Resources representative. If the behavior continues you can call the Corporate Compliance Hotline.

Q: I am a single person employed in a department of a facility. My supervisor continues to ask me out on a date even after I have told him that I was not interested. Is this a form of sexual harassment?

A: Yes. If the supervisor continues this course of behavior his actions should be reported using the process described under the "Integrity Reporting Process" of this handbook.

Q: There is one office in my facility where offensive pictures are displayed. I have expressed my objections to the person responsible and the response I have received is, "Grow up." What should I do?

A: You should contact your supervisor or the Human Resources Manager to have it investigated.

GOVERNMENT INVESTIGATIONS

RegionalCare will cooperate with all government investigations. Government investigations are a fact of life in today's health care environment and procedures for cooperating with these investigations may be complex. If a RegionalCare employee is contacted by any person who identifies him or herself as a government investigator, the employee should notify his or her supervisor, who should then notify the RegionalCare General Counsel, the Chief Ethics & Compliance Officer, and Chief Quality Officer immediately or as soon as feasibly possible. When calling, notify the person taking the call that you are calling concerning a potential government investigation. You will be given guidance on the proper procedures to follow for cooperating with the investigation.

RegionalCare cooperates fully with all government investigations

In some cases, government investigators, or persons presenting themselves as government investigators, may contact employees outside of the workplace, during non-working hours, or at home. Do not feel pressured to talk with the person under such circumstances without first being sure of their identity by requiring to see some form of official identification and, if you wish, contacting someone for legal advice. It is the legal right of employees to contact an attorney before responding to questions by an investigator. An employee is requested to notify his or her supervisor, who should then notify the General Counsel and/or the Chief Ethics & Compliance Officer if contacted by an investigator. It is Company policy to provide consultation by our Legal Department to any employee if the investigation is in connection with a government inquiry.

RegionalCare employees must never, under any circumstances: destroy or alter any Company document or record in anticipation of a request for the document or record by a government official, agency or court, lie or make false or misleading statements to any government investigator, or attempt to persuade another Company employee, or any other person, to provide false or misleading information to a government investigator or to fail to cooperate with a government investigation.

- RegionalCare employees must never, under any circumstances: destroy or alter any Company document or record in anticipation of a request for the document or record by a government official, agency or court,
- lie or make false or misleading statements to any government investigator, or
- attempt to persuade another Company employee, or any other person, to provide false or misleading information to a government investigator or to fail to cooperate with a government investigation.

You should never interfere with an investigation by destroying, altering or lying to the investigator

Subpoenas

Any RegionalCare employee who receives a subpoena or other written request for information (such as a Civil Investigative Demand) should contact the Corporate Legal Department or the Corporate Compliance Department immediately for assistance and guidance before responding to the request.

Questions and Answers

Q: A person identifying himself as the local district attorney calls and asks me to give a statement regarding RegionalCare's treatment of a particular patient. Should I respond?

A: We have a responsibility to protect patient confidentiality. Do not provide confidential patient information to any person who calls you on the telephone unless you know who the person is and you have a signed release from the patient or the authority to do so. You should first consult with the Regional-Care Chief Ethics & Compliance Officer before providing any information.

Q: What should I do if an FBI agent comes to my home and asks to talk to me about the activities of my department?

A: RegionalCare cannot prohibit you from talking with a government investigator if you wish to do so. However, you may wish to consult with an attorney or the RegionalCare General Counsel or Chief Ethics & Compliance Officer before answering any questions. Asking to speak with an attorney before answering questions is your right and in no way implies that you are not cooperating fully.

Q: FBI Agents and other investigators from the Justice Department show up in my department with a search warrant to collect documents from the hospital's record system. Do they have a right to begin their search and take documents prior to the arrival of my manager?

A: Yes they do. Any efforts to hinder the search could be construed as an obstruction of a law enforcement process on your behalf and could result in legal consequences.

Q: As the one in charge of the facility, what should I do when a search warrant is being executed in the facility?

A: You should first ask for official identification of the agent or officer supervising the search. Next, you should immediately call RegionalCare's General Counsel and Chief Ethics & Compliance Officer. If allowed, you or another staff member should observe and take notes while the search is taking place. You should also obtain a copy of the warrant and a copy and list of all items that are removed or copied. Employees should be advised not to interfere with the search or discuss the search warrant or any related events with the press.

HEALTH, SAFETY AND ENVIRONMENTAL CONCERNS

We strive to provide and are committed to promoting a safe and healthy workplace in which applicable health and safety laws and regulations are observed. We constantly look for sound and innovative methods to reduce any adverse impact of our activities on the environment.

Hazardous Chemicals

All employees are expected to use good judgment and handle materials according to established control, storage, and disposal procedures. If you do not know the correct procedure for handling or disposing of such material you should ask a supervisor or another RegionalCare resource, such as the Safety Officer or Risk Manager for assistance.

Always err on the side of caution when handling chemicals that might be harmful to you or others

Firearms and Explosives

The presence of firearms and explosives in the workplace pose health and safety risks to all employees. Possession of a firearm or explosives by employees on the Facility's premises, without the consent of the Facility's CEO, is strictly prohibited. An exception to this policy would be for law enforcement officers in the performance of their job responsibilities.

Questions and Answers

Q: With all the rules and regulations about disposal of chemical waste, I am not entirely sure what I can put down the drain. How do I find out what is acceptable?

A: Any chemical which comes into the facility must have regulations attached regarding its storage, usage, disposal and what to do in the case of a spill. A Materials Safety Data Sheet (MSDS), with this information, is located in the appropriate departments of the facility. Consult the Safety Officer with questions about the safe handling of a chemical.

Q: How does my facility and RegionalCare dispose of medical and/or bio-hazardous waste?

A: Through contracts with licensed disposal companies.

INSIDER INFORMATION

Federal laws prohibit trading stock or other securities based on insider information. These laws also prohibit giving insider information to another person, even if you do not receive personal financial benefits. Insider information is information not generally available to the public that could be viewed as material in determining whether or not to trade a company's securities.

Non-public information about a company's stock should not be disclosed to anyone

Even though RegionalCare is not a public company that trades stocks through the Securities and Exchange Commission (SEC), insider trading rules can still apply to you as an employee of this Company. If you have insider information about another company and buy, sell or trade their

stocks based on that insider information, you could violate SEC rules and regulations, resulting in serious consequences.

Check with your attorney, tax accountant or stock broker for advise before you trade stock or any security (such as a bond or option) when you may have insider information. You may not disclose insider information to any person, including family members. Take precautions to prevent unauthorized disclosure of insider information that comes into your possession.

Questions and Answers

Q: I have heard about "insider trading" of company stock on the evening news. I own some stock in another company and want to be sure I do not do something wrong if I decide to sell it. How do I protect myself?

A: Any important information about the company which has not been disclosed to the general public could be considered as insider information. This typically would include knowledge of the company's financial performance, significant mergers or acquisitions, significant customer or supplier problems, marketing plans, new products or services, pending contract awards, cancellations, or changes in a company's leadership that have not been announced to the public. Questions about the appropriate purchase or sale of stock should be addressed to your personal attorney, tax advisor or stock broker.

Q: My family and neighbors regularly ask me about a company where I work and whether they should buy that company's stock. Usually, I tell them what I know about the business and suggest that they buy it because I think the company is a good, sound one. Is this a problem?

A: It could be. The same rules about insider information apply whether you buy or sell stock yourself or if you give the information to someone else. If a relative or friend buys or sells stock based on non-public information or "tips" that you have provided, both of you could be liable for violating federal securities laws. So long as you do not make recommendations based upon insider information, it is up to you whether to recommend that company's stock.

NON-RETALIATION/RETRIBUTION FOR REPORTING COMPLIANCE ISSUES

Every supervisor and manager has the responsibility to create an environment in which concerns can be openly discussed

RegionalCare's policy prohibits any employee from retaliating against or engaging in harassment of another employee who has reported suspected wrongdoing. Every RegionalCare supervisor and manager has the responsibility to create a work environment in which ethical and legal concerns can be

raised and openly discussed without fear of retaliation or retribution. This includes avoiding any action that might constitute retaliation, retribution or harassment against an employee who has reported a concern. If you suspect that any RegionalCare employee is engaging in acts of retaliation, retribution or harassment against another employee for reporting suspected wrongdoing, immediately notify the Chief Ethics & Compliance Officer or call the RegionalCare Integrity Hotline. **Harassment, retaliation or seeking retribution against a reporting employee may lead to disciplinary action, up to and including termination of employment on the first offense.**

It is the responsibility of every employee to report concerns about actual or potential wrongdoing and are not permitted to overlook such actions. If an employee has knowledge of actual wrongdoing and does not report the activity, it will be considered a serious offense which can lead to disciplinary action, up to and including termination of employment.

It is the responsibility of every employee to report concerns about actual or potential wrongdoing

Questions & Answers

Q: I have observed a physician in our hospital, who is one of the leading admitters, do something which I think violates a Company policy. I believe I should tell someone about this. However, I am a single parent and need my job. How should I proceed?

A: Even if the physician is a leading admitter, you should bring this matter to the attention of management. It is most important for all of us to bring forth any potential misconduct by anyone working in a RegionalCare facility. Allegations of physician misconduct are normally handled through the medical staff process. While this process takes time, we are committed to resolution of allegations against any member of our Company. RegionalCare has a policy and firm commitment to create a work environment where issues like this can be raised without fear of harassment, retribution or retaliation. Calling the Corporate Compliance Hotline may be your best option.

Q: The word around our hospital is that the CEO will discipline anyone who calls the RegionalCare Corporate Compliance Hotline to report any issues at the facility. What can I do if I need to report a matter I suspect is in violation of our Company policy or federal regulation?

A: If you have reason to believe that Company policy or laws are being violated, you should make this information known through the Hotline or by other means as described in the Company's Integrity Reporting Process. Your identity and the fact that you have reported the matter will be protected. If someone retaliates against you for reporting, you should immediately notify the Chief Ethics & Compliance Officer.

PROTECTING REGIONALCARE ASSETS

You should use Company property and other RegionalCare assets for business purposes only. Company property is only for authorized business purposes and should not be used for personal reasons. This includes all Company property, whether owned or leased. Assets of others must be equally protected.

Treat all Company property and equipment with care and respect

Communication Systems

The HIPAA Security Rule mandates that we protect all patient health information by having a secure system that controls access

All communication systems, including but not limited to electronic mail, Intranet, Internet access, telephones, and voice mail, are the property of the Company and are to be used primarily for business purposes in accordance with our established policies. Limited reasonable personal use of the communications systems is permitted; however, users

should not assume these communications are private nor presume the expectation of privacy in anything they create, store, send, or receive on the computer and telephonic systems. The Company reserves the right to monitor communications usage and content as consistent with Company policies and procedures. The systems may not be used to post, store, transmit, download, or distribute any threatening materials; knowingly, recklessly, or maliciously create or send false materials; obscene materials; or anything constituting or encouraging a criminal offense or that would otherwise violate any laws.

Surplus Property

All surplus and obsolete property must be disposed of according to Company policies. Company property should not be converted to personal use without appropriate authority.

Questions and Answers

Q: If I see an employee intentionally misusing or damaging Company property, what should I do?

A: We all have an obligation to treat Company property and equipment with care and respect. This includes reporting any damage or malfunction of Company property to appropriate Company personnel. If you are aware of anyone who is negligent or intentionally damages RegionalCare property or equipment, you should report your observations to your supervisor or other Company manager, who will investigate the matter and take appropriate action.

Q: Can I supply a list of our clients to an outside source?

A: Client lists are a valuable asset and should never be disclosed to anyone outside of the Company without specific management approval. Ask your supervisor about any request you receive for such a client list.

Q: Can I bring in my own computer and connect it to the facility's system?

A: No. You should not for several reasons. First, the computer may contain a virus that could infect the facility system causing it to malfunction. Also, you could be in violation of HIPAA Regulations by having patient information on an unsecured computer.

Q: My computer at work has a calendar/personal planner program that I would like to use for my personal use on my home computer. Can I make a copy of this for home use?

A: No. Computer software is protected by copyright laws and may not be copied for personal use. You should purchase the software from the software supplier or from a retail source.

USE OF ALCOHOL AND DRUGS

Current Employee Testing

Employees, their possessions, and Company-issued equipment and containers under their control are subject to search and surveillance at all times while on Company premises or work sites or while conducting Company business.

Employees are not permitted to work when they are under the influence of drugs, narcotics, or alcohol. Supervisors who reasonably believe that an employee is under the influence of drugs, narcotics, or alcohol while at work should immediately report the matter to Human Resources who will take appropriate action as it sees fit under the circumstance, including sending the employee for alcohol or drug testing or to be examined by a physician.

Employee Assistance Program (EAP)

Employees who are experiencing work-related or personal problems resulting from drug, narcotic, or alcohol abuse or dependency may request, or be required to seek help through counseling. Participation in counseling, including Company-sponsored counseling provided through the Employee Assistance Program (EAP) or required counseling as outlined by the employee's manager and Human Resources, is confidential, and will not have any influence on performance appraisals. Job performance, not the fact the employee seeks counseling, is to be the basis of all performance appraisals.

An employee who is abusing drugs or alcohol may be granted a leave of absence to undergo rehabilitation treatment. The employee will not be permitted to return to work until certification is presented to the Human Resources Department that the employee is capable of performing his or her job. Failure to cooperate with an agreed-upon treatment plan may result in discipline, up to and including termination. Participation in a treatment program does not insulate an employee from the imposition of discipline for violations of this or other Company policies. If licensed, the licensing agency will be notified.

Post-Employment Drug Testing

Our post-offer, pre-employment drug testing program is designed to prevent the hiring of individuals who use illegal drugs or whose use of legal drugs or alcohol indicates a potential for impaired or unsafe job performance.

The Company will not hire, subject to federal, state or local law restrictions, alcoholics or drug abusers whose current use of those substances prevents them from performing their jobs or who would constitute a direct threat to the property or safety of others. Whenever applicants for employment or employees are to be tested for the presence of illegal drugs or alcohol, they are to be informed in advance and in writing.

Prescription Drugs

If an employee is taking an over-the-counter or prescribed medication which might impair his or her ability to perform the job safely and effectively (for example, if there is a caution against using machinery or driving a vehicle while taking the medication and such activities are a required part of the employee's job), the employee must report the fact that they are taking such a medication, and its potential effects, to Human Resources, who will take appropriate steps to determine, if necessary, whether the employee is fit to be at work.

Prohibition of Alcohol and Illegal Drugs

It is the policy of RegionalCare to maintain a workplace that is free from the effects of drug and alcohol abuse.

Employees are prohibited from using, selling, distributing, possessing, or manufacturing illegal drugs, controlled substances, narcotics, or alcoholic beverages on Company premises, including parking lots or work sites. In addition, RegionalCare prohibits off-premises abuse of alcohol and controlled substances, as well as the possession, use, or sale of illegal drugs, when these activities adversely affect job performance, job safety, or the Company's reputation.

An exception would be the moderate consumption of alcohol at a facility or Company-sponsored event approved by the facility's CEO or by a senior officer of the Company.

Employees subject to the Drug-Free Workplace Act who are convicted of any criminal drug violation occurring in the workplace must report the conviction to the Human Resources Department within five days, and Human Resources will take appropriate action as required by law.

Employees may be subject to disciplinary action, up to and including termination, for violations of this policy. Violations include, but are not limited to, possessing illegal or controlled substances and narcotics or alcoholic beverages at work; being under the influence of those substances while working; using them while working; or distributing or illegally manufacturing or selling them on Company premises and work sites.

Questions & Answers

Q: Are the results of drug tests kept confidential?

A: Yes. Drug test results will be carefully monitored to protect employee privacy and will be used only as needed to address the employee's particular situation, or as otherwise required by law. Access to an employee's drug test results will be limited to those on a need-to-know basis.

Q: I do not use illegal drugs. What steps have been taken to protect me from a false positive result in the drug testing process?

A: Drug testing will be conducted by a laboratory with approved standards for accuracy and privacy. All initial positive results will be confirmed by a second independent test before any action is taken against an employee. If an employee's positive drug test is confirmed by the second test, the employee will be contacted by a Human Resources official. If circumstances warrant, additional tests may be performed on a specimen, or the employee may be required to submit to an additional test.

Q: What will happen to me if I test positive for illegal drugs?

A: RegionalCare reserves the right to discipline any employee working under the influence of illegal drugs, abused substances, or alcohol, which may include terminating the employment of such employee. Upon the confirmation of a positive drug test result, an employee will be disciplined appropriately.

COMPLIANCE TRAINING AND EDUCATION

General Training

All employees, whether located in one of our facilities or at the Corporate office, will be afforded appropriate training and education regarding the essential elements of our Ethics & Compliance Program. In this presentation essential elements of our compliance program will be presented followed by the opportunity to ask questions. Each employee will also be provided a copy of the RegionalCare Code of Conduct containing guidance and a general overview of the program requirements. All employees will be required to sign an “Acknowledgment of Integrity Guidelines” indicating they have received training and agree to abide by policies of the Company, as well as laws and regulations governing our business activities. This documentation will be retained in the employee’s training or personnel file at the facility. The Code of Conduct is to be retained by each employee for future reference.

Newly Acquired Facility

When a facility is acquired by RegionalCare there are many immediate things that need to be accomplished, one of which is ensuring that each employee is trained on the Code of Conduct within the first 30 days. This will occur as explained under the topic “General Training.”

New Employee

New employees will go through training to be orientated with the requirements of their particular job responsibilities at their facility. Included in this orientation will be training on our Code of Conduct and Ethics & Compliance Program policies. This orientation will be provided by the appropriate personnel at the facility within the first 30 days of employment. At a minimum, the employee will receive a copy of the Code of Conduct, view a program about compliance and be given the opportunity to ask questions about any portion of the program. Employees will be required to sign the “Acknowledgment of Integrity Guidelines” that will be retained in the employee’s training or personnel file at the facility.

Specialized Training

Each employee will receive specialized training on compliance policies and procedures adopted by RegionalCare. This training will be designed to familiarize each employee with requirements they have in performing their job responsibilities. Generally, this training will be conducted by the employee’s manager, supervisor, the Facility Ethics & Compliance Officer or the Human Resources manager.

Newsletters

Oftentimes the government, particularly the Office of Inspector General (OIG) of the Department of Health & Human Services, releases alerts or special guidelines which are very important to our facilities. The Corporate Compliance Department and other Corporate departments will periodically communicate, through newsletters or emails, this information that may require us to be alert to changes or adjustments to our business activities. This information should be provided to each department manager, as appropriate, so they can bring it to the attention of their staff. These communications are to be maintained for future referral by the manager, in a way that is accessible by everyone in the department.

[For additional information about training, please see the Corporate Ethics & Compliance Policies and Procedures Manual]

NOTICE TO ALL EMPLOYEES REGARDING FRAUD

The Deficit Reduction Act of 2005, signed into law by President Bush on February 8, 2006, contains specific requirements regarding entities that receive more than \$5 million annually from Medicaid. The law, effective January 1, 2007, requires that entities covered by the law have specific policies dealing with matters of fraud and abuse. In addition, employees are to be informed about a federal law known as the False Claims Act, a civil anti-fraud statute providing that any person who knowingly submits or causes the submission of false claims for government funds or property is liable for damages and penalties. Entities that knowingly violate this law can be liable for triple damages and a penalty from \$5,500 to \$11,000 per claim.

RegionalCare wants to follow all laws that apply to our activities. Actions that may violate any state or federal law or regulation, including bribery, theft, fraud (for example, billing for supplies that were not used, or billing for two items when only one was used on the patient), or wasting money or supplies, must be reported and stopped. Improper activities are not limited to misuse of money. You should report any activity that you think is wrong, such as sexual harassment or mistreating patients.

To report improper activity, talk to your supervisor or to the Chief Ethics and Compliance Officer at 615-844-9851, or call the RegionalCare Compliance EthicsLine at 1-888-9CARE91 (1-888-922-7391) or www.regionalcare.net. If you are not comfortable reporting to your supervisor or the Facility Ethics and Compliance Officer, or calling the Compliance EthicsLine, you may call the HHS Hotline at 1-800-HHS-TIPS (1-800-447-8477).

For more information about reporting improper activity, please see the RegionalCare Ethics and Compliance Plan “Whistleblower” provision and the “RegionalCare Whistleblower Policy and Procedure.”

ACKNOWLEDGMENT OF INTEGRITY GUIDELINES

My signature on this form acknowledges that I have received a copy of the RegionalCare Code of Conduct and agree to read and familiarize myself with its contents.

I agree to obey all federal, state and local governmental laws and regulations at all times. If I am not certain about the Company's policies, or about the law, it is my responsibility and my right to get advice from my supervisor, Human Resources, any management personnel, Corporate General Counsel or Chief Ethics & Compliance Officer.

I agree to comply fully with the Ethics & Compliance Program Guidelines contained in this book. I understand that compliance with these guidelines is a condition of my continued employment or association with RegionalCare. Likewise, I understand any failure to report a violation, even if the violation is committed by another employee, can result in disciplinary action, up to and including termination of employment. I also understand that RegionalCare reserves the right to occasionally amend, modify and update these Ethics & Compliance Program Guidelines.

I also acknowledge that the Code of Conduct is only a statement of principles for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment.

Name (Please Print)

Signature

Date

Department



RegionalCare Hospital Partners
103 Continental Place, Suite 200
Brentwood, TN 37027
(615) 844-9800
www.regionalcare.net