CODE OF CONDUCT

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OCONEE REGIONAL MEDICAL CENTER STATEMENT OF COMPLIANCE

Oconee Regional Medical Center is committed to providing health care services in compliance with all state and federal laws governing its operations, and consistent with the highest standards of business and professional ethics. In order to ensure that the hospital's compliance policies are consistently applied, a Legal Compliance Program was established in December 1996.

CODE OF ETHICS

Oconee Regional Medical Center is dedicated to providing a high quality of both primary and specialized medical care and health education services to its patients. ORMC's continuous quality improvement and employee accountability toward service excellence will ensure that a high quality of patient care is sustained.

The medical staff will strive to treat and cure disease, and to eliminate or reduce pain and suffering. We recognize the right of the patient to participate in and ultimately define his/her own acceptable quality of life and we will help the patient, patient's family and/or representative in achieving their goals within acceptable medical standards of practice and guidelines.

ORMC recognizes that our medical staff and employees are the most important source of our strength. Their involvement and support are essential to our mission. All employees will uphold high ethical standards in business practice and marketing strategies, and will endeavor to select firms that hold the same high principles when entering into contractual relationships. The personal dignity and privacy of patients will be respected. All healthcare providers and employees will keep in confidence privileged information concerning our patients. All employees will strive to render care in a professional, compassionate manner. All patients shall be accorded impartial access to treatment that is medically indicated and accommodations that are available, regardless of race, creed, sex, national origin, or sources of payment for care. Financial considerations will never dictate the quality of care. Questions concerning billing will be handled promptly, and conflicts will be resolved on the basis of reasonable and customary billing practices in our area.

The medical staff and hospital personnel acknowledge a moral obligation to work as a professional team to provide the best medical care to patients of which they are capable. Patients and their families will participate in informed decision making concerning their care and in consideration of ethical issues that may arise. Such ethical issues may include withholding of resuscitative services and forgoing or withdrawal of life-sustaining treatment. Whenever hospital personnel have personal objections to participation in withdrawal of life-sustaining equipment, their beliefs will be respected. All members of the healthcare team will endeavor to ensure the safety of the patients with regard to hospital environment, practices, and equipment used in their care and will strive to attain a restraint-free environment.

RESPONSIBILITIES OF DEPARTMENT MANAGERS

Department Managers have committed themselves to setting an example for the hospital staff by complying with all policies and standards of Oconee Regional Medical Center and by pledging

to educate employees who report to them about their department policies and those of the hospital.

MEDICARE CONDITIONS OF PARTICIPATION

The Hospital has been certified by Medicare to receive payment for providing services to Medicare patients. This requires the Hospital to comply with Federal regulations known as Conditions of Participation (CoP). In some instances, the government is now linking noncompliance with the CoP's to fraud under the False Claims Act. Failure to comply with CoP's may result in loss of Medicare funding and/or Joint Commission accreditation.

PAYMENTS, DISCOUNTS, AND GIFTS

The Hospital participates in the Medicare and Medicaid programs. Federal law makes it illegal for the hospital to provide or accept remuneration in exchange for referrals of patients covered by Medicare or Medicaid. The law also prohibits the payment or receipt of such remuneration in return for directly purchasing, leasing, ordering, or recommending the purchase, lease, or ordering of any goods, facilities, services, or items covered under the benefits of Medicare or Medicaid. In Georgia a parallel state statute applies these same prohibitions to all patients, regardless of payor source.

A. ANTI-KICKBACK LAWS

Federal and state laws prohibit the hospital and its employees from knowingly and willfully offering, paying, asking, or receiving any money or other benefit, directly or indirectly, in return for obtaining favorable treatment in the award of a contract or the referral of patients.

B. ENTERTAINMENT AND GIFTS

The hospital recognizes that business dealings may include a shared meal or other similar social occasion. More extensive entertainment should always be consistent with hospital policy, and if a question should arise, it should be discussed with the employee's Manager, Director, Vice President or the Compliance Officer. Hospital employees may not receive any gift under circumstances that could be construed as an improper attempt to influence the hospital's or an employee's decision or action. If an employee receives a gift that may be considered a violation of this policy, the gift shall be reported to the supervisor and/or Compliance Officer for advice and direction regarding the gift.

The pharmaceutical industry has established a voluntary Code of Conduct, "PhRMA Code for Vendors," which addresses interactions with respect to marketed products and related activities. This Code provides guidelines as to which practices are permissible and which should be avoided.

It is not uncommon for patients and/or their family members to wish to express their gratitude for the wonderful care provided by hospital staff members. If a patient (which includes inpatient, outpatient, or discharged patients), family member or visitor brings in cookies, cake, fruit baskets, or items of similar nominal value for an entire department, this is acceptable, and should be shared accordingly within the department. However, the acceptance of gifts that have a

monetary value of any amount (such as cash, gift cards, jewelry, etc.) is not permitted, and doing so will result in appropriate disciplinary action, up to and including termination.

MARKET COMPETITION

ORMC is committed to complying with all anti-trust laws, the purpose of which is to preserve the competitive free enterprise system. The hospital and its employees will not have any written or oral discussions with competitors concerning pricing policies, pricing formulas, bids, discounts, credit arrangements or compensation practices. If an employee is asked to provide a trade association with information about ORMC's business practices, he or she should consult the Compliance Officer prior to disclosing any information.

ENVIRONMENTAL COMPLIANCE

A hospital produces waste of various types. ORMC is committed to safe and responsible disposal of biomedical waste and other waste products. Compliance with applicable federal and state environmental regulations requires on-going monitoring and care. The hospital uses a medical waste tracking system, biohazard labels, and biohazard containers for the disposal of infectious or physically dangerous medical or biological waste. Employees who come into contact with biological waste should report any deviations from the policy to their supervisor, the Safety Officer, or the Compliance Officer.

CONFLICTS OF INTEREST

Hospital employees should avoid all potential conflicts of interest to ensure total objectivity in carrying out their duties for the hospital. Hospital employees may not be employed by, act as a consultant to, or have an independent business relationship with any of the hospital's service providers, competitors, or third party payors. Nor may employees invest in any payor, provider, supplier, or competitor unless they first obtain written permission from the Compliance Officer. Employees should not have other employment or business interests that place them in the position of (i) appearing to represent the hospital, (ii) providing goods or services substantially similar to those the hospital provides or is considering making available, or (iii) lessening their efficiency, productivity, or dedication to the hospital in performing their everyday duties. Employees may not use hospital assets for personal benefit or personal business purposes, and may not divulge confidential financial information of the hospital for their own personal purposes.

DISCRIMINATION, HARASSMENT, AND WORKPLACE VIOLENCE

The hospital and its affiliates are committed to a policy of nondiscrimination and equal opportunity for all qualified applicants and employees, without regard to race, color, sex, religion, age, national origin, ancestry, disability, or sexual orientation. Our policy of nondiscrimination extends to the care of our patients. If an employee feels that he or she or any patient has been discriminated against or harassed on the basis of his or her race, color, sex, or other protected category, then it should be reported to the Director of Human Resources or the Compliance Officer so that an investigation may be initiated in accordance with hospital policies

and procedures. A patient who feels he or she has been the subject of an unlawful discrimination or harassment is encouraged to contact the patient representative, who will work with the Compliance Officer to investigate the matter.

DISRUPTIVE BEHAVIOR

Disruptive or intimidating behavior on the part of members of the hospital staff or the Medical Staff can significantly impact patient safety. The quality of patient care depends upon good teamwork, communication, and a professional, collaborative work environment for all members of the healthcare team.

Examples of disruptive behavior are: refusal to perform assigned tasks, exhibiting uncooperative attitudes; refusal to answer questions or pages; and verbal outbursts. These behaviors create an unhealthy and sometimes hostile work environment and must be addressed. The hospital environment must foster mutual respect and courtesy for all healthcare professionals.

Disruptive or intimidating behavior should be reported to a supervisor, vice president, Human Resources or the Compliance Officer. Issues involving the Medical Staff should be referred to Administration for discussion with Medical Staff leadership.

MEDICARE SANCTIONS

ORMC complies with Federal law, which prohibits employing or contracting with persons or companies that have been excluded from participation in a Federal health care program. The Office of the Inspector General (OIG) periodically issues a Sanctions List, which lists excluded individuals and entities. All hospital staff members are checked against this list prior to hire and periodically thereafter, as are physicians and allied health professionals requesting membership on our Medical Staff. Physicians who are not on our Medical Staff are also checked against the Sanctions List before the hospital will accept their orders for testing or outpatient treatment. The Sanctions List is carefully reviewed by assigned departments each time it is distributed.

DRUG FREE WORKPLACE

The employees of Oconee Regional Medical Center are a valuable resource and their health and safety is therefore a serious concern. The hospital will not tolerate any drug or alcohol use that imperils the health and well-being of its patients, its employees, or threatens its business. The use of illegal drugs, controlled substances, or alcohol, on or off duty, tends to make employees less productive and reliable, and prone to greater absenteeism. Furthermore, employees have the right to work in an alcohol and drug- free environment and to work with persons free from effects of alcohol or drugs. The hospital will vigorously comply with requirements of the Drug-Free Workplace Act of 1988.

EMPLOYEE RESPONSIBILITY TO DETECT AND REPORT

The hospital operates in a highly regulated industry, and must monitor compliance with a great variety of highly complex regulatory requirements. Cooperation of Employees and professional

staff members in complying with these regulations is essential and bringing lapses or violations to light is expected. While violations of regulatory requirements may not carry criminal penalties, licensure and certifications may be jeopardized, and can result in civil monetary penalty, as well as damage to our reputation and loss of accreditation. The hospital's continued ability to operate depends upon each employee's help in regulatory compliance.

Hospital staff members are strongly encouraged to report all known or suspected violations to their supervisor and/or the Compliance Officer. Reports may also be made anonymously through the Values Line. Department Directors and Managers are required to report allegations presented to them and to report suspected improper activities that come to their attention in the ordinary course of performing their supervisory duties. Reporting parties, including Directors and Managers, will be protected from adverse action in accordance with ORMC policies and procedures, as well as under the law, for making such a report as long as the reports are submitted in good faith and are not malicious - regardless of whether or not the report ultimately proves to be well founded.

RESPONSE TO INVESTIGATIONS

State and federal agencies have broad legal authority to investigate the hospital and review its records. The hospital will comply with subpoenas and cooperate with governmental investigations to the full extent of the law. The Compliance Officer is responsible for coordinating the hospital's release of any information. If a department, an employee, or a professional staff member receives an investigative demand, subpoena, or search warrant involving the hospital, it should be brought immediately to the Compliance Officer or the Administrator on call. Do not release or copy any documents without authorization from the Compliance Officer, administrator on call, or hospital counsel.

All third party auditors or surveyors must provide verification of their identity (i.e., business card with organizational or agency logo and picture identification) prior to the release of any documentation or interviews conducted including any necessary valid patient authorization.

EMERGENCY MEDICAL CARE

Prompt and effective delivery of emergency care may not be delayed in order to determine a patient's insurance or financial status. Each patient presenting at the Emergency Department or elsewhere on hospital property must receive an appropriate medical screening examination. An emergency may include psychiatric disturbances, symptoms of substance abuse, or contractions experienced by pregnant women. If necessary, the stabilized patient may be transferred to another hospital that is qualified to care for the patient, has space available, and has agreed to accept the transfer. Before transfer, hospital staff shall provide the medical treatment which minimizes the risks to the patient's health and, in the case of a woman in labor, the health of the unborn child. A physician must sign a certification that the medical benefits reasonably expected from treatment at another facility outweigh the increased risk to the patient and/or unborn child. No physician will be penalized for refusing to authorize the transfer of an individual with an emergency condition that has not been stabilized. The transfer must be performed by qualified personnel with appropriate transportation equipment, including life support measures during the

transfer if medically appropriate. A copy of the patient's record, including complete records of the Emergency Department encounter and any other records that are available, must be sent to the receiving hospital.

SUSPECTED ABUSE

Section 19-7-5 of the Official Code of Georgia requires any hospital staff member having cause to suspect abuse, neglect, or exploitation of a child, disabled or elder adult to report those suspicions to the Department of Family and Children Services (DFACS) in the county where the suspected victim resides.

ORMC staff members will notify the Overhouse Supervisor or nurse manager/department manager prior to making a referral. Law enforcement has requested notification at the same time that DFACS is notified.

In the Skilled Nursing Unit, an employee suspecting abuse will notify the DON, Nursing Supervisor, Administrator, or Administrator on Call immediately. The employee will submit a written report within 24 hours, and the SNU Administrator or his/her designee will file a report to the Georgia Department of Human Resources. The patient's attending physician will be notified. All alleged violations involving mistreatment, neglect or abuse, including injuries of an unknown source and misappropriation of property of a SNU resident will be reported immediately to the SNU administrator, in accordance with Federal guidelines. All such incidents will promptly be investigated and reported to the Georgia Department of Human Resources, Long Term Care Section, by telephone or fax.

STATE REPORTING REQUIREMENTS

The Hospital is required to report certain incidents involving hospital patients to the Department of Human Resources, Office of Regulatory Services within 24 hours of the time from which the hospital has reasonable cause to believe an incident has occurred. These incidents include:

- Any unanticipated death not related to the natural course of the patient's illness or underlying condition;
- Any rape which occurs in a hospital; and
- Any surgery on the wrong patient or the wrong body part of the patient.

The Hospital must also report the following events if they cause, or are expected to cause, a significant disruption in patient care:

- a labor strike, walkout, or "sick out";
- an external disaster or other emergency situation; or
- an interruption of services vital to continued safe operation of the facility.

The Risk Manager and Administrator on Call are to be notified immediately in the event any of the above noted incidents occur.

RECORD KEEPING AND RETENTION

Hospital employees are not permitted to alter, remove, or destroy permanent documents or records of the hospital. Medical records must be retained for the time period specified by law. Retention of other records is subject to nationally or state-recognized retention guidelines. This includes paper, magnetic tape, and computer records.

BILLING AND CLAIMS

When claiming payment for hospital or professional services, the hospital has an obligation to its patients, third party payors, and the state and federal governments to exercise diligence, care, and integrity. The right to bill the Medicare and Medicaid programs carries a responsibility that may not be abused. The hospital is committed to maintaining the accuracy of every claim it processes and submits.

The federal government uses the False Claims Act to recover government funds when it believes that these funds were wrongfully obtained. Georgia also has a False Medicaid Claims Act, which creates liability for the same types of conduct that are already prohibited under the federal Act. False billing is a serious offense. Many people throughout the hospital have the responsibility for entering charges and procedure codes. Each of these individuals is expected to monitor compliance with applicable billing rules. Any false, inaccurate, or questionable claim should be reported immediately either to a supervisor, the Chief Financial Officer, or the Compliance Officer.

LEGAL COMPLIANCE PROGRAM RESPONSIBILITIES

All employees and professional staff members must comply with the policies and procedures of the Compliance Program as well as those policies which define the scope of hospital employment and professional staff membership. Conduct that does not comply with these statements is not authorized by the hospital, and is outside the scope of hospital employment and professional staff membership, and may subject employees and professional staff members to disciplinary action. If a question arises as to whether any action complies with hospital policies or applicable law, an employee should present that question to that employee's supervisor, directly to the hospital's Compliance Officer, or to a member of the Compliance Committee. All employees should review the hospital's Legal Compliance Program Manual from time to time to make sure that these policies guide their actions on behalf of the hospital.

If, at any time, any employee or professional staff member becomes aware of any apparent violation of the hospital's policies, he or she is expected to report it to his or her supervisor or to the Compliance Officer. All persons making such reports are assured that they are treated as confidential; such reports will be shared only on a bona fide need-to-know basis. The hospital will not take adverse action against persons making such reports (which must be submitted in good faith and must not be malicious) whether or not the report ultimately proves to be well founded.

VALUES LINE

ORMC has established a confidential toll-free telephone number, known as the Values Line (800-273-8452), which is available at any time to report suspected compliance violations including, but not limited to, those involving billing and claims submissions, fraud and abuse, and violations of laws and regulations.

All Values Line reports are treated confidentially and can only be accessed by the Compliance Officer. All reports made to the Values Line will be investigated in a prompt and reasonable manner. Values Line reports are made anonymously.

HIPAA COMPLIANCE

Hospital employees and health care professionals possess sensitive information about patients and their care. The Hospital takes very seriously any violation of a patient's confidentiality. Hospital staff members are not allowed to access or view any patient information (including their own medical information as well as a family member's information), such as test results, nursing notes, physician notes, financial information, dates of service, medications, etc., other than what is required to do their job. Discussing a patient's medical condition, providing any information about patients to anyone other than hospital personnel and other authorized persons who need the information, or inappropriately accessing patient information will result in appropriate disciplinary action, up to and including termination

HIPAA is an acronym that stands for the Health Insurance Portability and Accountability Act of 1996. Under this mandate, the Department of Health and Human Services (HHS), with guidance from other federal agencies, has released rules establishing standards for the transmission and use of health care information. The regulations establish standards for electronic transactions, privacy, and information security. Taken together, these regulations fundamentally alter day-to-day functioning of the nation's hospitals and affect virtually every department of every entity that provides or pays for health care.

Organizations that deliver health care are required to educate patients on the uses and disclosures of their health information by giving them a Notice of Privacy Practices, and receipt of this notice must be acknowledged by each patient. This must be done either prior to or at the time of the delivery of care. In addition, healthcare organizations are mandated to protect the privacy of patient health information and to provide education to all employees about the new regulations.

Protected health information (PHI) may be used or disclosed without the patient's authorization for treatment, payment, or health care operations (or when required by law). In all other instances, patient authorization must be obtained. Patients have specific rights under HIPAA with regard to their healthcare information: the right to request restrictions on certain uses and disclosures of protected health information (although hospitals are not required to agree to these); the right to inspect and copy protected health information; the right to amend protected health information; the right to receive confidential communications; and the right to receive an accounting of disclosures of protected health information. Complaints must be sent in writing to the hospital's Privacy Officer, Janet Green. There are civil and monetary penalties for improper

release of protected health information.

The Security Regulation requires hospitals to ensure that its electronic PHI is secure and protected. In addition to the Security Regulation, Title XIII (HITECH) under the American Recovery and Reinvestment Act of 2009 (ARRA), strengthens the enforcement of HIPAA privacy and security standards, and establishes a notification requirement in the event of a security breach involving PHI. The hospital's Security Officer, Alan Whitehouse, monitors compliance with these regulations, and reports any concerns regarding suspected breaches to the Compliance Officer, as well as the Compliance Committee.

PATIENT RIGHTS AND RESPONSIBILITIES

Hospital staff members should familiarize themselves with the brochure, "Patients Rights and Responsibilities," copies of which are available in most public areas of the hospital.

FUNDRAISING

To further its charitable purposes, the Hospital may conduct fund-raising activities through the Oconee Regional Healthcare Foundation. The Hospital complies with all applicable laws with respect to its fundraising activities. All solicitation of charitable contributions for the Hospital or its affiliates must be done under the supervision of the Foundation. Employees with responsibilities for purchasing, materials management, or discharge planning may not participate in solicitation.

POLITICAL CAMPAIGNS

Personal political opinions should not be communicated, orally or in writing, as those of the Hospital.

QUESTIONS

Questions or concerns about ORMC Legal Compliance Program may be addressed to the Compliance Officer or expressed anonymously through the ORMC Values Line (1-800-273-8452).

ORMC's Compliance Officer/Risk Manager, Elizabeth Sovereign, may be reached by phone at 454-3553.