

Antelope Valley Healthcare District
Standards of Business Ethics and Integrity
Code of Business Conduct

Our Compliance Mission

The mission of Antelope Valley Healthcare District is to improve the quality of health in our community through research, education, and innovation. Antelope Valley Healthcare District will promote a culture that is guided by its standards of excellence and its standards of business ethics and integrity (the Code of Business Conduct).

Antelope Valley Healthcare District will comply with both the *letter and spirit* of all applicable laws and regulations.

In concert with our medical staff, the Hospital shall strive to provide comprehensive quality health care to our community. Our team of dedicated health care professionals shall provide a compassionate and caring environment for patients, and their families and friends, while continuously striving to improve the quality of care that is accessible and affordable.

The Hospital shall collaborate with its medical staff and affiliated organizations to improve health outcomes, enhance quality of life and promote human dignity through health education, prevention, and services across the health care continuum.

The Hospital's Board of Directors (hereinafter referred to as "Governing Body") adopted the Compliance & Integrity Program, including this Code of Business Conduct, to provide standards by which Personnel must conduct themselves in order to protect and promote Hospital integrity and to enhance the Hospital's ability to achieve its objectives. The Hospital believes this Code of Business Conduct will significantly contribute to a positive work environment for all.

No written policies can capture every scenario or circumstance that can arise in the workplace. The Hospital expects Personnel to consider not only the words written in this Code of Business Conduct, but the meaning and purpose of those words as well. You are expected to read this Code of Business Conduct and exercise good judgment. You are encouraged to talk to your supervisor, or the Hospital's Compliance Officer if you have any questions about this Code of Business Conduct or what is expected of you.

All Personnel are expected to be familiar with the contents of this Code of Business Conduct. Training and education will be provided periodically to further explain this Code of Business Conduct and its application.

Compliance With Laws

It is the policy of the Hospital, its affiliates, contractors and employees to comply with all applicable laws. When the application of the law is uncertain, the Hospital will seek guidance from legal counsel.

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Open Communication

The Hospital encourages open lines of communication between Personnel. If you are aware of an unlawful or unethical situation, there are several ways you can bring this to the Hospital's attention. Your supervisor is the best place to start, but you can also contact the Hospital's Compliance Officer or call the Compliance Hotline to express your concerns. All employee reports of unlawful or unethical conduct will be investigated promptly. The Hospital does not tolerate threats or acts of retaliation or retribution against employees for using these communication channels.

Your Personal Conduct

The Hospital's reputation for the highest standards of conduct rests not on periodic audits by lawyers and accountants, but on the high measure of mutual trust and responsibility that exists between employees and the Hospital. It is based on you, as an individual, exercising good judgment and acting in accordance with this Code of Business Conduct and the law.

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

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

The Work Environment

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

If you believe that you are subject to such conduct, you should bring such activity to the attention of the Hospital, either by informing your supervisor, the Employee Relations section of the Human Resources Department, the Hospital's Compliance Officer, or by calling the Compliance Hotline. The Hospital considers all complaints of such conduct to be serious matters, and all complaints will be investigated promptly.

Some other activities that are prohibited because they clearly are not appropriate are:

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- Threats,
- Violent behavior,
- The possession of weapons of any type,
- The distribution of offensive jokes or other offensive materials via e-mail or any other manner, and
- The use, distribution, sale or possession of illegal drugs or any other controlled substance, except to the extent permitted by law for approved medical purposes.

In addition, employees may not be on the Hospital premises or in the Hospital work environment if they are under the influence of or affected by illegal drugs, alcohol, or controlled substances used other than as prescribed.

Employee Privacy

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

Use of Hospital Property

Hospital equipment, systems, facilities, corporate charge cards and supplies must be used only for conducting Hospital business or for purposes authorized by management.

Personal items, messages or information that you consider private should not be placed or kept in telephone systems, computer systems, offices, work spaces, desks, credenzas or file cabinets. Employees should have no expectation of privacy with regard to items or information stored or maintained on Hospital equipment or premises. Management is permitted to access these areas. Employees should not search for or retrieve articles from another employee's workspace without prior approval from that employee or management.

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

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Use of Hospital Computers

The increasing reliance placed on computer systems, internal information and communications facilities in carrying out Hospital business makes it absolutely essential to ensure their integrity. Like other Hospital assets, these facilities and the information they make available through a wide variety of databases should be used only for conducting Hospital business or for purposes authorized by management. Their unauthorized use, whether or not for personal gain, is a misappropriation of Hospital assets.

While the Hospital conducts audits to help ensure that Hospital systems, networks and databases are being used properly, it is your responsibility to make sure that each use you make of any Hospital system is authorized and proper.

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

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

Use of Proprietary Information

Proprietary Information

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

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

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

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Inadvertent Disclosure

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

Direct Requests for Information

If someone outside the Hospital asks you questions about the Hospital or its business activities, either directly or through another person, do not attempt to answer them unless you are certain you are authorized to do so. If you are not authorized, refer the person to the appropriate source within the Hospital. Under no circumstances should you continue contact without guidance and authorization. If you receive a request for information or to conduct an interview from an attorney, investigator, or any law enforcement officer, and it concerns the Hospital's business, you should refer the request to the office of the Hospital's Chief Executive Officer. Similarly, unless you have been authorized to talk to reporters, or to anyone else writing about or otherwise covering the Hospital or the industry, direct the person to your supervisor.

Disclosure and Use of Proprietary Information

Besides your obligation not to disclose any Hospital proprietary information to anyone outside the Hospital, you are also required to use such information only in connection with the Hospital's business. These obligations apply whether or not you developed the information yourself.

Recording and Reporting Information

You should record and report all information accurately and honestly. Every employee records information of some kind and submits it to the Hospital (for example, time and attendance recording, an expense account record, or a report). To submit a document that contains false information — an expense report for meals not eaten, miles not driven, or for any other expense not incurred — is dishonest reporting and is prohibited.

Dishonest reporting of information to organizations and people outside the Hospital is also strictly prohibited and could lead to civil or even criminal liability for you and the Hospital. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Personnel must ensure that they do not make false or misleading statements in oral or written communications provided to organizations outside of the Hospital.

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Proprietary and Competitive Information About Others

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

Exception

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

Gifts and Entertainment

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

General Policy

It is the general policy of the Hospital that neither you nor any member of your family may solicit, receive, offer, or pay any money or gift that is, or could be reasonably construed to be, an inducement in exchange for influence or assistance in conducting Hospital business. It is the intent of the Hospital that this policy be construed broadly such that all business transactions with vendors, contractors, and other third parties are transacted to avoid even the appearance of improper activity.

Spending Limits — Gifts, Dining and Entertainment

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

Marketing and Promotions in Health Care

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

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

Marketing

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

This Compliance & Integrity Program contains various policies applicable to specific business activities of the Hospital. In addition to those policies, it is the general policy of the Hospital that no Personnel engage in any advertising, marketing, or other promotional activities on behalf of the Hospital unless such activities are approved in advance by the appropriate Hospital representative. You should ask your supervisor to determine the appropriate Hospital representative to contact. In addition, no advertising, marketing, or other promotional activities targeted at health care providers or potential patients may be conducted unless approved in advance by the Hospital's legal counsel.

All content posted on Internet websites maintained by the Hospital must be approved in advance by the Hospital's Compliance Officer or legal counsel.

Conflicts of Interest

A conflict of interest may arise if you engage in any activities or advance any personal interests at the expense of the Hospital's interests. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee, a relative, or a friend as a result of the Hospital's business dealings. You must avoid situations in which your loyalty may become divided.

An obvious conflict of interest is providing assistance to an organization that provides services and products in competition with the Hospital's current or potential services or products. You may not, without prior consent, work for such an organization as an employee, a consultant, or a member of its governing board. Such activities are prohibited because they divide your loyalty between the Hospital and that organization. Failure to obtain prior consent in advance from the Hospital's Compliance Officer or legal counsel may be grounds for termination.

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Outside Employment and Business Interests

You are not permitted to work on any personal business venture on the Hospital premises or while working on Hospital time. In addition, you are not permitted to use Hospital equipment, telephones, computers, materials, resources or proprietary information for any outside work. You must abstain from any decision or discussion affecting the Hospital when serving as a member of an outside organization or board or in public office, except when specific permission to participate has been granted by the Hospital's Compliance Officer or legal counsel.

Contracting with the Hospital

You may not contract with the Hospital to be a supplier, to represent a supplier to the Hospital, or to work for a supplier to the Hospital while you are an employee of the Hospital. In addition, you may not accept money or benefits, of any kind, for any advice or services you may provide to a supplier in connection with its business with the Hospital.

Anti-Competitive Activities

If you work in marketing, the Hospital asks you to perform your job not just vigorously and effectively, but fairly, as well. False or misleading statements about a competitor are inappropriate, invite disrespect and complaints, and may violate the law. Be sure that any comparisons you make about competitors' products and services are fair and accurate. (*Competitors* are other hospitals and health facilities.)

Compliance Hotline and the Duty to Report Violations of These Standards

An individual, who has reasonable grounds to believe that an employee [or any other agent of the Antelope Valley Healthcare District] has violated the Standards described in this document, has a duty to communicate such facts to their immediate supervisor, or as otherwise appropriate. The Hospital supports and encourages each employee and contractor to maintain individual responsibility for monitoring and reporting any activity that violates or appears to violate any applicable statutes, regulations, policies, or this Code of Business Conduct.

Employees are also encouraged to contact the Human Resources Department or the Compliance Officer.

The Hospital has established a reporting mechanism that permits anonymous reporting, if the person making the report desires anonymity. Personnel who become aware of a violation of the Hospital Compliance & Integrity Program, including this Code of Business Conduct, must report the improper conduct to their supervisor/manager or the Compliance Officer. That supervisor/manager, or a designee, will then investigate all reports and insure that appropriate follow-up actions are taken.

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Antelope Valley Healthcare District has also created a Compliance Hotline to confidentially answer your questions or concerns about any legal or ethical issues, violations of laws and regulations, or about these Standards.

The Compliance Hotline is *not* intended to replace current policies and/or procedures for reporting issues such as employee grievances and risk management issues. Employees, agents, contractors, consultants and medical staff should continue to follow the Hospital's current policies and/or procedures for communicating information and resolving operational conflicts or problems.

Antelope Valley Healthcare District encourages callers to provide their names so that follow-up questions may be asked, and if necessary, an investigation may be undertaken. Calls will not be traced, and the caller may report all information anonymously, if the caller so desires.

Questions may be directed confidentially to Compliance Officer at (661) 949-5590. E-Mail address: compliance.officer@avhospital.org

Questions may be asked or reports given of suspected non-compliant acts and/or practices without divulging identity, if so desired. The toll-free number to call to leave an *anonymous report* is **1-877-949-4401**. The fax number to provide a *written anonymous report* is **661-951-4284**.

The address to submit an *anonymous report* is --- Compliance Officer, Antelope Valley Healthcare District, 1600 West Avenue J, Lancaster, California 93534. The author need not provide his or her name. All inquiries will be investigated and responded to in a confidential manner.

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

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

The Antelope Valley Healthcare District will diligently work to promote these standards to everyone we serve including our community and our patients.