

CODE OF CONDUCT

Guide to Ethics and Compliance at Circle Health Consolidated Affiliates

The Lowell General Hospital

Circle Health Physicians, Inc.

Circle Health Alliance, LLC

Circle Home, Inc.

LGH Services, Inc.



Setting the Standards for Excellence



This handbook reflects the organization's current policies, which are subject to withdrawal, change, or revision from time to time.

REVISED January 1, 2018

TABLE OF CONTENTS

Key Contacts	7
Introduction	9
Mission Statement	10
Organization Values	11
Purpose of Our Code of Conduct	11
Leadership Responsibility	12
Our Patients	
Patient Care and Rights	13
Patient Information	15
Legal and Regulatory Compliance	
Coding and Billing Services	17
Cost Reports	18
Emergency Treatments	18
Surveys	19
False Claims Act	20
Qui Tam “Whistleblower” Protections	22
Accreditation	24

TABLE OF CONTENTS

Business Information and Information Systems

Accuracy, Retention, and Disposal of Documents and Records	24
Information Security and Confidentiality	25
Electronic Media	27
Financial Reporting and Records	28

Workplace Conduct and Employment Practices

Conflict of Interest	29
Controlled Substances	29
Copyrights	30
Diversity and Equal Opportunity	30
Harassment and Workplace Violence	31
Health and Safety	32
Hiring of Former and Current Government and Fiscal Intermediary Employees	32
Interaction with Physicians	33
License and Certification Renewals	34
Personal Use of Circle Health Resources	35
Relationships Among Circle Health Employees	35
Relationships with Subcontractors and Suppliers	36
Research, Investigations, and Clinical Trials	37
Ineligible persons	38

TABLE OF CONTENTS

Substance Abuse and Mental Acuity	38
Social Media	39
Marketing Practices	
Antitrust	39
Gathering Information About Competitors	40
Marketing and Advertising	40
Foreign Corrupt Practices Act	40
Environmental Compliance	41
Business Courtesies	
General	42
Receiving Business Courtesies	42
Extending Business Courtesies to Non-referral Sources	43
Extending Business Courtesies to Possible Referral Sources	45
Government Relations and Political Activities	47
Circle Health Ethics and Compliance Program	
Program Structure	49
Setting Standards	51

Continued on next page

TABLE OF CONTENTS

Training and Communication	51
Resources for Guidance and Reporting Concerns	53
Personal Obligation to Report	53
Internal Investigations of Reports	53
Corrective Action	54
Discipline	54
Measuring Program Effectiveness	54
Acknowledgement process	55

KEY CONTACTS

Corporate Compliance Officer:

Michael McAuliffe
978-788-7385

Corporate Compliance Committee Members:

Amy Hoey
Angela Strunk
Annette Barnaby
Bill Wyman
Brian Sandager
Chelsea LaFond
Courtney Pasay
Diane Vieira
Erin Donovan
Elissa Shanahan
Kevin McNeil
Michael McAuliffe
Sabrina Granville
Shirley Murrant
Stacie Swanson

COMPLIANCE ACTION LINE

1-888-836-6544

ComplianceHelp@circle-health.org

www.lighthouse-services.com/circle-health

KEY CONTACTS

Safety Officer

978-934-8360

Assistant Safety Officer

978-937-6474

HIPAA Privacy Officer

978-937-6243

HIPAA Information Security Officer

978-788-7460

HIPAA Information Security Administrator

978-788-7466

COMPLIANCE ACTION LINE

1-888-836-6544

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INTRODUCTION

Circle Health, Inc., together with its consolidated affiliates and subsidiaries, including Lowell General Hospital, LGH Services, Circle Health Physicians, Circle Home, Circle Health Alliance and the Lowell General Hospital PHO (collectively referred to as “Circle Health”) is dedicated to providing quality health care to its patients practicing the highest ethical standards and in full compliance with local, state, and federal regulations and industry-standard business and clinical code of ethics.

We have a comprehensive values-based Ethics and Compliance Program, which is a vital part of the way we conduct ourselves at Circle Health. Because the Program rests on the Mission and Values, it has become easily incorporated into our daily activities and supports our tradition of caring – for our patients, our community, and our employees. We strive to deliver healthcare compassionately and to act with absolute integrity in the way we do our work and the way we live our lives.

This Code of Conduct, which reflects our tradition of caring, provides guidance to ensure our work is done in an ethical and legal manner. It emphasizes the shared common values and culture which guide our actions. It also contains resources to help resolve any questions about appropriate conduct in the work place. Please review it thoroughly. Your adherence to its spirit, as well as its specific provisions, is absolutely critical to our future.

If you have questions regarding this Code or encounter any situation which you believe violates provisions of this Code, you should immediately consult your supervisor, another member of management, Human Resources, the Compliance Officer, or the Compliance Action Line (1-888-836-6544 or ComplianceHelp@circle-health.org). There will be no retribution for asking questions or

INTRODUCTION

raising concerns about the Code or for reporting possible improper conduct. No Code of Conduct can substitute for each person's own internal sense of fairness, honesty, and integrity. Thus, in your daily life and work, if you encounter a situation or are considering a course of action that does not feel right, please discuss the situation with any of the resources mentioned above.

MISSION STATEMENT

“Patients First In Everything We Do”

Patient Centered Care: We are sensitive and responsive to the individual needs of our patients and their family members.

Professional Excellence: We are committed to providing quality care in our patients through a highly trained and motivated staff, state-of-the-art equipment, progressive clinical care and collaborative teamwork.

Continuous Quality Improvement: We continuously evaluate and improve our services to meet the needs of our patients and the community we serve.

Customer Service: We go the extra mile to serve our customers with kindness, compassion, and respect.

ORGANIZATIONAL VALUES

Compassion: We are sensitive and responsive to the individual needs of our patients and their family members

Excellence: We are committed to providing quality care to our patients through a highly trained and motivated staff, state-of-the-art equipment, progressive clinical care, and collaborative teamwork.

Dedication: We go the extra mile to serve our customers with kindness, compassion, and respect. We continuously evaluate and improve our services to meet the needs of our patients and the community we serve .

Integrity: We are committed to delivering ethical healthcare – where respect, trust, accountability and transparency are continuously reinforced.

PURPOSE OF OUR CODE OF CONDUCT

Our Code of Conduct provides guidance to all Circle Health staff and assists us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with patients, affiliated physicians, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Ethics and Compliance Program. We have developed the Code to ensure we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject discussed has so much complexity that additional guidance is necessary for those directly involved with the particular area to have sufficient direction. To provide

additional guidance, we have developed a comprehensive set of compliance policies and procedures which may be accessed on the Intranet. Those policies expand upon or supplement many of the principles articulated in this Code of Conduct.

LEADERSHIP RESPONSIBILITIES

While all Circle Health staff are obligated to follow our Code, we expect our leaders to set the example, to be in every respect a model. 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 all team members feel free to raise concerns and propose ideas.

We also expect that they will ensure those on their team have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas. They must help to create a culture within Circle Health which promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

OUR PATIENTS

Patient Care and Rights

Our mission is to provide high quality healthcare to all of our patients. We treat all patients with warmth, respect, and dignity and provide care that is both necessary and appropriate. We make no distinction in the availability of services; the admission, transfer or discharge of patients; or in the care we provide based on age, gender, disability, race, color, religion, or national origin.

Each patient is provided with a written statement of patient rights and a notice of privacy practices. These statements include the rights of a patient to make decisions regarding medical care and a patient's rights related to his or her health information maintained by the facility. Such statements conform to all applicable state and federal laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (hereinafter referred to as HIPAA).

We seek to involve patients in all aspects of their care, including giving consent for treatment and making healthcare decisions, which may include managing pain effectively, foregoing or withdrawing treatment, and, as appropriate, care at the end of life. As applicable, each patient or patient representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, estimates of treatment costs, organ donation and procurement, and an explanation of the risks, benefits, and alternatives associated with available treatment options. Patients have the right to request transfers to other facilities. In such cases, the patient is given an

OUR PATIENTS

explanation of the benefits, risks, and alternatives of the transfer.

Patients are provided information regarding their right to make advance directives. Patient advance directives or resuscitative measures are honored within the limits of the law and our organization's mission, philosophy, values, and capabilities.

In the promotion and protection of each patient's rights, each patient and his or her representatives are accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral care or spiritual care.

Patients are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. Circle Health maintains processes to support patient rights in a collaborative manner which involves the facility leaders and others. These structures are based on policies and procedures, which make up the framework addressing both patient care and organizational ethics issues. These structures include informing each patient or, when appropriate, the patient's representative of the patient's rights in advance of furnishing or discontinuing care. Patients and, when appropriate, their families are informed about the outcomes of care, including unanticipated outcomes. Additionally, patients are involved as clinically appropriate in resolving dilemmas about care decisions. Circle Health maintains processes for prompt resolution of patient grievances which include informing patients of whom to contact regarding grievances and informing patients regarding the grievance resolution. Circle Health maintains an ongoing, proactive patient safety effort for

OUR PATIENTS

the identification of risk to patient safety and the prevention, reporting and reduction of healthcare errors. Circle Health staff receives training about patient rights in order to clearly understand their role in supporting them.

We strive to provide health education, health promotion, and illness-prevention programs as part of our efforts to improve the quality of life of our patients and our communities.

Patient Information

We collect information about our patient's medical condition, history, medication, and family illnesses to provide quality care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. Consistent with HIPAA, we do not use, disclose or discuss patient-specific information with others unless it is necessary to serve the patient or required by law.

Circle Health staff must never use or disclose confidential information that violates the privacy rights of our patients. In accordance with our appropriate access and privacy policies and procedures, which reflect HIPAA requirements, no Circle Health staff member, affiliated physician, or other healthcare partner has a right to any patient information other than that necessary to perform his or her job.

Subject only to emergency exceptions, patients can expect their privacy will be protected and patient specific information will be released only to persons authorized by law or by the patient's written authorization.

LEGAL AND REGULATORY COMPLIANCE

Circle Health provides healthcare services pursuant to appropriate federal, state, and local laws and regulations, and the conditions of participation for Federal healthcare programs. Examples of which are Medicare, Medicaid, Massachusetts Department of Public Health, etc. The organization is subject to numerous other laws in addition to these healthcare laws, regulations, and the conditions of participation.

We have developed policies and procedures to address many legal and regulatory requirements. However, it is impractical to develop policies and procedures that encompass the full body of applicable law and regulation. Obviously, those laws and regulations not covered in organization policies and procedures must be followed. If there is any area that is not covered by policy and procedure you should consult an expert in the area of law that you are concerned with.

Anyone aware of violations or suspected violations of laws, regulations, the conditions of participation, or Circle Health policies and procedures must report them immediately to a supervisor or member of management, Human Resources, the Corporate Compliance Officer, or the Compliance Action Line. Messages on the Corporate Compliance Action Line can be left anonymously.

LEGAL AND REGULATORY COMPLIANCE

Coding and Billing for Services

We have implemented policies, procedures and systems to facilitate accurate billing to government payers, commercial insurance payers, and patients. These policies, procedures, and systems conform to pertinent federal and state laws and regulations. We prohibit any staff member or agent of Circle Health from knowingly presenting or causing to be presented claims for payment or approval which are false, fictitious, or fraudulent.

In support of accurate billing, medical records must provide reliable documentation of the services we render. It is important that all individuals who contribute to medical records provide accurate information and do not destroy any information considered part of the official medical record.

Accurate and timely documentation also depends on the diligence and attention of physicians who treat patients in our facilities. We expect those physicians to provide us with complete and accurate information in a timely manner.

Any subcontractors engaged to perform billing or coding services are expected to have the necessary skills, quality control processes, systems, and appropriate procedures to ensure all billings for government and commercial insurance programs are accurate and complete.

LEGAL AND REGULATORY COMPLIANCE

Cost Reports

We are required by federal and state laws and regulations to submit certain reports of our operating costs and statistics. We comply with federal and state laws, regulations, and guidelines relating to all cost reports. These laws, regulations, and guidelines define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries.

All issues related to the preparation, submission and settlement of cost reports must be performed by or coordinated with our Reimbursement Manager.

Emergency Treatment

We follow the Emergency Medical Treatment and Active Labor Act (“EMTALA”) in providing an emergency medical screening examination and necessary stabilization to all patients, regardless of ability to pay. Provided we have the capacity and capability, anyone with an emergency medical condition is treated. In an emergency situation or if the patient is in labor, we will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. We do not admit, discharge, or transfer patients with emergency medical conditions simply based on their ability or inability to pay or any other discriminatory factor.

LEGAL AND REGULATORY COMPLIANCE

Patients with emergency medical conditions are only transferred to another facility at the patient's request or if the patient's medical needs cannot be met at Circle Health (*e.g.*, we do not have the capacity or capability) and appropriate care is knowingly available at another facility. Patients are only transferred in strict compliance with state and federal EMTALA regulatory and statutory requirements.

Surveys

From time-to-time, government agencies and other entities conduct surveys in our facilities. We respond with openness and accurate information. In preparation for or during a survey or inspection, Circle Health staff must never conceal, destroy, or alter any documents; lie; or make misleading statements to the agency representative. Staff also must never attempt to cause another employee to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

LEGAL AND REGULATORY COMPLIANCE

False Claims Act, 31 USC § 3279

The False Claims Act is a federal statute that covers fraud involving any federally funded contract or program, including the Medicare and Medicaid programs. This act is commonly known as the “Lincoln Law” because it was first enacted to counter fraudulent activities involving military procurement during the Civil War. The act establishes liability for any person who knowingly presents or causes to be presented a false or fraudulent claim to the U.S. government for payment.

The term “knowingly” is defined to mean that a person, with respect to information:

- Has actual knowledge of falsity of information in the claim;
- Acts in a deliberate ignorance of the truth or falsity of the information in a claim; or
- Acts in reckless disregard of the truth or falsity of the information in a claim.

The act does not require proof of a specific intent to defraud the United States government. Instead, health care providers can be prosecuted for a wide variety of conduct that leads to the submission of fraudulent claims to the government, such as knowingly making false statements, falsifying records, double-billing for items or services, submitting bills for services never performed or

LEGAL AND REGULATORY COMPLIANCE

items never furnished, or otherwise causing a false claim to be submitted.

Claim

For the purposes of the False Claims Act, a “claim” includes any request or demand for money that is submitted to the U.S. government or its contractors. In the health care context, claims are typically submitted using the HIPAA 837P for physician claims and 837I for institutional claims. If paper claims are submitted instead of a standard transaction under HIPAA, these claims would be submitted via Form CMS UB-04 and the hospital cost report Form CMS 2552-96 for Part A services, and Form CMS 1500 for Part B Services.

Liability

Healthcare providers and suppliers (persons and organizations) who violate the False Claims Act can be subject to civil monetary penalties ranging from \$5,500 to \$11,000 for each false claim submitted. In addition to this civil penalty, providers and suppliers can be required to pay three times the amount of damages sustained by the U.S. government. If a provider or supplier is convicted of a False Claims Act violation, the OIG may seek to exclude the provider or supplier from participation in federal health care programs.

Massachusetts False Claims Act

The Deficit Reduction Act of 2005 offered an incentive to states to enact their own False Claims Act requirements. Massachusetts enacted such laws.

LEGAL AND REGULATORY COMPLIANCE

Qui Tam “Whistleblower” Provisions

To encourage individuals to come forward and report misconduct involving false claims, the False Claims Act includes a “qui tam” or whistleblower provision. This provision essentially allows any person with actual knowledge of allegedly false claims to the government to file a lawsuit on behalf of the U.S. government. Such persons are referred to as “relators.” By way of example, the U.S. Department of Justice reports that the federal government obtained more than \$3.5 billion in settlements and judgments for fraud committed against the government in 2015, with healthcare claims accounting for much of the total amount. More importantly, of the total amount, \$2.8 billion was recovered through lawsuits initiated by whistleblowers. However, individuals seeking whistleblower status must meet several criteria to prevail as outlined below.

Qui Tam Procedure

The whistleblower/relator must file his or her lawsuit on behalf of the government in a federal district court. The lawsuit will be filed “under seal,” meaning that the lawsuit is kept confidential while the government reviews and investigates the allegations contained in the lawsuit and decides how to proceed.

LEGAL AND REGULATORY COMPLIANCE

Rights of Parties to Qui Tam Actions

If the government determines that the lawsuit has merit and decides to intervene, the prosecution of the lawsuit will be directed by the U.S. Department of Justice. If the government decides not to intervene, the whistleblower can continue with the lawsuit on his or her own.

Award to Qui Tam Whistleblowers

If the lawsuit is successful, and provided certain legal requirements are met, the qui tam relator or whistleblower may receive an award ranging from 15 to 30 percent of the amount recovered. The whistleblower may also be entitled to reasonable expenses including attorney's fees and costs for bringing the lawsuit.

No Retaliation

The False Claims Act entitles whistleblowers to additional relief, including employment reinstatement, back pay, and any other compensation arising from retaliatory conduct against a whistleblower for filing an action under the False Claims Act or committing other lawful acts, such as investigating a false claim or providing testimony for, or assistance in, a False Claims action.

ACCREDITATION

In preparation for, during and after surveys, Circle Health staff deal with all accrediting bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting bodies that would mislead the accreditor or its survey teams, either directly or indirectly.

The scope of matters related to accreditation of various bodies is extremely significant and broader than the scope of this Code of Conduct. The purpose of our Code of Conduct is to provide general guidance on subjects of wide interest within the organization. Accrediting bodies may address issues of both wide and somewhat more focused interest.

BUSINESS INFORMATION AND INFORMATION SYSTEMS

Accuracy, Retention, and Disposal of Documents and Records

Each Circle Health staff member is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions. No one may alter or falsify information on any record or document. Records must never be destroyed in an effort to deny governmental authorities that which may be relevant to a government investigation.

BUSINESS INFORMATION AND INFORMATION SYSTEMS

Medical and business documents and records are retained in accordance with the law and our record retention policy, which includes comprehensive retention schedules. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only according to our policy. Circle Health employees must not tamper with records. Additionally, no one may remove or destroy records prior to the specified date without first obtaining permission as outlined in the corporation records management policy.

Information Security and Confidentiality

Confidential information about our organization's strategies and operations is a valuable asset. Although Circle Health employees may use confidential information to perform their jobs, it must not be shared with others unless the individuals and/or entities have a legitimate need to know the information in order to perform their specific job duties or carry out a contractual business relationship. In addition, these individuals and/or entities must have agreed to maintain the confidentiality of the information. Confidential information includes personnel data maintained by the organization; patient lists and clinical information; patient financial information; passwords; pricing and cost data; financial data; details regarding federal, state, and local tax examinations of the organization or its joint venture partners; research data; strategic plans; marketing

BUSINESS INFORMATION AND INFORMATION SYSTEMS

strategies and techniques; supplier and subcontractor information; and proprietary computer software. In order to maintain the confidentiality and integrity of patient and confidential information, such information should be sent through the Internet only in accordance with information security policies and standards, which require, among other things, that the individual and/or entity be validated and the information be encrypted. At no times will an employee copy protected health information to media storage devices such as external hard drives or USB drives. In the event that is a necessary means of transport it will be done so on encrypted devices with the Information Security Officer's prior approval.

We exercise due care and due diligence in maintaining the confidentiality, availability and integrity of information assets the corporation owns or of which it is the custodian. Because so much of our clinical and business information is generated and contained within our computer systems, it is essential that each Circle Health employee protect our computer systems and the information contained in them by not sharing passwords and by reviewing and adhering to our information security policies and guidance.

If an individual's employment or contractual relationship with Circle Health ends for any reason, the individual is still bound to maintain the confidentiality of information viewed, received or used during the employment or contractual business relationship with Circle Health. This provision does not restrict the right of an employee to disclose, if he or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment.

BUSINESS INFORMATION AND INFORMATION SYSTEMS

Electronic Media

All communications systems, including but not limited to electronic mail, Intranet, Internet access, telephones, and voice mail, are the property of the organization and are to be used primarily for business purposes in accordance with electronic communications policies and standards. Limited reasonable personal use of Circle Health communications systems is permitted; however, users should assume these communications are not private. Users of computer and telephonic systems should presume no expectation of privacy in anything they create, store, send, or receive on the computer and telephonic systems, and the corporation reserves the right to monitor and/or access communications usage and content consistent with corporate policies and procedures.

Employees may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening materials; knowingly, recklessly, or maliciously false materials; obscene materials; or anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction.

Employees who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

BUSINESS INFORMATION AND INFORMATION SYSTEMS

Financial Reporting and Records

We have established and maintain a high standard of accuracy and completeness in documenting, maintaining, and reporting financial information. This information serves as a basis for managing our business and is important in meeting our obligations to patients, employees, shareholders, suppliers, and others. It is also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions and conform to generally-accepted accounting principles. All funds or assets must be properly recorded in the books and records of the corporation. Circle Health maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

We diligently seek to comply with all applicable auditing, accounting and financial disclosure laws, including but not limited to the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002. Senior financial officers receive training and guidance regarding auditing, accounting and financial disclosure relevant to their job responsibilities. They are also provided the opportunity to discuss issues of concern with the Executive Committee of the Board. Anyone having concerns regarding questionable accounting or auditing matters should report such matters to the Compliance Action Line (1-888-836-6544 or ComplianceHelp@circle-health.org).

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Conflict of Interest

A conflict of interest may occur if an Circle Health employee's outside activities, personal financial interests, or other personal interests influence or appear to influence his or her ability to make objective decisions in the course of the employee's job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract an employee from the performance of his or her job or cause the individual to use Circle Health resources for other than Circle Health purposes. Circle Health employees are obligated to ensure they remain free of conflicts of interest in the performance of their responsibilities at Circle Health. If employees have any question about whether an outside activity or personal interest might constitute a conflict of interest, they must obtain the approval of their supervisor before pursuing the activity or obtaining or retaining the interest. Clinical decisions will be made without regard to compensation or financial risk to Circle Health leaders, managers, clinical staff, or licensed, independent practitioners.

Controlled Substances

Some of our employees routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are governed and monitored by specific regulatory organizations and must be administered by physician order only. Prescription and controlled medications and supplies must be handled properly and only by authorized

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

individuals to minimize risks to us and to patients. If one becomes aware of inadequate security of drugs or controlled substances or the diversion of drugs from the organization, the incident must be reported immediately.

Copyrights

Circle Health employees may only use copyrighted materials pursuant to the organization's policy on such matters.

Diversity and Equal Employment Opportunity

Our employees provide us with a wide complement of talents which contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. We comply with all laws, regulations, and policies related to non-discrimination in all of our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

No one shall discriminate against any individual with regard to race, color, religion, sex, national origin, age, disability, sexual orientation, or status as a Vietnam-era or special disabled veteran with respect to any offer, or term or condition, of employment. We make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

disabilities.

Harassment and Workplace Violence

Each Circle Health employee has the right to work in an environment free of harassment and disruptive behavior. We do not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

Sexual harassment is prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place at Circle Health.

Harassment also includes incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, stalking, violence directed at the employer, terrorism, and hate crimes committed by current or former employees. Employees who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resources Department, a member of management, the Corporate Compliance Officer, or the Compliance Action Line.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Health and Safety

Circle Health facilities comply with all government regulations and rules, Circle Health policies, and required facility practices that promote the protection of workplace health and safety. Our policies have been developed to protect our employees from potential workplace hazards. Employees must become familiar with and understand how these policies apply to their specific job responsibilities and seek advice from their supervisor or the Safety Officer whenever they have a question or concern. It is important that each employee immediately advise his or her supervisor or the Safety Officer of any serious workplace injury or any situation presenting a danger of injury so timely corrective action may be taken to resolve the issue.

Hiring of Former and Current Government and Fiscal Intermediary Employees

The recruitment and employment of former or current U.S. government employees may be impacted by regulations concerning conflicts of interest. Hiring employees directly from a fiscal intermediary requires certain regulatory notifications. Employees should consult with the Human Resources Department or the legal counsel regarding such recruitment and hiring.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Interactions with Physicians

Federal and state laws and regulations govern the relationship between hospitals and physicians who may refer patients to the facilities. The applicable federal laws include the Anti-Kickback Law and the Stark Law. It is important that those employees who interact with physicians, particularly regarding making payments to physicians for services rendered, leasing space, recruiting physicians to the community, and arranging for physicians to serve in leadership positions in facilities, are aware of the requirements of the laws, regulations, and policies that address relationships between facilities and physicians.

If relationships with physicians are properly structured, but not diligently administered, failure to administer the arrangements as agreed may result in violations of the law. Any business arrangement with a physician must be structured to ensure compliance with legal requirements, our policies and procedures and with any operational guidance that has been issued. Most arrangements must be in writing and approved by legal counsel.

Keeping in mind that it is essential to be familiar with the laws, regulations, and policies that govern our interactions with physicians, two overarching principles govern our interactions with physicians:

We do not pay for referrals. We accept patient referrals and admissions based solely on the patient's medical needs and our ability to render the needed services. We do not

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

pay or offer to pay anyone — employees, physicians, or other persons or entities — for referral of patients

We do not accept payments for referrals we make. No Circle Health employee or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

License and Certification Renewals

Employees, individuals retained as independent contractors, and privileged practitioners in positions which require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with federal and state requirements applicable to their respective disciplines. To assure compliance, Circle Health may require evidence of the individual having a current license or credential status.

Circle Health does not allow any employee, independent contractor or privileged practitioner to work without valid, current licenses or credentials.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Personal Use of Circle Health Resources

It is the responsibility of each Circle Health employee to preserve our organization's assets including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business-related purposes.

As a general rule, the personal use of any Circle Health asset without prior supervisory approval is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to Circle Health is insignificant, is permissible. Any community or charitable use of organization resources must be approved in advance by one's supervisor. Any use of organization resources for personal financial gain unrelated to the organization's business is prohibited.

Relationships Among Circle Health Employees

In the normal day-to-day functions of an organization like Circle Health, there are issues that arise which relate to how people in the organization deal with one another. It is impossible to foresee all of these, and many do not require explicit treatment in a document like this. A few routinely arise, however. One involves gift giving among employees for certain occasions. While we wish to avoid any strict rules, no one should ever feel compelled to give a gift to anyone, and any gifts offered or received should be appropriate to the circumstances. A lavish gift to anyone in a supervisory role would clearly violate

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

organization policy. Another situation, which routinely arises, is a fund-raising or similar effort undertaken by individual employees, in which no one should ever be compelled to participate.

Similarly, when the organization determines to support charitable organizations such as the United Way, no employee should be compelled to contribute to the charitable organization, nor should there be any workplace consequences of such non-participation.

Relationships with Subcontractors and Suppliers

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, free from conflicts of interest and consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, and vendors will be made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service, and maintenance of adequate sources of supply.

Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

administration of all purchasing activities. We do not communicate to a third-party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We do not disclose contract pricing and information to any outside parties.

Research, Investigations, and Clinical Trials

We follow high ethical standards and comply with federal and state laws and regulations in any research, investigations and clinical trials conducted by our physicians and professional staff. We do not tolerate intentional research misconduct. Research misconduct includes making up or changing results or copying results from other studies without performing the clinical investigation or research. Our hospitals protect the patients and respect their rights during research, investigations, and clinical trials.

All patients asked to participate in a clinical investigation or research project are given a full explanation of alternative services that might prove beneficial to them. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits, and alternatives. The patients are fully informed of the procedures to be followed, especially those that are experimental in nature.

Refusal of a patient to participate in a research study will not compromise his or her access to services. Patient informed consent to participate in clinical investigations

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

or research is documented and retained pursuant to Company and hospital policies.

Any Circle Health facility, physician, or employee applying for or performing research of any type is responsible for maintaining the highest ethical standards in any written or oral communications regarding the research project as well as following appropriate research guidelines. As in all accounting and financial record-keeping, our policy is to submit only true, accurate, and complete costs related to research grants. Any Circle Health facility or employee/physician engaging in human subject research must do so in conjunction with an Institutional Review Board (IRB) and consistent with organization policies regarding human subject research and IRBs.

Ineligible Persons

We do not contract with, employ, or bill for services rendered by an individual or entity that is excluded or ineligible to participate in Federal healthcare programs; suspended or debarred from Federal government contracts; or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a Federal healthcare program after a period of exclusion, suspension, debarment, or ineligibility, provided that we are aware of such criminal offense. We routinely search the Department of Health and Human Services' Office of Inspector General and General Services Administration's lists of such excluded and ineligible persons. A number of organization policies address the procedures for timely and thorough review of such lists and appropriate enforcement actions.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Employees, vendors, and privileged practitioners at Circle Health facilities are required to report to us if they become excluded, debarred, or ineligible to participate in Federal healthcare programs; or have been convicted of a criminal offense related to the provision of healthcare items or services.

Substance Abuse and Mental Acuity

To protect the interests of our employees and patients, we are committed to an alcohol and drug-free work environment. All employees must report for work free of the influence of alcohol and illegal drugs. We will take immediate action if an individual reports to work under the influence of drugs or alcohol. This may include drug testing and could result in termination. Additionally, using, possessing, or selling illegal drugs while on Circle Health work time or property may result in immediate termination.

It is also recognized individuals may be taking prescription or over-the-counter drugs, which could impair judgment or other skills required in job performance. Employee with questions about the effect of such medication on their performance or who observe an individual who appears to be impaired in the performance of his or her job must immediately consult with their supervisor.

Social Media

We support the use of social media as an effective communication tool, however this tool can not be misused or abused. We must continue to protect our

MARKETING PRACTICES

patient's right to confidentiality and proprietary information. We must never harass our coworkers or injure the reputation of others. We must remember what we put on the internet is in the public arena. Violating hospital policy could lead to termination.

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 Circle Health 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 operate.

At trade association meetings, employees must be alert to potential situations where it may not be appropriate to participate in discussions regarding prohibited subjects with competitors. Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans.

If a competitor raises a prohibited subject, employees must end the conversation immediately. Employees must document their refusal to participate in the conversation by requesting their objection be reflected in the meeting minutes and notify the Compliance Officer of the incident.

In general, employees avoid discussing sensitive topics with competitors or suppliers, unless they are proceeding with the advice of legal counsel. Employees also must

MARKETING PRACTICES

not provide any information in response to an oral or written inquiry concerning an antitrust matter without first consulting legal counsel.

Gathering Information about Competitors

It is not unusual to obtain public information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, employees should avoid seeking or receiving information about a competitor through other non-public means if they know or have reason to believe the information is proprietary or confidential. For example, an employee should not seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

Marketing and Advertising

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit employees. We present only truthful, fully informative, and non-deceptive information in these materials and announcements.

Foreign Corrupt Practices Act

The United States Foreign Corrupt Practices Act (FCPA) requires us to exercise care in our dealings with

MARKETING PRACTICES

foreign government officials, employees, or representatives; and members of their families. The FCPA prohibits providing anything of value to any of these individuals for the purpose of obtaining or retaining business. Under the FCPA, Circle Health is responsible for the actions of its agents and representatives. Before offering anything of value to foreign government officials, employees or representatives or a member of their family, a Circle Health employee must obtain advice from the Corporate Compliance Department or legal counsel.

ENVIRONMENTAL COMPLIANCE

It is our policy to comply with all environmental laws and regulations as they relate to our organization's operations. We act to preserve our natural resources to the full extent reasonably possible. We comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We diligently employ the proper procedures to provide a good environment of care and to prevent pollution.

In helping Circle Health comply with these laws and regulations, all Circle Health employees must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials, and immediately alert supervisors to any situation regarding the discharge of a hazardous substance, improper disposal of hazardous and medical waste, or any situation which may be potentially damaging to the environment.

BUSINESS COURTESIES

General

This part of the Code of Conduct should not be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity purposes, please note that these limitations govern activities with those outside of Circle Health. This section does not pertain to actions between Circle Health and its employees or actions among Circle Health employees themselves.

Receiving Business Courtesies

We recognize there will be times when a current or potential business associate, including a potential referral source, may extend an invitation to attend a social event in order to further develop a business relationship.

An Circle Health employee may accept such invitations, provided: (1) the cost associated with such an event is reasonable and appropriate, which, as a general rule, means the cost will not exceed \$100.00 per person; (2) no expense is incurred for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging; and (3) such events are infrequent. The limitations of this section do not apply to business meetings at which food (including meals) may be provided. Prior to accepting invitations to training and educational opportunities that include travel and overnight accommodations at reduced or no cost to an employee or Circle Health, consult our policies and seek appropriate approvals.

BUSINESS COURTESIES

Circle Health employees may accept gifts of nominal value from any individual or organization who has a business relationship with Circle Health. For purposes of this paragraph, physicians practicing in Circle Health facilities are considered to have such a relationship. Perishable or consumable gifts given to a department or group are not subject to any specific limitation. Circle Health employees may not accept cash or cash equivalents such as gift certificates. Finally, under no circumstances may an Circle Health employee solicit a gift.

This section does not limit Circle Health facilities from accepting gifts, provided they are used and accounted for appropriately.

Extending Business Courtesies to Non-referral Sources

No portion of this section, “Extending Business Courtesies to Non-referral Sources,” applies to any individual who makes, or is in a position to make, referrals to an Circle Health facility. Such business courtesies are addressed in the *Extending Business Courtesies to Possible Referral Sources* section and in organization policies and procedure. There may be times when an employee wishes to extend to a current or potential business associate (other than someone who may be in a position to make a patient referral) an invitation to attend a social event (*e.g.*, reception, meal, sporting event, or theatrical event) to further or develop a business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must be discussed and the host must be present. These events

BUSINESS COURTESIES

must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this means the cost will not exceed \$100.00 per person. Moreover, such business entertainment with respect to any particular individual must be infrequent, which, as a general rule, means not more than four times per year. Consult the organization's policy for events that are expected to exceed \$100 or were not expected to but inadvertently do exceed \$100. That policy requires establishing the business necessity and appropriateness of the proposed entertainment. The organization will under no circumstances sanction participation in any business entertainment that might be considered lavish. Departures from the \$100.00 guideline are highly discouraged.

Also, Circle Health may routinely sponsor events with a legitimate business purpose (*e.g.*, hospital board meetings or retreats). Provided that such events are for business purposes, reasonable and appropriate meals and entertainment may be offered. In addition, transportation and lodging can be paid for. However, all elements of such events, including these courtesy elements, must be consistent with the corporate policy on such events. It is critical to avoid the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with Circle Health. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business associates who are not government employees must not exceed \$50.00 per year per recipient. Any gifts to Medicare or Medicaid beneficiaries must not exceed \$10.00 per item nor total more than \$50.00 per year per recipient. A Circle Health employee or facility may give gift certificates, but may never give cash or financial instruments (*e.g.*, checks). The

BUSINESS COURTESIES

organization policy on business courtesies permits occasional exceptions to the \$50 limit to recognize the efforts of those who have spent meaningful amounts of volunteer time on behalf of Circle Health.

U.S. Federal and state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. Circle Health does not provide any gifts, entertainment, meals, or anything else of value to any employee of the Executive Branch of the Federal government, except for minor refreshments in connection with business discussions or promotional items with the Circle Health or facility logo valued at no more than \$10.00. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, employees must determine the particular rules applying to any such person and carefully follow them.

Extending Business Courtesies to Possible Referral Sources

Any entertainment or gift involving physicians or other persons who are in a position to refer patients to our healthcare facilities must be undertaken in accordance with corporate policies, which have been developed consistent with federal laws, regulations, and rules regarding these practices. Circle Health employees must consult the organization's policies prior to extending any business courtesy to a potential referral source.

GOVERNMENT RELATIONS AND POLITICAL ACTIVITIES

The organization and its representatives comply with all federal, state, and local laws governing participation in government relations and political activities. Additionally, Circle Health funds or resources are not contributed directly to individual political campaigns, political parties, or other organizations which intend to use the funds primarily for political campaign objectives. Organization resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of Circle Health property for use in the political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations. In addition, political action committees associated with the organization select candidates to support based on the overall ability of the candidate to render meaningful public service. The organization does not select candidates to support as a reflection of expected support of the candidate on any specific issue.

The organization engages in public policy debate only in a limited number of instances where it has special expertise that can inform the public policy formulation process. When the organization is directly impacted by public policy decisions, it may provide relevant, factual information about the impact of such decisions on the private sector. In articulating positions, the organization only takes positions that it believes can be shown to be in the larger public interest. The organization encourages trade associations with which it is associated to do the same.

It is important to separate personal and corporate political activities in order to comply with the appropriate

GOVERNMENT RELATIONS AND POLITICAL ACTIVITIES

rules and regulations relating to lobbying or attempting to influence government officials. No use of corporate resources, including e-mail, is appropriate for personally engaging in political activity. An employee may, of course, participate in the political process on his or her own time and at his or her own expense. While doing so, it is important Circle Health employees not give the impression they are speaking on behalf of or representing Circle Health in these activities. Employees cannot seek to be reimbursed by Circle Health for any personal contributions for such purposes.

At times, Circle Health may ask employees to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is a part of the role of some Circle Health management to interface on a regular basis with government officials. If an employee is making these communications on behalf of the organization, he or she must be certain to be familiar with any regulatory constraints and observe them.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Program Structure

The Ethics and Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance. The elements of the program include setting standards (the Code and Policies and Procedures), communicating the standards, providing a mechanism for reporting potential exceptions, monitoring and auditing, and maintaining an organizational structure that supports the furtherance of the program. Each of these elements is detailed below.

These elements are supported at all levels of the organization. Providing direction, guidance and oversight are Executive Committee of the Board; the Finance and Audit Committee of the Board of Trustees; the Joint Operating Compliance Committee consisting of senior management; and the Corporate Compliance Officer reporting to the COO.

The Corporate Compliance Officer is responsible for the day-to-day direction and implementation of the Ethics and Compliance Program. This includes developing resources (including policies and procedures, training programs, and communication tools) for and providing support (including operating the Compliance Action Line, conducting program assessment, and providing advice) to management and staff.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Responsible individuals have expertise in various areas of compliance risk and are called upon in their areas of expertise to lead policy and training development efforts, conduct monitoring and auditing as appropriate, and provide advice.

Playing a key role in ensuring the successful implementation of our Ethics and Compliance Program, the Corporate Compliance Officer is responsible for distributing standards, ensuring training is conducted, conducting monitoring and responding to audits, investigating and resolving Compliance Action Line cases, and otherwise administering the Ethics and Compliance Program. The Corporate Compliance Officer is expected to establish and maintain a Corporate Compliance Committee to assist him/her in these efforts.

Another important resource who may be able to address issues arising out of this Code of Conduct is the V.P. of Human Resources. Human Resources professionals are highly knowledgeable about many of the compliance risk areas described in this Code of Conduct that pertain to employment and the workplace and are responsible for ensuring compliance with various employment laws. If a concern relates to specific details of an individual's work situation, rather than larger issues of organizational ethics and compliance, the Human Resources professional is the most appropriate person to contact. Every effort should be made to resolve workplace conduct and employment practice issues through the individual's supervisor and the Human Resources professional. Experience has shown that this is an effective and

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

productive way to deal promptly with these matters.

All of these individuals or groups are prepared to support Circle Health employees in meeting the standards set forth in this Code.

Setting Standards

With respect to our Ethics and Compliance Program, we set standards through this Code of Conduct, ethics and compliance policies and procedures and, occasionally, through other guidance mechanisms, such as Compliance Alerts and advisory memoranda. It is the responsibility of each individual to be aware of those policies and procedures that pertain to his or her work and to follow those policies and procedures.

Training and Communication

Comprehensive training and education has been developed to ensure that employees throughout the organization are aware of the standards that apply to them. Code of Conduct training is conducted at the time an individual joins the organization and annually for all employees. Compliance training in areas of compliance risk (*e.g.*, billing, coding, cost reports) is required of certain individuals. Organization policies outline the training requirements.

All ethics and compliance training is required to be recorded in the employee's Human Resources file.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Resources for Guidance and Reporting Concerns

To obtain guidance on an ethics or compliance issue or to report a concern, individuals may choose from several options. We encourage the resolution of issues, including human resources-related issues (*e.g.*, payroll, fair treatment and disciplinary issues), through their immediate supervisor or department director. If this is uncomfortable or inappropriate to raise the issue with your supervisor or director, the individual may discuss the situation with a Human Resources professional, the Corporate Compliance Officer, or another member of management in the organization. Individuals are always free to contact the Compliance Action Line at 1-888-836-6544 or ComplianceHelp@circle-health.org.

Circle Health makes every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports concerns or possible misconduct. There is no retribution or discipline for anyone who reports a concern in good faith. Any employee who deliberately makes a false accusation with the purpose of harming or retaliating against another employee is subject to discipline.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Personal Obligation to Report

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each employee has an individual responsibility for reporting any activity by any employee, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, accreditation standards, standards of medical practice, Federal healthcare conditions of participation, or this Code. If a matter that poses serious compliance risk to the organization or that involves a serious issue of medical necessity, clinical outcomes or patient safety is reported locally, and if the reporting individual doubts that the issue has been given sufficient or appropriate attention, the individual should report the matter to higher levels of management or the Compliance Action Line until satisfied that the full importance of the matter has been recognized.

Internal Investigations of Reports

We are committed to investigating all reported concerns promptly and confidentially to the extent possible. The Corporate Compliance Officer coordinates any findings from investigations and immediately recommends corrective action or changes that need to be made. We expect all employees to cooperate with investigation efforts.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Corrective Action

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent a similar violation from recurring in the future.

Discipline

All violators of the Code will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any or all of the following disciplinary actions:

- *Verbal warning;*
- *Written warning;*
- *Suspension;*
- *Termination; and/or*
- *Restitution.*

Measuring Program Effectiveness

We are committed to assessing the effectiveness of our Ethics and Compliance Program through various efforts. Much of this effort is provided by the internal audit efforts of the Corporate Compliance Committee, which routinely conducts internal audits of issues that have regulatory or compliance implications. Responsible Directors routinely undertake monitoring efforts in support of policies and compliance in general.

CIRCLE HEALTH ETHICS AND COMPLIANCE PROGRAM

Departments conduct self-monitoring, and Corporate Compliance Committee conducts reviews of hospital ethics and compliance programs designed to assess facility implementation of the Code, policies and procedures, Compliance Action Line and related investigations, and monitoring efforts. We strive to identify best practices and implement them where appropriate for our organization.

Most of these methods of assessment result in reports of findings by the reviewers and corrective action plans by the departments that are reviewed. Through these reviews, we are continuously assessing the effectiveness of the Program and finding ways to improve it.

Acknowledgment Process

Circle Health requires all employees to sign an acknowledgment confirming they have received the Code, understand it represents mandatory policies of Circle Health and agree to abide by it. New employees are required to sign this acknowledgment as a condition of employment. Each Circle Health employee is also required to participate in annual competency training, and records of such training are retained as part of the employee's human resources file.



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