

January 24, 2017

BY EMAIL (erik.bodin@vdh.virginia.gov) ONLY

Mr. Erik O. Bodin, Director
Office of Licensure and Certification
9960 Mayland Drive, Suite 401
Henrico, VA 23233-1485

Re: Request for Additional Information – Response # 5

Dear Mr. Bodin,

Response # 5 to the questions received from your office on December 22, 2016, has been uploaded to the Citrix ShareFile platform.

Please contact me if you have any difficulty or questions in accessing the Citrix ShareFile platform. As permitted under Virginia Code § 15.2-5384.1.C.1 and Virginia's Rules and Regulations Governing Cooperative Agreements (12VAC5-221-40.D), the material that the parties believe to be proprietary is clearly marked and submitted in separate electronic files for confidential treatment.

Responses to the following questions are submitted as part of Response # 5:

Section V. Additional Information

- L. Mental Health, Addiction Recovery and Substance Abuse
11
- M. Pricing
19
- N. Market Analysis
12
- P. Population Health
6
- S. Salaries
4
- T. Additional Information
12

Updates to previously submitted responses have also been uploaded for the following questions:

- G. Governance
5

Additional responses will be provided as soon as possible. Please let me know if you or your staff has any questions related to the enclosed documents.

Sincerely,



Jennifer L. McGrath

cc: Peter Boswell
Allyson K. Tysinger

865612/1

RESPONSE #5
TO QUESTIONS
SUBMITTED DECEMBER 22, 2016
BY
VIRGINIA DEPARTMENT OF HEALTH
IN CONNECTION WITH
APPLICATION FOR LETTER AUTHORIZING COOPERATIVE AGREEMENT

Pursuant to Virginia Code § 15.2-5384.1
and the regulations promulgated thereunder at 12VAC5-221-10 *et seq.*

Submitted by: Mountain States Health Alliance
Wellmont Health System

Date: January 24, 2017

V.G.5. Amended

5. Please provide all disclosure of conflict of interest statements that have been filed in the three (3) most recent years by any board member, executive officer or physician that operates under an exclusive contract with any health care facility.

MSHA AMENDED RESPONSE: MSHA Supplements its response to question G-5 and provides its Conflict of Interest Policy, attached hereto.

INDEX OF DOCUMENTS:

- Exhibit G-5A MSHA Conflict of Interest Statements – **PROPRIETARY** – submitted to the Commissioner 1/10/17
- Exhibit G-5A.1 MSHA Code of Ethics and Business Conduct Policies – submitted to the Commissioner 1/10/17
- Exhibit G-5A.2 MSHA Conflict of Interest Policy – attached and submitted 1/24/17

V.L.11.

11. Describe the strategy by which NHS plans to facilitate and coordinate the care of persons in crisis, especially children and adolescents, with the activities and operations of Virginia's community services boards (CSBs).

JOINT RESPONSE: Emergency Stabilization/Crisis Management programs can provide an array of services designed to appropriately de-escalate mental health crisis. They include 24/7 call centers, drop off crisis stabilization units, and mobile response teams. The Substance Abuse and Mental Health Administration has defined a number of principles for implementing crisis response which include:⁵⁴

- services that are trauma informed, timely, and provided in the least restrictive manner;
- care plans that are strength based, prevention focused, and congruent with an individual's culture, gender, race, sexual orientation, age, and communication capability;
- services provided by individuals with appropriate training and demonstrated competencies to comprehensively evaluate and effectively intervene in crisis.

Hospitals operated by Wellmont and Mountain States have strong working relationships with the Cumberland Mountain CSB, Highlands CSB, Mount Rogers CSB, PD1, Frontier Health, and Dickenson County CSB. At a basic level, most of Wellmont and Mountain States hospitals' interaction with the CSBs on crisis management occurs in the emergency departments and during admission of patients in crisis to inpatient units. When a patient presents to the emergency department and needs to be referred to a mental health service, the hospitals interface with the appropriate CSB for referral into public inpatient or outpatient/ambulatory services. This may include urgent/rapid access to psychiatric visits, crisis stabilization facilities (Highlands and Mount Rogers both operate 23-hour crisis stabilization facilities for children and youth for example), detox (Cumberland or Magnolia Ridge), and voluntary or involuntary inpatient psych hospitalization.⁵⁵

The availability of crisis response services currently varies between communities because of differences between jurisdictions in terms of governance, funding, and local capacity. For example, Russell County Medical Center in Lebanon, Virginia assisted Cumberland Mountain CSB in developing their Crisis Intervention Team initiative which consists of local providers, local law enforcement and magistrates.⁵⁶ RCMC subsequently helped the CSB bring a Secure Assessment Center to Russell County which is slated to begin operation later in 2017. This would be the first

⁵⁴

<https://www.macmhb.org/sites/default/files/attachments/files/Workshop%209%20Community%20Crisis%20Center%20MACMHB%20Presentation%20thumb.pdf> accessed on January 6, 2017.

⁵⁵ Inpatient psychiatric units operated in Virginia include Russell County Medical Center's 20 bed Clearview Unit, Dickenson Community Hospital's 10 bed geriatric behavioral health unit, and Wellmont Ridgeview's 28-bed adult psychiatric unit.

⁵⁶ <http://www.cmcsb.com/mentalhealth.html> accessed on January 17, 2017.

such center in Southwest Virginia and would help appropriately divert individuals in crisis from emergency rooms and possible incarceration or commitment. Other areas may primarily rely on close working relationships between hospital emergency departments, the CSBs and law-enforcement to manage individuals in crisis.

For children and adolescents, the nearest inpatient resources to the applicants' Southwest Virginia service area are Woodridge Psychiatric Hospital in Johnson City, Tennessee, and Roanoke or Lynchburg in Virginia. There is a shortage of mental health professionals in Southwest Virginia, and it is particularly difficult to recruit mental health professionals for children and youth. The CSBs in Southwest Virginia do have access to outpatient tele-psychiatry through the University of Virginia.

As described in Response K-6, it is the intent of the new health system to invest additional funds in intensive outpatient services such as Assertive Community Treatment which keep individuals out of crisis and emergency stabilization, as well as crisis response services which can intervene in behavioral health crisis before they escalate. Even with the \$85 million of new investment in behavioral health services over the next decade by the New Health System in Virginia and Tennessee, it is not expected that all of the behavioral health needs in Southwest Virginia can be met. Expanding on current relationships with the Community Services Boards, the Virginia Department of Mental Health, the Southwest Virginia Health Authority and the OneCare Collaborative, the new health system will assemble a plan to fill priority gaps in these services throughout Southwest Virginia within 12-18 months after close. With respect to children in crisis, the New Health system would propose working with the Virginia Department of Behavioral Health & Developmental Services forthcoming System of Care Expansion Center in Southwest Virginia to implement services designed specifically for children in crisis with the intent of minimizing inappropriate out-of-home placements.

Even with the New Health System's large investment, it is not expected that all the substance use disorder needs of the region can be met. For this reason, in Virginia the New Health System plans to work closely with the Community Service Boards to determine where gaps exist in the continuum of SUD care and where to prioritize services in the region's communities. The New Health System expects that its investments will leverage existing capacity and infrastructure to expand existing services in the region beyond their current reach and to provide critical missing services. It is expected that the Behavioral Health service-line leader will work closely with the local Community Services Boards in Virginia and other existing organizations with whom the New Health System plans to explore development of new services and expansion of current services. Please see Response F-5 for further detail on the New Health System's plans for community partnerships for behavioral health services.

V.M.19.

19. Describe the applicants' strategy to reduce or restrain pricing for uninsured patients.

JOINT RESPONSE: In order to ensure low income patients who are uninsured or under-insured are not adversely impacted due to pricing, the NHS has committed to adopt a charity care policy that is substantially similar to the existing policies of both Parties and consistent with the Internal Revenue Service's final 501(r) rule. For patients who qualify, the NHS will provide for the full write-off of amounts owed for services by patients with incomes at or below two hundred twenty-five percent (225%) of the federal poverty level.⁵⁷ For patients who do not qualify for full write offs, the NHS will discount services in compliance with rule 501(r) according to the ability of individuals and families to pay and will communicate discounts according to policy prior to service delivery or at the point of service to avoid creating any barrier to essential care. Practices will include payment plans that are manageable for patients and their families according to their individual circumstances. Ballad Health will work to connect people to insurance coverage and state and federal programs for which they qualify.

The NHS will inform the public of its charity care and discounting policies in accordance with all applicable laws and shall post such policies on its publicly accessible web site. The activities related to charity care will occur immediately upon closing of the merger and will remain in place as long as the Certificate of Public Advantage remains in effect.

The NHS will also commit that neither Uninsured Patients nor Underinsured Patients will be charged more than amounts generally billed ("AGB") to individuals who have insurance covering such care in case of Emergency Services or other Medically Necessary Services.¹²

Financial assistance eligibility for patients of Ballad Health will be determined by a review of the Application for Financial Assistance, documents to support the Application for Financial Assistance (i.e. income verification documentation), and verification of assets. The NHS financial assistance determinations will be based on National Poverty Guidelines for the applicable year. Ballad Health will adhere to the IRS regulatory guidelines set forth in Section 501(r) of the Internal Revenue Code.

The commitments to patients who qualify for charity and the uninsured or underinsured will be implemented on a consistent basis across the Geographic Service Area and will apply to all Ballad Health facilities, thus ensuring equitable treatment for all.

In addition to this charity care policy, the NHS has committed to implementing a program targeted at managing high-need high-cost uninsured individuals. (See the template Community Health

⁵⁷ This is an increase over the amount set forth in revised Commitment 9 made in consultation with the Authority and listed on **Exhibit G-1A**, previously provided to the Commissioner on January 10, 2017 in Response #1. The amount set forth in original revised Commitment 9 (and shown on **Exhibit G-1A**) established a level at or below 200% of the federal poverty level, but the Parties have increased the amount to 225% of the federal poverty level to enhance this benefit for the region and the significant numbers of low income patients in Southwest Virginia. An amended **Exhibit G-1A** is provided to reflect this increase and the enhancement of our Commitment regarding the New Health System's charity care policies.

Improvement Plan, **Exhibit O-5B.**) By connect these individuals to case management and the necessary primary and specialty care, their overall utilization of the health system will be reduced as will their exposure to unnecessary expenditures.

Elements of the program will include social needs screening and assessment (transportation, food and housing insecurity, high risk behaviors or environments, etc.), connection to primary care preferably in a patient-centered medical home model for disease management, connection to health care and social resource navigators and community health workers, and connection to medication assistance. The NHS will also provide resources for individuals who are ready to receive intervention for unhealthy behaviors that contribute to poor health. Findings from previously conducted model programs will be used to inform and create the overall plan. Partnerships with regional Federally Qualified Health Centers, Rural Health Centers, Health Departments, and charity clinics will be essential.

V.N.12.

12. What percent of the population of the PSA and SSA will be served by the merged entity? What is the basis for all assumptions made?

JOINT RESPONSE: NHS will define the Primary Service Area (PSA) and Secondary Service Area (SSA) as the 75% and 90% areas, as outlined in response V.N-1. NHS intends to serve all residents in the PSA and SSA with primary, secondary, and tertiary level services. Response V.O-1 currently outlines the services provided for each Virginia facility and discusses “essential services” defined by NHS. At the minimum, essential services will serve all residents of the PSA and SSA. Certain tertiary and/or quaternary level services may be required to partner with other academic medical centers. Responses V.D-1, 2, 3, and 4 discuss utilization of tertiary level services and other partners, specifically in Virginia.

NHS does not intend to discriminate based on ability to pay for services.

The basis for assumptions made for the percent of population does not reflect that of market share. However, the Applicants have provided information about the percent of the population of the PSA and SSA for inpatient and outpatient services in Authority Response #12.

V.P.6.

6. How do the applicants plan to ensure that the resulting merged system will use savings that accrue from the merger to develop, as an exhibit to the application states, “best practice interventions aimed at the underlying causes of poor health in vulnerable populations”?

JOINT RESPONSE: It is well-documented that the population served by MSHA and WHS has long had more significant health challenges than the population in the United States generally. The area served by the Parties has significantly higher rates of many chronic conditions such as obesity, diabetes, heart disease, and cancer. Behavioral issues prevalent in the community, such as drug use, smoking, and poor nutrition, have made these conditions particularly difficult for health care providers to address in a meaningful way.

The New Health System commits to implementing programs and strategies which include reducing tobacco use, obesity rates, physical inactivity, drug poisoning deaths and neonatal abstinence syndrome in the Geographic Service Area, as outlined in the template Community Health Improvement Plan, attached as **Exhibit O-5B**. Suggested short-term and intermediate-term outcome metrics are included in the template Community Health Improvement Plan. Because of limitations and lags in current federal and state population health data sources, especially at the county level, the Parties expect that final metrics and targets will be agreed upon with the Virginia Department of Health. In order to make data actionable, new or augmented data collection efforts may be necessary. **Exhibit O-5A** provides an estimate of the year-by-year timing of these reinvestments and cost savings. All of these efforts recognize that ultimately, individual and community health and well-being are not primarily driven by health care services, but instead by income, education, family and community support, personal choices, genetics and the environment.

Similarly, behavioral health and substance abuse issues are a major health factor in the geographic area served by the Parties, and there are currently significant gaps in the continuum of care related to these issues. As part of the public benefit associated with the merger, and the \$85 million commitment, the New Health System is prepared to make major investments in programs and partnerships that will help to address these issues. The societal cost associated with mental illness and substance abuse is extensive, and, given that the single largest diagnosis related to regional inpatient admissions is psychoses, these issues merit priority attention. Lack of coordinated and integrated care increases costs and decreases overall effectiveness of care in this region thereby contributing to the overutilization of costly inpatient services. The NHS has the opportunity to use resources derived from efficiencies and a regionally integrated delivery model to support the development of effective behavioral health and substance abuse resources to provide high-quality, well-coordinated, and more proactive care.

The New Health System’s holistic mission to address the underlying causes of poor health in the Geographic Service Region will be driven by the Community Health Improvement Framework, as more specifically described in the document “Plan for Community Partnership and Collaboration”

included in the Ballad Health Alignment Overview.⁹⁶ The Community Health Improvement Framework is centered on prevention of poor health through various levels of patient engagement in clinical, personal, and community settings through the structure of an Accountable Care Community. Prevention strategies of the Community Health Improvement Framework range from primary strategies to prevent disease, to secondary strategies to slow or stop the progression of disease, to tertiary strategies to manage disease effectively and mitigate negative effects. Through the Community Health Improvement Framework, the New Health System will identify and deploy a broad range of prevention resources, including human resources, financial resources, health IT resources, education/training/communication resources, and best practice intervention resources. The Accountable Care Community will serve as a structure to connect partners across sectors throughout the community, with representation from public health, medicine, education, advocacy groups, faith communities, and other organizations.

The New Health System expects to work collaboratively with the Authority and the Commonwealth to determine which specific interventions will be implemented where. While many evidence based programs exist to reduce tobacco use, obesity, drug poisoning, etc., it may not be possible to implement these locally without modification due to workforce, transportation or other infrastructure constraints. Combining two strong health systems aligned with other providers along the care continuum as well as stakeholders in the community creates a unique opportunity to direct resources in a coordinated way and tackle these longstanding, expensive problems that reduce quality of life for so many of the state's most vulnerable citizens and communities.

The New Health System also commits to pursuing opportunities to establish Accountable Care Communities in partnership with various local, state and federal agencies, payers, service providers and community groups who wish to partner in such efforts. Response K-7b/K-7d outlines models of care, including Accountable Care Communities, that the NHS will employ to achieve population health. The NHS will support a network of care resources across the region in partnership with agencies such as Frontier Health, Community Service Boards, the regional rural health centers and Federally Qualified Health Centers, faith-based and social service organizations, and local health departments. Together with these partnership networks, the care resources associated with the NHS, including primary care networks, emergency department networks, and inpatient behavioral health, will position the system to positively impact the development of this continuum of resources in an unprecedented way.

Connecting community partners to make health care more accessible is one of the New Health System's strategies to attack a pervasive underlying cause of poor health in Southern Appalachia: widespread health inequities. Health inequity stems from many factors, but the Geographic Service Area of the New Health System is plagued more severely than many locations with low educational attainment, poverty, and the unique access-to-care challenges that face rural populations. The Parties recognize the important role that health inequity plays in reducing the overall health of the

⁹⁶ See [Exhibit T-32A](#).

region, and the New Health System will use savings accrued from merger-created synergies to proactively address disparities by implementing the following specific strategies to achieve and maintain health equity:

- Use data analytics to (i) identify vulnerable patients and vulnerable individuals who do not have a regular source of health care and (ii) design strategies to remove barriers to health care for those individuals and motivate them to action.
- Make equitable care a priority throughout the New Health System's administrative and clinical operations through the adoption of the National CLAS standards, not relegate searching for health equity solutions to the population health department.
- Implement a model of care more fully described in Responses K-7b/K-7d to:
 - Develop and deliver education and prevention resources, like immunizations and screenings, related to the Community Health Improvement Plan.
 - Develop, deliver, or connect people to family support services including non-health care resources.
 - Connect people to primary care and medical home programs and incentivize providers to invest time helping to ensure that patients' social needs are met.
 - Work with payers to develop more cohesive care coordination systems, incentivize access to care for vulnerable populations, and reward management of social needs in addition to traditional fee-for-service payments.

The New Health System has also committed to adopt a robust charity care policy and build a culture of proactive engagement with underserved populations to ensure that inability to access care is not a cause of poor health for the region's residents.⁹⁷

In addition, a major strategy of the New Health System will be on the development of academic research infrastructure and personnel which is needed to attract additional research funding from national sources—specifically in the area of translational research. The NHS intends to allocate resources to priority research projects identified by the NHS and academic partners in pursuit of this goal. Translational research projects that are focused on rural health care, population health management, health care transformation, and community health improvement will offer important insights to inform the NHS's overall efforts in the region and to create national models.

In consultation with the Authority, the Parties have made revised commitments that address with specificity ways in which the New Health System will ensure development and implementation of best practices and best-practice interventions to improve health in the region.

- The New Health System will create, together with the Authority, a joint Task Force comprised of four members, two from the New Health System and two from the Southwest Virginia Health Authority. The Task Force will meet at least annually to guide the collaboration between the Authority and the New Health System and to track the progress of the New Health System toward meeting the commitments of the Cooperative Agreement. The Task Force will report

⁹⁷ See Response M-19.

such progress to the Authority. The Task Force shall be chaired by a member of the Authority, and the members appointed by the Authority may not have a conflict of interest.

- The New Health System's Community Benefit/Population Health board committee will be responsible for the oversight of compliance with the cooperative agreement. The New Health System will ensure that not less than thirty percent (30%) of the composition of this committee will reside in Virginia.

In the initial Application, the Parties proposed a scoring system designed to measure the continuing public advantage of the Cooperative Agreement, along with proposed accountability mechanisms. In consultation with the Authority, the Parties have proposed a modified scoring mechanism (attached as **Exhibit P-7**). The modified scoring mechanism and ongoing evaluation mechanism ultimately adopted by the Commonwealth will include a means of evaluating the performance of the health system in implementing the annual plan for Community Health Improvement and its associated spend. The plan will be dynamic, and the health system will work actively with the state and the Authority to ensure that best practice interventions for improving health will have a concerted focus on vulnerable populations.

Other commitments of the New Health System that will ensure quality and enhance the ability to implement best practices to improve health include the following:

- In order to enhance quality of patient care through greater transparency, improve utilization of hospital resources, and to ensure the population health of the region is consistent with goals established by the Authority, the New Health System will establish annual priorities related to quality improvement and publicly report these quality measures in an easy to understand manner for use by patients, employers and insurers. Such reporting shall include posting of quality measures and actual performance on New Health System's website accessible to the public. The New Health System shall report such data timely so the public can easily evaluate the performance of the New Health System as compared to its competitors, and ensure consumers retain the option to seek services where the quality is demonstrably the highest. In addition, the New Health System will timely report and include on its web site its performance compared to the Medicare quality measures including readmission statistics. The New Health System will give notice to the Authority of the metrics the New Health System is prioritizing, and will, in good faith, include input from the Authority in establishing or modifying its priorities. Compliance with this commitment will be easily verifiable based on the quality measures and information reported. (Revised Commitment 8)
- In order to enhance hospital quality, improve cost-efficiency, improve the utilization of hospital-related services, and to enhance opportunities in research, no later than 48 months after closing, the New Health System will adopt a Common Clinical IT Platform as soon as reasonably practical after the formation of the New Health System. The New Health System will make access to the IT Platform available on reasonable terms to all physicians in the service area. This fully integrated medical information system will allow for better coordinated care between patients and their doctors, hospitals, and post-acute care and outpatient services and facilitate the move to value-based contracting. Subject to confidentiality laws and rules, the New Health System will grant reasonable access to the data collected in its Common Clinical IT Platform to researchers with credible credentials who have entered into Business Associate Agreements for

the purpose of conducting research in partnership with the New Health System. This commitment will involve the investment of up to \$150 million over 10 years. The New Health System will propose mileposts for implementation of the IT Platform no later than 3 months after closing of the merger or June 30, 2017, whichever is later. The New Health System will report in each annual report its progress toward implementing the Common Clinical IT Platform, and after implementation, any material enhancements or changes. The New Health System will also include in the annual report the researchers (by individual or by group for those working together) who have entered into Business Associate Agreements for purposes of conducting research.

- In order to improve quality for patients, ensure seamless access to needed patient information, and to support the efforts of the local physician community to access needed information in order to provide high quality patient care, no later than 36 months after closing, the New Health System will participate meaningfully in a health information exchange or a cooperative arrangement whereby privacy protected health information may be shared with community-based providers for the purpose of providing seamless patient care. This investment will include up to \$6 million over 10 years, and the New Health System will report annually to the Commissioner on mileposts toward meeting this commitment. (Revised Commitment 5)
- In order to enhance quality and decrease the total cost of care, no later than 36 months after closing, the New Health System will collaborate in good faith with independent physician groups to develop a local, region-wide, clinical services network to share data, best practices and efforts to improve outcomes for patients and to deliver such outcomes at the highest possible value. The New Health System will report to the Commissioner on the mileposts toward meeting this commitment. (Revised Commitment 6)
- In order to enhance quality, improve cost-efficiency and reduce unnecessary utilization of hospital services, for all Principal Payers,⁹⁸ the New Health System will endeavor to include provisions for improved quality and other value-based incentives based on priorities agreed upon by each payer and the New Health System. The New Health System will be accountable to the Commissioner to through annual reports and if there are payer complaints about non-compliance. Timing: Immediately upon closing of the merger and ongoing. (Revised Commitment 7)

⁹⁸ See definition contained in Response M-21.

V.S.4.

4. Provide copies of all studies of compensation conducted in the normal course of business over the last five (5) years.

MSHA RESPONSE: The requested information is provided.

MSHA believes that **Exhibit S-4A** is proprietary, confidential and competitively sensitive under federal antitrust laws. MSHA will submit this Exhibit separately to the Virginia State Health Commissioner and the Attorney General for the Commonwealth of Virginia as proprietary information that is required to remain confidential under Virginia Code Section 15.2-5384.1.C.1 and Virginia's Rules and Regulations Governing Cooperative Agreements (12VAC5-221-40.D).

INDEX OF DOCUMENTS:

- Exhibit S-4A MSHA Compensation Studies- **PROPRIETARY**

WHS RESPONSE: The requested information is provided.

WHS believes that **Exhibit S-4B** is proprietary, confidential and competitively sensitive under federal antitrust laws. WHS will submit this Exhibit separately to the Virginia State Health Commissioner and the Attorney General for the Commonwealth of Virginia as proprietary information that is required to remain confidential under Virginia Code Section 15.2-5384.1.C.1 and Virginia's Rules and Regulations Governing Cooperative Agreements (12VAC5-221-40.D).

INDEX OF DOCUMENTS:

- Exhibit S-4B WHS Compensation Studies - **PROPRIETARY**

V.T.12.

12. Detail how the NHS will handle price setting for uninsured or private pay patients.

JOINT RESPONSE: Please see the Response to M-19.

LIST OF EXHIBITS FOR RESPONSE #5

SECTION V

Exhibit Number	Description
G-5A	MSHA Conflict of Interest Statements *This information will be submitted separately to the Virginia State Health Commissioner and the Attorney General for the Commonwealth of Virginia as proprietary information required to remain confidential under Virginia Code Section 15.2-5384.1.C.1, and Virginia's Rules and Regulations Governing Cooperative Agreements (12VAC5-221-40.D).
G-5A.1	MSHA Code of Ethics and Business Conduct Policies
G-5A.2	MSHA Conflict of Interest Policy
S-4A	MSHA Compensation Studies *This information will be submitted separately to the Virginia State Health Commissioner and the Attorney General for the Commonwealth of Virginia as proprietary information required to remain confidential under Virginia Code Section 15.2-5384.1.C.1, and Virginia's Rules and Regulations Governing Cooperative Agreements (12VAC5-221-40.D).

MOUNTAIN STATES
HEALTH ALLIANCE

CODE OF ETHICS
and
BUSINESS CONDUCT

Message from the CEO

Mountain States Health Alliance is committed to Bringing Loving Care to Health Care. As part of our Mission, we are guided by a set of principles referred to as our *Code of Ethics and Business Conduct* ("the Code"). This Code incorporates the ethical conduct expected of all of us as we strive to provide caring and compassionate services to others. It also represents our commitment to conducting business with integrity and in compliance with all applicable laws and regulations. The reputation of our organization is reflected in how we treat our patients, how we treat each other and how we conduct our business operations. Because this is so important, this code is a policy of Mountain States.

We must all comply with the Code of Ethics and Business Conduct in our every day actions, as it supports our values of integrity, service, leadership and excellence. In doing so, we share a common path in pursuing a world class healthcare system, which is critical to our future. The Code embodies our pledge to our patients, colleagues, physicians, volunteers, contractors, vendors/suppliers, regulators and all those we may encounter in our journey. The spirit of the Code of Ethics and Business Conduct can be summed up in just a few words.....

We follow the Code of Ethics and Business Conduct because "It's the right thing to do."

It is not possible to include every situation you may encounter within your daily activities in the Code of Ethics and Business Conduct. Therefore, we have invested in a robust compliance function within Mountain States to provide guidance and resources should you ever have a question about a situation. Our compliance hotline is anonymous, and we encourage you to report any activity which you think places our organization at risk due to non-compliance with policies or activity you think may not be ethical or legal. We have strict non-retaliation policies, so your anonymity will be protected, and actions will not be permitted to be taken against you for reporting issues in good faith. If you have questions or concerns about the Code or other related policies or procedures, you should contact your Supervisor, a Member of Management, your Facility Compliance Officer or the Corporate Audit and Compliance Services Department. If you wish to remain anonymous, you may call the MSHA AlertLine.

I am grateful you chose to be a part of the Mountain States health Alliance team, and believe if we all follow the best standards for conduct, we will all share the satisfaction of being part of something special.



MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Table of Contents

I.	Medical Compliance and Ethics Standards	page 2
	Standard 1.1 Professional Standards	
	Standard 1.2 Quality Patient Care	
	Standard 1.3 Emergency Care	
	Standard 1.4 Patient Rights	
	Standard 1.5 Patient Confidentiality	
	Standard 1.6 Admission, Transfer and Discharge Practices	
II.	Business Compliance and Ethics Standards	page 4
	Standard 2.1 Conflict of Interest	
	Standard 2.2 Medical Records Coding and Billing of Third Parties	
	Standard 2.3 Financial Reporting and Record Keeping	
	Standard 2.4 Kickbacks and Referrals	
	Standard 2.5 Antitrust and Competition	
	Standard 2.6 Information Owned by Others	
	Standard 2.7 Lobbying/Political Activity	
	Standard 2.8 Tax Laws	
	Standard 2.9 Standards of Conduct for Vendors, Contractors and Consultants	
	Standard 2.10 Marketing and Public Relations Practices	
	Standard 2.11 Ineligible Persons	
III.	Employment Compliance and Ethics Standards	page 9
	Standard 3.1 Fair and Equitable Treatment of Team Members	
	Standard 3.2 Health and Safety Precautions	
	Standard 3.3 Use of Illegal Drugs or Alcohol	
	Standard 3.4 Pharmaceuticals, Prescription Drugs, Controlled Substances	
IV.	Environmental Compliance and Ethics Standards	page 11
	Standard 4.1 Environmental Standards	
V.	Basic Workplace Compliance and Ethics Standards	page 11
	Standard 5.1 Confidentiality and Proprietary Information	
	Standard 5.2 Travel and Entertainment	
	Standard 5.3 Acceptance of Gifts and Business Gratuities	
	Standard 5.4 Business Inducements	
	Standard 5.5 Proper Use of Corporate Assets	
VI.	Communicating Legal and Ethical Issues	page 13
	Standard 6.1 Responsibility to Report Problems or Concerns	
	Standard 6.2 No Retaliation for Reporting Problems or Concerns	
VII.	Doing Business with the Government	page 13
	Standard 7.1 Medicare and Medicaid/State Programs	
	Standard 7.2 Federal and State False Claims Act	
	Standard 7.3 Responding to Government Inquiries	
	Standard 7.4 Hiring of Former Government Employees	
	Standard 7.5 Offering Gifts, Meals or Gratuities to Government Personnel	
VIII.	Compliance Education	page 15
IX.	Sanctions for Violations	page 16
X.	How to Report Problems or Concerns	page 16

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

MSHA Mission

Mountain States Health Alliance is committed to Bringing Loving Care to Health Care. We exist to identify and respond to the healthcare needs of individuals and communities in our region and to assist them in attaining their highest possible level of health.

MSHA Vision

We passionately pursue healing of the mind, body and spirit as we create a world-class healthcare system.

MSHA Core Values

Integrity Honesty in Everything We Do
Service With Caring and Compassion
Leadership With Creativity and Innovation
Excellence Always Pursuing a Higher Standard

Definitions

When used herein, the following words have the associated meanings:

- A. **Corporate Audit and Compliance Services (CACS):** The independent advisory department of MSHA designed to assist Mountain States Health Alliance in attaining its Mission and Vision by promoting and helping to maintain an effective system of internal controls and compliance with laws, rules and regulations.
- B. **Team Member:** An individual that may be employed, contracted or volunteers with Mountain States Health Alliance or an entity in which Mountain States Health Alliance is a majority member, to work in a facility, clinic, office, subsidiary or other operation owned or managed by Mountain States Health Alliance.
- C. **Mountain States Health Alliance (MSHA):** The entity known as Mountain States Health Alliance, including facilities, clinics, offices, subsidiaries and other operations that have adopted the Compliance Program of Mountain States Health Alliance.
- D. **Stakeholder:** A collective reference that includes all Team Members, Physicians/Allied Health Personnel and Vendors.
- E. **Physician/Allied Health Personnel (AHP):** An individual who holds a position on the professional staff of an MSHA facility as a result of having been granted an appointment to such staff by the Board of Directors of MSHA, pursuant to the MSHA bylaws.
- F. **Vendor:** An individual or entity who does business with MSHA by providing supplies, goods or services to MSHA.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

I. Medical Compliance and Ethics Standards

Standard 1.1 Professional Standards

MSHA prides itself in providing quality patient care with the utmost degree of professionalism. Team Members must display a superior level of professionalism and integrity while engaged in the organization's business. Licensed and certified Team Members are expected to abide by the ethical standards set forth by professional organizations. Team Members should respond honestly and in good faith, striving for excellence in performing job duties, observing all laws and regulations and using MSHA assets only for legitimate business purposes.

MSHA mandates that Team Members in certain professions must maintain current licensure, registration or certification in order to practice. MSHA will not hire or retain in employment any professional Team Member who cannot present a current license or valid temporary permit. Current licensure in another state does not satisfy this requirement or allow the professional to practice in Tennessee or Virginia in the absence of a reciprocal agreement between the states. Failure to present evidence of licensure, registration or certification renewal on or before the renewal date may result in suspension from duty until the current license, registration or certification is obtained.

Standard 1.2 Quality Patient Care

As our Mission statement affirms, MSHA is committed to bringing loving care to health care. This is accomplished by providing care that occurs in the course of systematic processes designed to ensure the delivery of safe, effective and timely care through compassionate approaches. The delivery of quality patient care services requires specialized knowledge, judgment and skill derived from the principles of biological, physical, behavioral, psychosocial, medical and nursing sciences. Services must be planned, coordinated, provided, delegated and supervised by professional healthcare providers who assess and recognize the unique physical, emotional and spiritual needs of each person. Patient care encompasses not only the recognition of disease and health, but also education and advocacy. The medical staff, nurses and allied health professionals must collaborate as an interdisciplinary team to achieve positive patient outcomes.

Each Stakeholder should strive to provide services and to achieve the best attainable outcome for patients at the lowest possible cost. Stakeholders are expected to adhere to care guidelines; requirements of accreditation bodies; federal, state and local regulations; organizational policies and other standards related to patient care. Federal agencies such as the Centers for Medicare and Medicaid Services (CMS) that administer the Medicare and Medicaid programs require health care organizations such as MSHA to comply with health and safety standards referred to as Conditions of Participation (CoPs) and Conditions of Coverage (CfCs). These standards are the foundation for improving quality and protecting the health and safety of our patients. CMS also ensures that the standards of accrediting organizations recognized by CMS must meet or exceed the Medicare standards set forth in the CoPs/CfCs.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 1.3 Emergency Care

MSHA adheres to the Emergency Medical Treatment and Active Labor Act (EMTALA) to provide emergency treatment to patients, regardless of ability to pay. MSHA is required by law to provide a presenting patient with a medical screening examination to determine whether an emergency exists and to provide stabilizing care within its capabilities for emergency medical conditions. Patients will only be transferred to another facility if MSHA does not have necessary equipment or services available or the patient/family requests a transfer to another facility.

Standard 1.4 Patient Rights

MSHA is committed to the observance of a patient's rights, personal preferences and individual values as reasonably possible. Patients will be provided information regarding their rights. Patients have a right to competent, considerate, and courteous treatment and services within our capacity without discrimination as to age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression. This encompasses the right to receive care in a safe setting and be free from neglect, exploitation, verbal, mental, physical and sexual abuse and harassment from staff, other patients or visitors.

These rights also include but are not limited to the right to participate in decisions regarding the consent to or refusal of medical care; the right to receive information in a manner understood by the patient and receive assistance with communication, including an interpreter if necessary; the right to privacy and confidentiality of clinical records as outlined in the MSHA Notice of Privacy Practices; the right to be free from restraint/seclusion unless medically necessary to ensure safety; and the right to visitors of choice.

Patients have the right to designate a surrogate decision maker or legal representative to exercise the rights of the patient. Patients are provided information about advance directives regarding treatment decisions, financial matters and the designation of a healthcare decision maker. Stakeholders must make reasonable efforts to determine the wishes of a patient and/or representative regarding advance directives in order to protect the rights of the patient. If a patient's decision about medical treatment conflicts with MSHA policies, the situation should be evaluated in accordance with MSHA policies and applicable federal and state laws. Patients have the right to file complaints or grievances if they believe a violation of their rights has occurred; or regarding the quality or appropriateness of care. MSHA maintains a board approved policy regarding the patient/guest complaint and/or grievance process.

In addition, if asked to participate in an investigational study or clinical trial, patients will receive information upon which to base their decision. MSHA will protect patients and their rights during research, investigation and clinical trials involving human subjects by providing information to make informed decisions, including but not limited to describing expected benefits, potential discomforts and risks, and alternatives; procedures to be followed and how they may refuse to participate, and such refusal will not compromise access to MSHA services.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 1.5 Patient Confidentiality

It is not only the right of every patient to expect confidentiality and privacy; it is mandated by federal and state laws. Patient information as defined by various privacy laws such as the Health Information Portability and Accountability Act (HIPAA) provide protections for individually identifiable health information held by MSHA and other entities doing business with MSHA. These regulations give patients a range of rights while balancing the need for health information by Stakeholders to deliver patient care and for other business purposes. Stakeholders must access, use and disclose patient information only as permitted by job duties and in accordance with federal and state regulations, and MSHA policies.

Some of the rights afforded to patients include but are not limited to the right to request to inspect and obtain a copy of the medical information used to make decisions about their care; the right to request an amendment to certain information within their medical record; and the right to an accounting of disclosures regarding release of information by MSHA to others. MSHA provides various avenues regarding patient privacy such as policies, the provision of a Notice of Privacy Practices, education and other methods to ensure that the rights of patients are ensured in accordance with applicable regulations.

Standard 1.6 Admission, Transfer and Discharge Practices

Admission, transfer and discharge processes are based on medical necessity, not hospital fiscal conditions. MSHA does not admit, transfer or discharge patients simply on the ability to pay. Patients whose specific condition cannot be safely treated are transferred to an accepting organization only under specific circumstances and in accordance with MSHA policies. Admission, transfer and discharge are conducted in an ethical manner and in accordance with local, state and federal rules and regulations and MSHA policies.

II. Business Compliance and Ethics Standards

Standard 2.1 Conflict of Interest

A conflict of interest arises when a Stakeholder's exercise of judgment or discretion in the course of job responsibilities is or may be influenced by personal considerations, or if the interests of MSHA are compromised or jeopardized by those considerations. Stakeholders have a responsibility to put the interests of MSHA ahead of other employment, business, financial or personal interests that they, as individuals, or family members may have. Stakeholders must refrain from engaging in an employment, business, financial or personal activity or practice that conflicts with the interest of MSHA or the provision of health care to its patients or that might negatively impact the reputation of MSHA.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Stakeholders are required to disclose any employment, consulting or other business relationships that they may have with an MSHA competitor, customer or supplier by completing a Conflict of Interest Disclosure Statement and submitting it to Corporate Audit and Compliance Services (CACS). Stakeholders may not use their positions at MSHA to profit personally or to assist others in profiting in at the expense of MSHA. Team Members are required to disclose immediately, to their direct Supervisor and CACS, any situation that may constitute a conflict of interest. Board Members, Administrative Staff, Department Directors and other selected individuals are required to complete a Conflict of Interest Disclosure Statement annually. Team Members are expected to avoid even the appearance of a conflict of interest.

The existence of a conflict of interest is not always obvious. The following are a few examples of potential conflicts; other transactions may also constitute conflicts.

1. A Team Member or immediate family member (parent, sibling, child or spouse) directly or indirectly holds a financial interest in an outside organization that does business with MSHA or is a competitor of MSHA, where the interest is sufficient to potentially affect decisions or actions of the Team Member.
2. A Team Member or immediate family member serves as a director, officer, consultant, agent, or in any other type of decision-making capacity of an organization that does business with MSHA or is a competitor of MSHA.
3. A Team Member or immediate family member uses confidential information obtained in the course of employment at MSHA for personal gain or the benefit of others.
4. A Team Member uses MSHA facilities, equipment or resources in any political campaign.

Team Members are encouraged to consult with their Supervisor or CACS to discuss any concerns.

Standard 2.2 Medical Records Coding and Billing of Third Parties

Federal and state regulations govern third party billing of our insured patients. Stakeholders are required to ensure that patient records, documents and bills are prepared and maintained accurately and completely. To achieve this, Stakeholders must:

1. Abide by MSHA policies, federal and state laws and regulations, third party requirements, etc. that govern documentation, coding and billing practices.
2. Ensure accurate, complete, truthful and timely documentation is made in the patient medical record for all services performed.
3. Use appropriate procedure, diagnosis and billing codes that are supported by adequate documentation in the medical record.
4. Ensure that services were actually rendered and appropriately documented before bills or claims are submitted for payment.
5. Take necessary steps to verify the accuracy of information and, if necessary, contact other Team Members or physicians to obtain additional information.

MSHA will not knowingly submit claims for payment or reimbursement that are false, fraudulent, inaccurate, incomplete or fictitious. Team Members are obligated to notify their Supervisor or CACS of billing practices that deviate from policy or requests to deviate from accepted practices.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 2.3 Financial Reporting and Record Keeping

MSHA records, including but not limited to financial, clinical and personnel records, must be accurate, timely, reliable and properly retained. Financial information must reflect actual transactions and conform to generally accepted accounting principles. MSHA maintains a system of internal controls to provide assurances that transactions are authorized by Management and properly recorded. Financial records are audited annually by an external certified accounting firm selected by the MSHA Corporate Audit and Compliance Committee of the Board.

MSHA is required by federal and state laws to disclose certain information regarding operating costs and statistical data. These laws describe allowable costs and reimbursement practices. MSHA is required to retain certain types of medical and business records for specified time periods. Team Members must be familiar with specific policies applicable to the information they work with and comply with the record retention and destruction requirements.

The following standards govern record keeping. MSHA will:

- Not misrepresent facts or falsify records.
- Maintain those documents required by law and necessary to do business.
- Preserve the confidentiality of patient records.
- Maintain records in accordance with legal requirements.
- Destroy records only in accordance with the records retention policy.
- Make records available for periodic inspection by authorized persons.

Standard 2.4 Kickbacks and Referrals

Federal and state laws govern the relationships between hospitals and physicians in an effort to prohibit soliciting or receiving, or offering or paying, anything of value to induce the referral of patients or business insured by certain government programs; or in return for receiving services, supplies, patients or other business related to such government programs.

Stakeholders must **NOT** accept or offer anything of value in exchange for the direct or indirect referral of patients or business or for receiving services, supplies, patients or other business. Limited exceptions are discussed in *Standard 5.3 Acceptance of Gifts and Gratuities* and *Standard 5.4 Business Inducements*. Any uncertainty should be resolved on the advice of Corporate Audit and Compliance Services and/or MSHA Legal Counsel prior to the offer of acceptance.

Examples of prohibited kickback/referral activities include, but are not limited to, the following:

- Payments to referral sources (such as physicians or other hospitals) that exceed the fair market value of the services we are receiving OR accepting payments that exceed the fair market value of the services we provide when MSHA is the referral source.
- Giving free or unreasonably discounted goods or services to referral sources OR accepting free or unreasonably discounted goods or services when MSHA is the referral source (including free or discounted radiology, laboratory, ambulance, pharmacy and therapy services or supplies).

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

- Payment arrangements with vendors, suppliers or others who are in a position to make referrals to MSHA where the payments by MSHA are based on the amount or volume of business referred by the other party, rather than the actual value of the goods or services.

Standard 2.5 Antitrust and Competition

Team Members must comply with antitrust and similar laws that regulate competition. These laws are designed to foster free and open competition in the marketplace and generally forbid any kind of understanding or agreement between competitors to fix or control fees for services, terms, conditions of treatment, patients, divide markets, boycotts, or to engage in any other conduct that restrains competition. MSHA will compete fairly in the market.

Team Members cannot participate in any discussion, understanding, agreement, plan or scheme with a competitor or potential competitor that restricts competition. For MSHA, a "competitor" may be another hospital or, depending on the circumstances, another healthcare provider. Discussions or other communications with competitors about the division of either patients, geographic areas or services; the circumstances under which business will be conducted with suppliers, insurance companies, patients or customers (including boycotts); or specific marketing efforts are prohibited. Discussions with competitors regarding the future business plans of MSHA; or pricing, reimbursement or salary levels should not occur.

Standard 2.6 Information Owned by Others

Like MSHA, other organizations and individuals have intellectual property that must be protected, but may be disclosed for a particular business purpose. Any Team Member receiving another party's confidential information must proceed with caution to prevent any accusations that the information was misappropriated or misused. Any Team Member having knowledge of another party's confidential or restricted information must not use, copy, distribute or disclose that information, unless done so in accordance with the terms of an agreement. Stakeholders should not duplicate copyrighted materials in any form without written permission of the license holder for use on MSHA premises or elsewhere.

Care should be taken in acquiring software from others. As intellectual property, software is protected by copyright laws and may also be protected by patent, trade secret laws or as confidential information. Such software includes computer programs, databases and related documentation owned by the party with whom you are dealing or by another party. The terms and conditions of software license agreements, such as provisions not to copy or distribute programs must be strictly followed. Software acquired for personal use should not be copied or used in the course of work for MSHA or placed on MSHA-owned computer system.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 2.7 Lobbying/Political Activity

As a tax-exempt, not-for-profit corporation laws prohibit MSHA from donating, either directly or indirectly, corporate funds, goods, or services (including Team Members' work time) to any individual who holds a political office or is a candidate for political office. Therefore, these general rules must be followed:

- Team Members **May Not** contribute MSHA money or property, or the services of any Team Member, to a political candidate, party, organization, committee or individual, which would violate applicable law.
- Team Members **May** personally participate in and contribute to political organizations or campaigns as private individuals, not as representatives of MSHA, using their own personal time and funds. Team Members will at all times let it be known that the views expressed are theirs as individuals and not those of MSHA.

MSHA may publicly offer recommendations regarding legislation or regulations being considered. MSHA may analyze and take public positions on issues that have a relationship to the operations of the organization. These recommendations and positions may be proposed only by individuals officially appointed by MSHA Administration.

Standard 2.8 Tax Laws

As a not-for-profit organization, MSHA has a legal and ethical obligation to comply with tax laws, to engage in activities to further its charitable purpose, and to ensure that its resources are used to further the public good. To maintain this tax exemption, which is critical to the organization's continued existence, MSHA must avoid what the tax laws refer to as "private inurement" and "private benefit." This means that non-exempt individuals or entities must pay fair market value for the use of MSHA services, supplies, equipment, properties or other assets. Personal items cannot be purchased through MSHA, even if the purchaser reimburses the organization. Tax returns and related information must be filed according to applicable laws.

Standard 2.9 Standards of Conduct for Vendors, Contractors and Consultants

MSHA will enter into business relationships only with vendors, contractors and consultants (also referred to as a third party) who have in effect and abide by standards of ethics and compliance comparable to those reflected in this Code. If a Team Member is uncertain about the standards adhered to by a vendor, contractor or consultant, prior to entering into the business relationship, the Team Member is obligated to provide a copy of this Code to the third party. The Team Member must inform the third party that MSHA expects vendors, contractors and consultants to abide by comparable standards, to the extent applicable and relevant to their operations.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 2.10 Marketing and Public Relations Practices

MSHA aims to conduct ourselves professionally with truth, accuracy, fairness and accountability to the public which we serve, holding to fundamental values and dignity of the individual, and the freedom of speech, assembly and the press. MSHA marketing materials reflect only those services available, the level of licensure and accreditation, and comply with truth in advertising and non-discrimination laws and regulations. Events will be held under the auspices of MSHA Public Relations must be coordinated through the appropriate MSHA Department and/or by designated individuals. MSHA respects the privacy of our patient. Public relations involving patients or patient information will require approved authorizations unless exempted by regulation or law.

Standard 2.11 Ineligible Persons

MSHA will not contract with, employ, or grant hospital privileges to any person or company who has been excluded from participation in federally funded programs (referred to as an "Ineligible Person"). Pending the resolution of criminal charges or proposed debarment or exclusion, individuals and companies with whom MSHA currently contracts who are charged with criminal offenses related to health care, or proposed for debarment or exclusion, will be removed from direct responsibility for or involvement in any federally-funded health care program. If resolution results in conviction, debarment or exclusion of the individual or company, MSHA will immediately cease contracting with or employing that Ineligible Person. Before employing an individual, credentialing for medical/allied health professional (AHP) staff or entering into a contract or agreement, MSHA will ensure that the proposed employee, contractor, physician/AHP or vendor is not an Ineligible Person by performing sanction checks to verify that an individual has not been excluded from participation in federally funded programs. Sanction checks are performed monthly on all active Team Members, credentialed medical/AHP staff and vendors.

III. Employment Compliance and Ethics Standards

Standard 3.1 Fair and Equitable Treatment of Team Members

MSHA is an equal opportunity employer. Team Members are afforded non-discriminatory terms, conditions and privileges of employment in accordance with law, regardless of age, race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression, veteran status or factors protected by law. Consistent with the MSHA philosophy of respect for the rights and dignity of each Team Member, harassment is not be sanctioned or tolerated. MSHA expects all Team Members to demonstrate proper respect for each other, regardless of position. It is the policy of MSHA to comply with wage and hour laws; and statutes regulating employer-employee relationships. Management is available to discuss employment concerns that Team Members may have. Human Resources representatives may be contacted to assist in resolving employment issues. Employment practices are set forth in policies. Team Members should consult these for information.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 3.2 Health and Safety Precautions

MSHA is committed to complying with federal, state and local health and safety laws and standards. Team Members are expected to know and follow safety-related standards and regulations that apply to their positions. Additionally, Team Members should be aware of and effectively perform duties during disasters and code situations. Team Members should refer to specific policies and/or manuals regarding the environment of care or related procedures. MSHA requires Team Members to report to their Supervisor, Safety Officer or a member of the Safety Committee any existing or potentially dangerous condition that is a threat to the health and well-being of individuals or that is a violation of policy. MSHA is committed to maintaining a safe workplace for our Team Members, patients, visitors and customers.

Standard 3.3 Use of Illegal Drugs or Alcohol

MSHA maintains a safe working environment without the presence of illegal drugs or alcohol. Unlawful use of controlled substances is inconsistent with the behavior expected of Stakeholders. Inappropriate behavior could subject Stakeholders, patients and visitors to unacceptable safety risks while undermining our ability to operate effectively and efficiently. Stakeholders are prohibited from the use, sale, possession, manufacture or purchase of illegal drugs or alcohol while at work or on MSHA premises. Stakeholders are not allowed on MSHA premises while under the influence of illegal drugs, legal drugs improperly used or alcohol unless at a facility seeking emergency treatment. Any Stakeholder having knowledge of another Stakeholder or a concern of an individual who appears to be impaired must immediately notify MSHA Management.

Standard 3.4 Pharmaceuticals, Prescription Drugs, Controlled Substances

Many Stakeholders have responsibility for or access to prescription drugs, controlled substances, related supplies, paraphernalia, hypodermic needles, drug samples and other regulated pharmaceuticals in the course of their duties. MSHA is legally responsible for the proper distribution and handling of these pharmaceutical products. Federal, state and local laws covering prescription drugs and controlled substances are intended to maintain the integrity of our national drug distribution system and protect consumers by assuring that prescription drugs are safe and properly labeled. These laws include prohibitions against diversion of prescription drugs or controlled substances, including a drug sample, in any amount for any reason to an unauthorized individual or entity. The distribution of adulterated, misbranded, mislabeled, expired or diverted pharmaceuticals is a violation of federal and state law for which severe criminal penalties may be imposed on individual violators, as well as on their employer.

MSHA providers who dispense and/or prescribe controlled substances will comply with controlled substance monitoring programs to promote the appropriate use of controlled substances for legitimate purposes while preventing abuse and diversion of controlled substances. Stakeholders must be diligent and vigilant in their obligations to handle and dispense prescription drugs and controlled substances in accordance with laws, regulations and internal policies.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

IV. Environmental Compliance and Ethics Standards

Standard 4.1 Environmental Standards

MSHA is committed to observing and complying with all federal, state and local health, safety and environmental laws. Stakeholders are required to ensure that:

- Medical waste, environmentally sensitive materials and hazardous materials are disposed of in a proper manner.
- Infectious materials and medical equipment are properly handled and stored.
- Personal protective equipment is used appropriately.
- Spills/accidents involving infectious/hazardous materials are promptly reported and handled in the approved manner.
- Confidential patient and/or business information is properly shredded or destroyed.

MSHA is concerned with the protection of the environment and strives to conserve natural and man-made resources. Team Members are charged with using resources appropriately and efficiently, reducing waste and recycling or shredding as appropriate. Noncompliance should be reported to a Supervisor, the Safety Officer, a Member of the Safety Committee, the HIPAA Privacy or Security Officer, or to the Corporate Audit and Compliance Services Department. Efforts will be made to work cooperatively with appropriate authorities to remedy any environmental contamination for which MSHA may be responsible.

V. Basic Workplace Compliance and Ethics Standards

Standard 5.1 Confidentiality and Proprietary Information

Throughout the course of employment, Stakeholders may have access to and become knowledgeable about information that is confidential and/or proprietary. Stakeholders are expected to maintain confidentiality during and subsequent to employment with MSHA.

Examples include, but are not limited to, the following:

- Medical information pertaining to patients and beneficiaries
- Payment and reimbursement information
- Team Member records and/or Negotiations with Team Members or organizations
- Company financial records; Business plans or Business strategies
- Computer programming and processing information
- Customer lists
- Product and pricing strategies

Stakeholders possessing proprietary information must handle the information in a manner as to protect against improper access, use or disclosure. Confidential or proprietary information may not be used directly or indirectly for personal gain, nor can it be disclosed to anyone or posted in publicly available sources without authorization. Team Members must return all confidential and proprietary information to MSHA upon termination of employment with the organization.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 5.2 Travel and Entertainment

Travel and entertainment expenses should be consistent with Team Member job responsibilities and the needs and resources of MSHA. Team Members should not have a financial gain or loss as a result of business travel and entertainment. Team Members are expected to exercise reasonable judgment and discretion with MSHA financial resources and use them as carefully as they would their own. Team Members are required to comply with Business Travel and Entertainment policies and Departmental travel and entertainment requirements.

Standard 5.3 Acceptance of Gifts and Business Gratuities

When gifts or items of value are offered from a vendor, patient or anyone external to MSHA, there may be a concern that the donor's motivation is improper, such as expecting to receive special treatment in exchange for the gift. Team Members should not accept gifts, entertainment or favors from a supplier, potential supplier, patient or competitor of MSHA if it may be inferred that the gift is intended to influence, or possibly influence, the Team Member. Under certain circumstances, acceptance of non-monetary items may be allowed. MSHA has adopted policies to establish the parameters around such practices.

Standard 5.4 Business Inducements

Team Members may not offer, give, solicit or receive any form of bribe or other improper payment from a vendor or anyone external to MSHA as an inducement for business or special treatment. While commissions, rebates, discounts and allowances are acceptable under certain circumstances, the rules governing those circumstances are complex. No such arrangement should be entered into without explicit approval of MSHA Management and/or MSHA Legal Counsel prior to the arrangement.

Standard 5.5 Proper Use of Corporate Assets

MSHA assets made available to Team Members are to be used for authorized business purposes and not for non-business or personal purposes. Team Members are personally responsible and accountable for the proper use of company property and expenditure of company funds. Team Members are expected to protect MSHA assets, property, facilities, equipment and supplies against loss, theft, damage, inappropriate use or disclosure by ensuring that internal controls exist and are followed. Improper use of assets, including theft or embezzlement of funds or other property belonging to MSHA or MSHA customers, for anything other than an authorized purpose is a serious violation and will lead to appropriate disciplinary action.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

VI. Communicating Legal and Ethical Issues

Standard 6.1 Responsibility to Report Problems or Concerns

The Standards in this Code of Ethics and Business Conduct are designed to promote honesty, fairness and to ensure compliance with regulatory requirements. It is the responsibility of every Stakeholder to ensure associations with patients, co-workers, community members and businesses are honest and law abiding. This imposes on each Stakeholder an affirmative obligation to know MSHA policies, laws and regulations that relate to their responsibilities. The reputation of MSHA depends upon each Stakeholder to report questionable behavior, unethical conduct or suspected violation of policies or laws. Every Stakeholder is responsible for making appropriate persons within the organization aware of potential or known concerns or problems.

Standard 6.2 No Retaliation for Reporting Problems or Concerns

MSHA encourages Stakeholders to discuss legal and ethical issues that may arise while performing job responsibilities and requires Team Members to report concerns to appropriate persons within the organization for investigation or follow-up. In order to protect those Stakeholders coming forth in good faith to relate these issues, MSHA has implemented a non-retaliation policy. MSHA will not tolerate retaliation against any Stakeholder who, in good faith, reports a legal or ethical concern either internally or to external parties, such as the federal government, state or accrediting bodies that govern our operations.

VII. Doing Business with the Government

Standard 7.1 Medicare and Medicaid/State Programs

MSHA participates in Medicare and Medicaid/State programs, all of which are governed by complex laws and regulations imposing strict requirements that may be significantly different from, and more extensive than, those encountered in non-government commercial contracts. Medicare and Medicaid/State programs have multifaceted payment guidelines that identify the circumstances under which, and how much, those programs will reimburse for goods and services rendered to patients covered under those programs. These guidelines are often different than directives received from other third-party payers.

Violations of these laws and regulations can result in criminal sanctions being imposed, not only on the persons actively involved, but also on the organization on whose behalf those persons act. MSHA could be precluded from further participation in federally funded programs. Strict compliance with Medicare and Medicaid/State laws and regulations is essential. Stakeholders are expected to strive toward compliance in performing respective duties while conducting business for, or with, MSHA and MSHA patients.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Standard 7.2 Federal and State False Claims Act

Federal and State governments have false claims acts to help prevent and detect fraud, waste and abuse in healthcare programs. In summary, under these acts, a civil action may be brought against any person who “knowingly” submits or causes another to submit a false or fraudulent claim for payment by a government agency, which can result in significant fines and penalties.

Under the Tennessee Medicaid False Claims Act, the Virginia Fraud Against Taxpayers Act and the Federal False Claims Act, a person (relator) may bring a civil action (referred to as a qui tam lawsuit) under each act for both the person and the state (the TN Act and the VA Act) and/or the U.S. Government (under the Federal Act). Generally, if the civil lawsuit is successful, the relator (referred to as the whistleblower) will be entitled to between 15 to 30 percent of the government’s recovery as well as reasonable attorney fees and costs. Under each false claims act there are protections for whistleblowers to protect them from being discharged, demoted, suspended, threatened, harassed or discriminated against as a result of lawful actions. An employee may bring an action in court for such protections under the acts.

MSHA operates under a system-wide no-retaliation philosophy, which means Team Members will not be retaliated against for reporting in good faith compliance and ethical concerns.

Standard 7.3 Responding to Government Inquiries

It is a policy of MSHA to comply with reasonable and lawful request by government officials for information. Requests might include information related to patient care, billing and financial practices or operational issues. When possible, Team Members should seek to obtain government requests/inquiries in writing; if this is not possible, Team Members should independently document the specific request for information. Team Members are expected to provide truthful and accurate information in a timely manner to a government request for information. MSHA will not tolerate false statements made by Team Members to government agencies and will take action against Team Members for violations.

While Team Members are expected to comply with such requests, MSHA is entitled to safeguards provided by law against disclosure of certain information. Examples of information that might not be subject to disclosure include, but are not limited to:

- Patient information protected by medical record privacy laws
- Quality assurance data compiled by MSHA to comply with federal and state requirements
- Information collected as part of the MSHA peer review process to review and evaluate the credentials of healthcare providers furnishing services within our organization
- Employee records

Team Members must consult with their Supervisor if there is any question concerning whether information requested by a government official is subject to disclosure. Policies may apply to disclosures of information including patient information. Team Members should maintain copies of or a list identifying information disclosed in response to an audit.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Any Team Member receiving a subpoena from the government must notify Corporate Audit and Compliance Services and/or MSHA Legal Services immediately. Team Members are not permitted to respond to subpoenas without permission and direction of MSHA Legal Counsel. This measure is required to ensure that the delivery of MSHA healthcare services and business operations are not compromised as a result of responding to a government subpoena.

Any Team Member who is requested to provide information regarding MSHA operations or confidential information in response to a government request, regardless of where the request for information is made (i.e., on MSHA premises or at the Team Member's home), should report the existence of the communication to their Departmental Director and Corporate Audit and Compliance Services. Requests for patient information should be directed to the Medical Records/Health Information Management Department. Team Members have the right to not respond to such inquiries before consulting with MSHA Legal Counsel.

Standard 7.4 Hiring of Former Government Employees

Specific rules exist to eliminate the appearance of a conflict of interest by former government employees who, upon termination of their government service, seek employment with those who do business with the government. Clearance from MSHA Legal Counsel must be obtained prior to discussing the employment or possible retention of a current or former government employee.

Standard 7.5 Offering Gifts, Meals or Gratuities to Government Personnel

Payment for meals, refreshments, travel or lodging expenses for government employees are governed by strict guidelines which prohibit any type of gratuity, with very few exceptions, and strict compliance is required. Unlike other circumstances, laws regarding this issue can easily be violated if anything of value is given to a government employee, even if there is no intent to influence an official action or decision.

VIII. Compliance Education

MSHA is committed to providing education to Team Members regarding this Code of Ethics and Business Conduct. MSHA requires that all Stakeholders read this Code thoroughly, attest to having read and understood it, and comply with the Standards contained in this Code. Team Members are expected to complete compliance training. New Team Members will receive training as part of orientation. Satisfactory completion of training and adherence to MSHA standards and policies will be a factor in Team Member evaluations.

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

IX. Sanctions for Violations

Stakeholders are expected to abide by this Code of Ethics and Business Conduct, policies, laws and regulations that affect the operations of our business. MSHA maintains a policy of zero tolerance for violations of MSHA standards, policies and regulatory requirements.

Disciplinary actions will be taken for:

- Authorization of or participation in actions that violate the Code
- Failure to report a violation of the Code or to cooperate in an investigation
- Failure by the Management of a violator to detect and report a violation of the Code, if such failure reflects inadequate supervision or lack of oversight
- Retaliation against an individual for reporting a violation or possible violation of the Code

Disciplinary action may result in verbal or written warnings, corrective action programs, employment or contractual termination, institution of peer review, etc. as applicable. Actions will be determined on a case-by-case basis in accordance with MSHA policies.

X. How to Report Problems or Concerns

Team Members are encouraged to talk to a Supervisor about concerns. Management is responsible for using resources throughout the organization to assist in upholding the Standards of the Code of Ethics and Business Conduct, MSHA policies and regulatory requirements. If an issue is raised and appears to not be receiving appropriate attention, or if the Team Member feels the answer from the Supervisor is not acceptable, concerns should be raised to the next level and/or to the Department Director. If this individual is unable to resolve the issue, the issue should be elevated to the Facility Compliance Officer, a Human Resources representative, Corporate Audit and Compliance Services, MSHA Legal Counsel, the Ethics Committee Consultant and/or a Vice President.

A concern may be reported anonymously by calling the MSHA Compliance AlertLine. The Compliance AlertLine is designed to permit a Stakeholder to report a compliance concern or to obtain clarification on compliance issues. Calls to the AlertLine are answered confidentially by trained operators from an external agency 24 hours a day, 7 days a week. There is no caller ID function and caller identification is not required. A caller may remain anonymous and will be given a follow-up code to call back and request a status of the reported concern.

MSHA Compliance AlertLine: 1-800-535-9057

*****Additional resources may be found on the following page*****

MSHA CODE OF ETHICS AND BUSINESS CONDUCT

Stakeholders may also report quality of care or patient safety issues to:

The Joint Commission: Online: www.jointcommission.org
Email: patientsafetyreport@jointcommission.org
Fax: 630-792-5636
Mail: The Joint Commission
One Renaissance Blvd.
Oakbrook Terrace, IL 60181

The Healthcare Facilities Accreditation Program:

Online: www.hfap.org
Fax: 312-202-8298
Mail: HFAP c/o Complaint Dept
142 E Ontario St.
Chicago, IL 60611

State of Tennessee: Online: www.tn.gov
Tele: 877-287-0010 (toll free)
Mail: Division of Health Care Facilities
Centralized Complaint Intake Unit
665 Mainstream Dr. 2nd Floor
Nashville, TN 37243

State of Virginia: Online: www.vdh.virginia.gov
Email: OLC-Complaints@vdh.virginia.gov
Fax: 804-527-4503
Tele: 800-955-1819 (toll free)
Mail: Office of Licensure and Certification
Complaint Intake-VA Dept of Health
9960 Mayland Dr. Suite 401
Henrico, VA 23233

Other resources available throughout MSHA include:

Coding Questions Request Line	423-431-6070
Billing/Reimbursement Patient Accounts	423-431-1700
Employment/Human Resources-Corporate	423-302-3251
Employment/Human Resources-NCH/DCH	276-679-9698
Environmental/Infection Control	Call Facility Main Number
Ethics Consult or House Supervisor	Call Facility Main Number
Conflicts of Interest/Corporate Compliance Officer	423-302-3394
Contracts, Kickbacks, Legal Counsel	423-302-3411
HIPAA Privacy/HIPAA Security	423-302-3401/423-302-3407

UNCONTROLLED WHEN PRINTED

Document Metadata

Document name:	Code of Ethics and Business Conduct - MSHA
Original Location:	/Mountain States Health Alliance/ATTACHMENTS/Reference Documents
Created on:	09/10/2008
Published on:	09/06/2016
Last Review on:	08/05/2016
Next Review on:	08/05/2019
Creator:	Jones, Myra L <i>RN - Clinical Standards (Policy & Procedure)</i>
Committee:	Board Policy Committee
Owner/SME:	Levine, Alan <i>President & Chief Executive Officer - MSHA</i>
Manager:	Belisle, Tim <i>Senior Vice President - Compliance Officer/General Counsel</i>
Author(s):	Carter, Paige <i>Corporate Director - Corporate Audit Services</i> Belisle, Tim <i>Senior Vice President - Compliance Officer/General Counsel</i>
Publisher:	Jones, Myra L <i>RN - Clinical Standards (Policy & Procedure)</i>

Summary of Changes/Updates:

Revised and replaces Code of Ethics and Business Conduct - Norton
Community Hospital.

UNCONTROLLED WHEN PRINTED

Policy Manual:	Administration/Operational
Manual Section:	Board
Policy Number:	BD-000-007
Effective Date:	March 23, 2015
Supersedes:	February 2012
Reviewed Date:	March 23, 2015

I. TITLE: CONFLICT OF INTEREST POLICY OF MOUNTAIN STATES HEALTH ALLIANCE

II. PURPOSE:

To define the process regarding conflict of interest disclosure for Mountain States Health Alliance.

III. SCOPE:

All team members

IV. FACILITIES/ENTITIES:

MSHA Corporate

Tennessee: FWCH, IPMC, JCCH, JCMC, SSH, UCMH, **WPH, Niswonger Children's** Hospital, Kingsport Day Surgery, Princeton Transitional Care, Unicoi County Nursing Home

Virginia: DCH, JMH, NCH, RCMC, SCCH, Francis Marion Manor Health & Rehabilitation, Norton Community Physicians Services (NCPS), Community Home Care (CHC)

BRMMC owned and managed practices

Home Health/Hospice

ISHN

Wilson Pharmacy, Inc.

Mountain States Pharmacy at Norton Community Hospital

V. DEFINITIONS:

A. If The following terms shall have the following meanings when used in this Policy:

1. **"Affiliate"** shall mean any organization that controls, is controlled by, or is related by common control to this Corporation.
2. **"Board Committee"** means any committee that has specific authority to take final action relative to the charitable, business or clinical aspects of this Corporation delegated to it by the Board or the Bylaws of this Corporation, as opposed to committees that are simply advisory.
3. **"Board Member"** shall refer to all Directors and Trustees of this Corporation, and members of all Board Committees, whether appointed, elected, or ex officio, and including, but not limited to, physicians.

4. "**Compensation**" shall mean any remuneration, whether direct or indirect, including any gifts or favors that are substantial in nature.
5. "**Conflicting Interest**" shall mean service as a member, shareholder, trustee, owner, partner, director, officer, or employee of any organization or governmental entity that either:
 - a. Competes with this Corporation or any Affiliate, or
 - b. Is involved or is likely to become involved in any litigation or adversarial proceeding with this Corporation or any Affiliate, or
 - c. Is seeking or soliciting funds or other substantial benefits from this Corporation
6. "**Financial Interest**" shall mean any arrangement or transaction pursuant to which an Interest Person has, directly or indirectly, through business, investment or family, either:
 - a. A present or potential ownership, investment interest or compensation arrangement in any entity with which this Corporation or any Affiliate has or may have a transaction or arrangement; or a compensation arrangement with this Corporation or any entity or individual with which this Corporation or any Affiliate has or may have a transaction or arrangement.

VI. POLICY:

- A. Disclosure of Conflicting Interests
 1. Every Person Covered by this Policy shall submit in writing to the Chief Executive Officer (CEO) a Conflict of Interest Disclosure Statement listing all Financial and Conflicting Interests.
 2. Each Statement will be resubmitted with any necessary changes each year or as any additional Conflicting or Financial Interests arise. The Chairman of the Board shall become familiar with all such Disclosure Statements in order to guide his conduct should a conflict arise.
 3. The Vice Chairman of the Board shall be familiar with the Disclosure Statement filed by the Chairman.
- B. Procedure to be Followed at Meetings
 1. Whenever the Board or Board Committee is considering a transaction of arrangement with an organization, entity or individual in which a Person Covered by this Policy has a Financial or Conflicting Interest, the following shall occur:
 - a. The Interested Person must disclose the Financial or Conflicting Interest to the Board or Board Committee;
 - b. The Board Chair, the Board Committee or the Board shall ask the Interested Person to leave the meeting during discussion of the matter that gives rise to the potential conflict. If asked, the Interested Person

shall leave the meeting, although he may make a statement or answer any questions on the matter before leaving;

- c. The Interested Person will not vote on the matter that gives rise to the potential conflict; and
 - d. The Board or Board Committee must approve the transaction or arrangement by a majority vote of the Board Members present at a meeting that has a quorum, not including the vote of the Interested Person.
2. In addition, if an Interested Person has a Financial Interest in a transaction or arrangement that might involve personal financial gain or loss for the Interested Person, the following should be observed in addition to the provisions described above:
- a. If appropriate, the Board or Board Committee may appoint a non-interest person or committee to investigate alternatives to the proposed transaction or arrangement;
 - b. In order to approve the transaction, the Board or Board Committee must first find, by a majority vote of the Board Members then in office, without counting the vote of the Interested Person, that the proposed **transaction or arrangement is in the Corporation's best interest and for its own benefit**; the proposed transaction is fair and reasonable to the Corporation; and, after reasonable investigation, the Board or Board Committee has determined that the Corporation cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances;
 - c. The Interested Person will not be present for the discussion or vote regarding the transaction or arrangement; and
 - d. The transaction or arrangement must be approved by a majority vote of the Board Members, not including any Interested Persons.

C. Minutes of Meetings

1. Minutes of all Board and Board Committee Meetings shall include the following:
- a. The names of the persons who disclosed Conflicting or Financial Interest, the nature of the Conflicting or Financial Interests and whether the Board determined there was a conflict of interest; and
 - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of these discussions, including any alternatives to the proposed transaction or arrangement; and a record of the vote.

D. Dissemination and Acknowledgement of Policy

1. This policy shall be distributed to all Persons Covered by this Policy.

2. Each Person covered by this Policy shall sign an annual statement that the person:
 - a. Received a copy of the policy;
 - b. Has read and understands the policy;
 - c. Agrees to comply with the policy;
 - d. Understands that the policy applies to the Board and all Board Committees; and
 - e. Understands that this Corporation and its Affiliates are organized to advance charitable purposes and that in order to maintain tax-exempt status they must continuously engage primarily in activities which accomplish one or more tax-exempt purposes.

E. Compensation Committee

1. All medical staff members who receive, directly or indirectly, compensation from the Corporation for any services rendered as an employee or as an independent contractor, shall not serve as a member of any compensation committee established by the Corporation.
2. No interested person serving on any committee established by the Corporation shall vote on any **matters pertaining to that person's** compensation.

F. Penalties for Non-Compliance

1. Failure to comply with this Policy shall constitute grounds for removal from office and, in the case of Key Management Personnel, termination of employment.

G. Competitive Bidding

1. To assure this Corporation, the general public, and outside vendors of objective evaluations of outside proposals for the provision of goods and services, a competitive bidding process has been established as follows:
 - a. Under normal circumstances, this Corporation will obtain competitive bids.
 - b. The decision to select a vendor for the provision of good and services will be based upon a combination of factors (price competitiveness, quality, delivery time, service and other valid considerations).

H. Periodic Reviews

1. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and **are the result of arm's-length** bargaining.
- b. Whether acquisitions or other arrangements with providers result in inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements and arrangements with other organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, **further the Corporation's charitable purposes and do not result in** inurement or impermissible private benefit.
- d. Whether arrangements to provide health care and arrangements with other health care providers, employees, and third party payors further the **Corporation's charitable purposes and do not result in inurement or** impermissible private benefit.

LINKS:

Board Members' Confidentiality Agreement

Conflict of Interest Disclosure Statement

Chair, MSHA Board

Date