

 Kaleida Health POLICY	Title: Code of Conduct and Business Ethics	# IAC.19
	Owner: Chief Compliance Officer	Issued: 3/30/98
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I. Statement of Purpose

Kaleida Health aspires to maintaining the highest level of corporate integrity and expects all of its workforce members (as defined under Scope of Practice) to commit themselves to the same end. This Code of Conduct and Business Ethics (the Code) has been adopted by the Kaleida Health Board of Directors to provide standards by which workforce members will conduct themselves in order to protect and promote system-wide integrity and core values, and to enhance Kaleida Health’s ability to achieve the organization’s mission and vision. The Core Values of Kaleida Health mandate a patient-centered commitment, the pursuit of excellence and quality in all endeavors, personal accountability, and integrity in everything we do.

Kaleida Health expects each workforce member to whom this Code applies to abide by the Principles and Standards set forth herein, to conduct the business and affairs of and/or with Kaleida Health in a manner consistent with the general statement of principles set forth herein and to comply with all relevant health care laws, regulations and policies.

This Code contains **Principles** articulating the policy of the organization and **Standards** that are intended to provide additional guidance to workforce members. All persons associated with Kaleida Health are responsible to ensure that their behavior and activity is consistent with this Code.

Failure to abide by this Code or the guidelines for behavior that the Code represents may lead to disciplinary action. For alleged violations of the Code, Kaleida Health will weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the Code, the egregiousness of the behavior, history with the organization and other factors which Kaleida Health deems relevant. Discipline for failure to abide by the Code may, in Kaleida Health’s discretion, range from oral correction to termination of employment or contract. If in Kaleida Health’s discretion circumstances warrant it, criminal or civil prosecution will be pursued. Some of the Standards set forth herein apply only to Kaleida Health employees, and are so noted.

II. Audience

This policy applies to all Kaleida Health workforce members, as well as members of the Kaleida Health Boards of Directors, consultants, contractors and vendors. As used in this Code:

- A. The term “Kaleida Health” means Kaleida Health and each of its divisions, affiliates and operating or business units. An affiliate of Kaleida Health means any entity controlled by, in control, or under common control with Kaleida Health.
- B. The term “Director” refers to members of Kaleida Health Boards of Directors.
- C. The term “Board” means the Kaleida Health Boards of Directors.
- D. The term “workforce member” includes Directors and Corporate Officers as well as employees, independent contractors, agents, volunteers, trainees or other persons who perform work for Kaleida Health. This includes, but is not limited to, full and part time employees, affiliates, associates, managers and leaders (individuals with the designation of supervisor and above), volunteers, physicians employed by or otherwise affiliated with Kaleida Health, medical residents, nursing students or others receiving training at any Kaleida Health facility, and others who provide goods or services to Kaleida Health. As used within this definition, “employee” refers to an individual who performs services as a W-2 employee of Kaleida Health.
- E. The term “key employee” means any person who is in a position to exercise substantial influence over the affairs of Kaleida Health. A person, regardless of title, is in a position to exercise substantial influence over the affairs of the organization by holding any of the following powers:
 - 1. Voting member of the governing body;

- 2. The ultimate responsibility for implementing the decisions of the governing body or for supervising the management, administration, or operation of the organization; or
- 3. The ultimate responsibility for managing the finances of the organization.
- F. This Code of Conduct applies to workforce members who are independent contractors only in their capacity as independent contractors of Kaleida Health and shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.

III. Instructions – (Outline necessary steps for consistent completion of process/ procedure)

Principle 1 - Legal Compliance

Kaleida Health requires that all activities by or on behalf of the organization be in compliance with applicable laws and regulations, as well as applicable Kaleida Health policies.

The following Standards are intended to provide guidance to workforce members to assist them in their obligation to comply with applicable laws and regulations. These Standards are neither exclusive nor complete. Workforce members are required to comply with all applicable laws and regulations whether or not specifically addressed in this Code. If questions regarding the existence, interpretation or application of any law arise, they should be directed to Kaleida Health’s Office of General Counsel, which includes Internal Audit & Corporate Compliance, Risk Management, Research & Sponsored Projects and Labor Counsel.

Standard 1.1 - Fraud and Abuse

Kaleida Health expects all workforce members to refrain from conduct that may violate the fraud and abuse laws, particularly those pertaining to Medicare, Medicaid or other government programs. These laws prohibit: (1) the submission of false, fraudulent or misleading claims to any governmental entity or third party payor, including claims for services not rendered or supplies not used, claims that characterize the service differently than the service actually rendered, or claims that do not otherwise comply with applicable program or contractual requirements; (2) making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service; (3) retaining an overpayment made by a governmental program, insurance company or patient; (4) improper financial reporting as further described in Standard 7.2; and (5) inappropriate access to or disclosure of a patient’s protected health information without a need to know.

1. Stark Law Compliance

The Physician Self-Referral Law, more commonly referred to as the Stark Law, prohibits a physician from referring patients to an entity, such as Kaleida Health, for a designated health service if the physician or a member of his or her immediate family has a financial relationship with the entity, unless an exception applies. “Immediate family member” or “member of a physician’s immediate family” means husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild. The law also prohibits an entity from presenting a claim to Medicare or to any person or other entity for designated health services provided under a prohibited referral. No Medicare and/or Medicaid payment may be made for designated health services rendered as a result of this prohibited referral, and an entity must timely refund any amounts collected for designated health services performed under a prohibited referral.

The following penalties may be imposed for any violation of the Stark Law.

- a. Denial of payments for prohibited referrals.
- b. Refund of payments for prohibited referrals.
- c. Imposition of up to a \$15,000 civil monetary penalty for each service resulting from an improper claim.
- d. Imposition of a civil monetary penalty of \$100,000 for each arrangement considered to be a circumvention scheme.
- e. Exclusion from federal healthcare programs including Medicare and Medicaid.

f. Liability under the False Claims Act.

There are numerous exceptions under the Stark Law. Specific questions or situations should be addressed to Kaleida Health's Office of General Counsel.

2. Anti-Kickback Statute Compliance

Under New York State and Federal law, anti-kickback statutes prohibit a health care provider from knowingly and willingly offering, paying, soliciting or receiving anything of value to induce or reward the referral or generation of health care services or for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or ordering of any item or service reimbursable in whole or in part by Medicare, Medicaid or Social Security Disability. Anti-kickback statutes prohibit in the health care industry some practices that are common in other business sectors, such as offering gifts to reward past or potential new referrals. Safe Harbors recognize that certain business practices between health care providers are permitted. There are specific requirements that must be met for the presumption of legality to apply. In all arrangements under any safe harbor, there must be no requirement that a practitioner who is not employed by Kaleida Health refer patients to or generate business for Kaleida Health or refrain from referring patients or generating business for another health care provider.

The following penalties may be imposed for any violation of the Federal Anti-Kickback Statute, as described at 42 U.S.C. § 1320a-7b(b).

1. Criminal Penalties
 - a. Up to five years imprisonment
 - b. Up to \$25,000 fine for each violation
 - c. Refund of all payments
 - d. Prosecution under federal and state False Claims acts
2. Civil Monetary Penalties
 - a. Treble damages
 - b. Refund of all payments
 - c. Up to \$50,000 fine for each violation
3. Exclusion from federal health care programs

Specific questions regarding the anti-kickback statutes should be directed to Kaleida Health's Office of General Counsel.

Standard 1.2 - Tax

As a tax-exempt, not-for-profit entity, Kaleida Health has a legal and ethical obligation to act in compliance with applicable laws, to engage in activities in furtherance of its charitable purpose, and to ensure that its resources are used in a manner that furthers the public good rather than the private or personal interests of any individual. Consequently, Kaleida Health and workforce members will avoid compensation arrangements in excess of fair market value, will accurately report payments to appropriate taxing authorities, and will file all tax and information returns in accordance with applicable laws. Standards for indigent and non-compensated care and community service will comply with relevant Internal Revenue Service regulations.

Standard 1.3 - Antitrust

All workforce members must comply with applicable antitrust and similar laws that regulate competition. Examples of conduct prohibited by the laws include (1) agreements to fix prices, bid rigging, and collusion (including price sharing) with competitors; (2) boycotts, certain exclusive dealing and price discrimination agreements; and (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices.

Standard 1.4 - Lobbying/Political Activity

All workforce members will refrain from engaging in any activity that may jeopardize the tax-exempt status of the organization, including lobbying and political activities.

1. No workforce member may make any agreement to contribute any money, property, or services of any employee at Kaleida Health's expense to any political candidate, party, organization,

committee or individual in violation of any applicable law. Employees may **personally** participate in and contribute to political organizations or campaigns, but they must do so **as private individuals**, not as representatives of Kaleida Health, and they must use their own funds. Such individuals will not use “the power of the office” to encourage other workforce members to support a candidate for office financially or otherwise.

2. Where its experience may be helpful, Kaleida Health may publicly offer recommendations concerning legislation or regulations being considered for the purpose of educating/informing public officials. In addition, it may analyze and take public positions on issues that have a relationship to the operations of Kaleida Health when Kaleida Health’s experience contributes to the understanding of such issues. Communications of this sort are to be coordinated with the Chief Marketing Officer.

Standard 1.5 - Environmental

It is the policy of Kaleida Health to manage and operate its business in a manner that respects our environment and conserves natural resources. Workforce members will strive to utilize resources appropriately and efficiently, to recycle where possible and otherwise dispose of all waste in accordance with applicable laws and regulations (including HIPAA regulations), and to work cooperatively with the appropriate authorities to remedy any environmental contamination for which Kaleida Health may be responsible.

Standard 1.6 - Discrimination

Kaleida Health believes that the fair and equitable treatment of all workforce members, patients and other persons is critical to fulfilling its Vision and Mission and is consistent with its Core Values.

It is the policy of Kaleida Health to provide quality care to patients without regard to the race, color, religion, sex, sexual orientation, gender identity and expression, ethnic origin, age, citizenship status, veteran status, language or financial limitation, or disability of such person, or any other classification protected by law.

It is the policy of Kaleida Health to recruit, hire, train, promote, assign, transfer, layoff, recall and terminate workforce members based on their own ability, achievement, experience and conduct without regard to race, color, religion, sex, sexual orientation, gender identity and expression, national origin, age, citizenship status, creed, physical or mental disability, marital status, status with regard to public assistance, status as a disabled veteran and/or veteran of the Vietnam-Era, or any other classification protected by law.

No form of harassment or discrimination of any sort is permitted. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable policies, procedures and laws. Our harassment-free and discrimination-free policies extend to business associates such as vendors, professionals and other providers of goods and services to Kaleida Health.

Principle 2 - Business Ethics

In furtherance of Kaleida Health’s commitment to the highest standards of business ethics and integrity, workforce members will accurately and honestly represent Kaleida Health and will not engage in any activity or scheme intended to defraud anyone or any entity of money, property or services.

The Standards set forth below are designed to provide guidance to ensure that Kaleida Health’s business activities reflect the highest standards of business ethics and integrity. Conduct not specifically addressed by these standards must be consistent with Principle 1, Legal Compliance.

2.1 - Honest Communication

Kaleida Health requires candor and honesty from workforce members in the performance of their responsibilities and in communication with its attorneys, auditors and regulatory bodies. No workforce member will make false or misleading statements to any patient, person or entity doing business with Kaleida Health about themselves or about other patients, persons or entities doing business or competing with Kaleida Health, or about the products or services of Kaleida Health or its competitors. All communication, but most particularly with Kaleida Health patients, will be conducted with civility and respect.

2.2 - Misappropriation of Proprietary Information

Workforce members will not misappropriate confidential or proprietary information belonging to another person or entity or utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. All workforce members are responsible to ensure they do not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Employees will not utilize confidential business information obtained from competitors, including but not limited to customer lists, price lists, contracts or other information in violation of a covenant not to compete, or prior employment agreements, or in any other manner likely to provide an unfair competitive advantage to Kaleida Health.

2.3 - Fairness in Billing Practices

Kaleida Health takes great care to assure that all billings to government and other insurance payors reflect truth and accuracy, and conform to all federal and state laws and regulations. Consistent with these laws and regulations, workforce members will assure that all Kaleida Health patients receive an itemized bill and explanation of all charges. Billing practices are guided by a regulatory environment external to Kaleida Health. Kaleida Health, its medical staff and all of its affiliates who provide billable services to patients will invoice only for the services provided. Parties culpable of false, fictitious or fraudulent claims are subject to the most severe disciplinary measures. Bills will be disbursed in a timely manner and assistance will be provided to patients in need of understanding the cost related to their care. Questions and objections that arise pertaining to the cost of services provided by Kaleida Health as well as the ability to pay, will be addressed promptly.

2.4 - Marketing and Fund Raising Practices

Kaleida Health is committed to having all information provided to the media accurately portray the facts in compliance with HIPAA and other patient confidentiality regulations. Every effort will be made to avoid any statements that could lead to misinterpretation. All media contacts that implicate a Kaleida interest, including patient confidentiality of a Kaleida patient, a proprietary interest of Kaleida, or a legal interest or effect on Kaleida will be coordinated through the Chief Marketing Officer who will review public statements to ensure patient confidentiality and adherence to ethical marketing practices. Kaleida Health fund raising or friend raising activities that may involve protected health information must be cleared through Kaleida Health's Office of General Counsel or Internal Audit & Corporate Compliance.

Nothing in this section 2.4 shall prevent a workforce member from communicating with media contacts in the workforce member's capacity outside Kaleida Health. This section shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.

2.5 - Purchasing Practices

Kaleida Health has supply chain management policies and procedures that address competitive bidding and vendor qualifications. Services, supply items or equipment costing over a specified amount are purchased on competitive bid in accordance with Kaleida Health policy through a group purchasing organization or directly from approved vendors. Selection of vendors, subcontractors and suppliers are made by Supply Chain Management on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, service and maintenance of adequate sources of supply. Purchasing decisions are made on the supplier's ability to meet Kaleida Health's needs and standards, and not on personal relationships, friendships, or inducements of any sort.

Kaleida Health employees who leave Kaleida Health and are subsequently hired by a vendor or prospective vendor may not call on or represent said vendor in any manner to Kaleida Health as a customer or prospective customer as required by a non-compete clause. Any exception to this restriction may only be made, in writing, by Kaleida Health's Office of General Counsel.

2.6 - Integrity and Quality of Clinical Decision Making

Kaleida Health and all workforce members are committed to protect the integrity and quality of clinical decision making, regardless of how Kaleida Health compensates or shares financial risk with its leaders, managers, clinical staff and licensed independent practitioners. To avoid compromising the quality of

care, clinical decisions (including tests, treatments, and other interventions) are based on identified patient health care needs.

2.7 – Reporting Unethical Behavior, and Non-Intimidation and Non-Retaliation

Any workforce member who has witnessed inappropriate conduct by another workforce member(s) is required to report on such conduct. Inappropriate conduct includes any type of activity that this Code is designed to eliminate by encouraging system-wide integrity. This may include questionable accounting or auditing matters, kickbacks, sub-quality care, patient abuse, harassment, fraud and abuse and other illegal activities discussed in Principle 1, Legal Compliance.

Reporting options include: a) calling or meeting with a member of the Audit & Corporate Compliance Committee of the Kaleida Health Board by initially coordinating with the Kaleida Health Compliance/Privacy Officer at 859-8516; b) calling the compliance/privacy hotline (859-8559); c) calling the Kaleida Health Compliance/Privacy Officer (859-8516); d) making a written report to the Kaleida Health Compliance/Privacy Officer; e) calling or e-mailing a member of the Internal Audit & Corporate Compliance department by initially coordinating with the Kaleida Health Compliance/Privacy Officer at 859-8516; f) a confidential meeting with a member of the Internal Audit & Corporate Compliance department or Kaleida Health’s Office of General Counsel. Employees are encouraged, but not required, to report concerns first to their supervisor or manager. Workforce members who have concerns about the safety or quality of care provided in Kaleida Health facilities may report these concerns to DNV (Det Norske Veritas) Healthcare, Inc. or any New York State or federal regulatory agency.

Any person reporting inappropriate conduct internally may do so anonymously. Every attempt will be made to respond to reports of unethical behavior within 48 hours. If the reporter’s identity is disclosed, confidentiality is assured unless disclosure is required as a matter of law. **Workforce members making a report in good faith are assured that Kaleida Health does not tolerate intimidation, harassment, discrimination or other retribution or retaliation of any kind against relators or whistleblowers.** This protection is mandated by federal and state laws as well as Kaleida Health policy. Intimidation, harassment, discrimination or other retaliation or retribution should be reported to Internal Audit & Corporate Compliance or Kaleida Health’s Office of General Counsel. A copy of this Section 2.7 shall be distributed to all workforce members.

Principle 3 - Respect for the Patient

All workforce members who have contact with Kaleida Health patients will treat all patients with dignity and respect and afford every patient the rights to which he or she is entitled under applicable law, regulation, and Kaleida Health policy.

All patients of Kaleida Health will be treated with:

1. consideration, respect and with full recognition of their individuality and personal needs, including their cultural, psychosocial and spiritual beliefs;
2. the right to privacy of treatment under HIPAA and any other patient privacy regulations, consistent with providing adequate medical care to the patient; and
3. no discrimination as to race, color, religion, sex, sexual orientation, gender identity and expression, ethnic origin, age, disability, citizenship status, veteran status, language or financial limitation, or any other classification protected by law, and within the capacity of Kaleida Health to provide treatment or identify a source of payment.

All workforce members involved with patient care have an obligation to inform patients or their representatives of patient’s rights and responsibilities. Open and honest communication will occur with all patients and/or their representatives with regard to the medical care provided. Patients or their representative should be involved in the decision-making process regarding the care that is provided. All patients should be informed of the significant risks and alternatives associated with the care they are receiving. Kaleida Health will continually seek to understand patients’ objectives for care and respect their requests to the extent clinically appropriate. Research involving human subjects will be performed only with the informed consent of the patient and will follow high ethical standards, as well as relevant regulatory standards. Patients will be given a full explanation of the risks, expected benefits and alternatives.

3.1 - Limited English Proficiency

When a person has limited ability to speak or understand English, his or her participation in health care can be hindered and lead to a lack of meaningful access to care. Kaleida Health will make every attempt to provide patients with limited English proficiency or hearing impairment (and their guardians) a medical interpreter without any charge to them.

3.2 – Charity Care

The Charity Care and Financial Assistance Programs are designed to assist patients with their financial obligations when they seek and receive care at Kaleida Health. These programs are also designed to ensure Kaleida Health provides non-discriminatory emergency medical care, regardless of whether the individual is eligible for financial assistance under its financial assistance policy.

Principle 4 - Confidentiality

Workforce members will maintain the confidentiality of patient and other confidential information in accordance with applicable legal and ethical standards.

Kaleida Health and other workforce members are in possession of and have access to a broad variety of confidential, sensitive and proprietary information, of which the inappropriate release could be injurious to individuals, Kaleida Health's business partners and Kaleida Health itself. Workforce members have an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of information. Anyone who knows or has reason to believe that another person has violated the confidentiality of patient or other confidential information should report the matter promptly in accordance with Standard 2.7, Reporting Unethical Behavior.

4.1 - Patient Information

Workforce members have an obligation to maintain the confidentiality of patient information. Workforce members will refrain from revealing any personal or confidential information concerning patients unless supported by legitimate business or patient care purposes pursuant to relevant policies, regulations and laws. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, workforce members should seek guidance from Risk Management, Kaleida Health's Office of General Counsel or Internal Audit & Corporate Compliance.

4.2 - Proprietary Information

Information, ideas and intellectual property assets of Kaleida Health are important to organizational success. Information pertaining to Kaleida Health's competitive position or business strategies, payment and reimbursement information, and information relating to contract negotiations must be protected and shared only with workforce members having a need to know such information in order to perform their job responsibilities. Workforce members must exercise care to ensure that intellectual property rights, including patents, trademarks, copyrights and software licenses are carefully maintained and managed to preserve and protect their value.

4.3 - Personnel Actions/Decisions

Salaries, benefits, contracts and other personal information relating to workforce members will be treated as confidential. Personnel files, payroll information, disciplinary matters and similar information will be maintained in a manner designed to ensure confidentiality. Workforce members will exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

Principle 5 - Conflict of Interest

All workforce members are expected to act with integrity, honesty and fairness to avoid any conflict, or appearance of a conflict thereof, between personal or external interests and the interests of Kaleida Health. A conflict of interest arises during any circumstance in which one's personal interest or relationships might affect his or her objectivity or ability to fulfill responsibilities, with regard to the organization.

Principle 5 and sections within this principle shall neither apply to general contractual matters between Kaleida Health and an independent contractor providing clinical or administrative services to Kaleida Health nor to limit the economic opportunities of an independent contractor physician or independent

contractor physician group to engage in contractual relations with a person other than Kaleida Health. This Principle shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.

Any person in a position of authority over the affairs of Kaleida Health may not use his or her position to benefit personally or to assist others in benefiting from a decision he or she could make. A related party transaction—meaning any transaction, agreement or other arrangement in which a related party has a financial interest and Kaleida Health is a participant—is considered a conflict of interest.

A “related party” means (i) any Director, Officer or any key employee (as defined in III. Scope of Practice) of Kaleida Health; (ii) any of their respective relatives; or (iii) any entity in which any person described in clauses (i) and (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

“Relative” of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner who, with respect to another person, is formally a party in a domestic partnership or similar relationship with the other person, entered into pursuant to law or registered as a domestic partner of the other person with any registry maintained by the employer of either party or any state or local jurisdiction, or is formally recognized as a beneficiary or covered person under the other person’s employment benefits or health insurance, or is dependent or mutually interdependent on the other person for support, as evidenced by the totality of circumstances of which indicate a mutual intent to be domestic partners.

A person has a “financial interest” if the person has, directly or indirectly, through business, investment, or relatives: (i) an ownership or investment interest in any entity with which Kaleida Health has a transaction or arrangement, (ii) a compensation arrangement with Kaleida Health or with any entity or individual with which Kaleida Health has a transaction or arrangement, or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Kaleida Health is negotiating a transaction or arrangement.

Notwithstanding any interest in a related party transaction, the following circumstances serve as a guide to the types of activities by workforce members, or any of their respective relatives (as defined above) that might cause a conflict of interest:

1. Ownership or beneficial interest in any entity that has made payment to, or received payments from, Kaleida Health. This does not apply to stock or other investments held in a publicly held corporation, provided the value of the stock or other investments does not exceed 5% of the workforce member’s net worth or 5% of the corporation’s stock. Kaleida Health may, following a review of the relevant facts, permit ownership interests which exceed these amounts if management concludes such ownership interests will not adversely impact Kaleida Health’s business interest or the judgment of the workforce member.
2. Conducting business, not on behalf of Kaleida Health, with any Kaleida Health vendor, supplier, contractor, or agency, or any of their officers or employees.
3. Using confidential, special or inside information of, or about, Kaleida Health, particularly for personal profit or an unfair competitive advantage.
4. Direct or indirect competition with Kaleida Health by a workforce member in the purchase, sale or ownership of property or property rights or interests, business investment opportunities or services.
5. Employment, including work as an independent contractor, for (i) any entity with business interests similar to, or competing with, those of Kaleida Health, (ii) any supplier or lender of Kaleida Health, or (iii) any business entity or organization that does business with Kaleida Health, without the written approval of a Kaleida Health Vice President.

6. Initiating, maintaining or voluntarily participating in any case, action, or judicial, administrative or regulatory proceeding that is actually or potentially adverse to Kaleida Health. Any workforce member in such adversarial relationship with Kaleida Health may not hold any position or perform any function that is intended to influence the development, interpretation or application of policy, and any commencement of such adversarial relationship will constructively serve as the workforce member's resignation of that position and any right, privilege, prerogative or authority thereof.

Any workforce member engaging in an activity deemed a conflict of interest by the Chief Compliance Officer or Kaleida Health's Office of General Counsel will be required to immediately cease participation in such activity or remediate the conflict as further instructed by the Office of General Counsel, including termination of employment. Questions regarding the application of this Principle to a particular circumstance shall be referred to Kaleida Health's Office of General Counsel or Chief Compliance Officer for determination.

5.1 – Disclosure and Procedure

Workforce members faced with a potential conflict of interest have an obligation to disclose it immediately to their supervisor, or, to protect confidentiality, the Site Administrator of Human Resources, Kaleida Health's Office of General Counsel or the Chief Compliance Officer.

Any Director, Corporate Officer or key employee of Kaleida Health who has an interest in a related party transaction or other possible conflict of interest shall disclose, in good faith, the material facts concerning such interest to the Board or to the Audit and Corporate Compliance Committee of the Board (the "A&CC"), comprised solely of independent directors, convened to oversee all conflict of interest matters. After disclosure of the interest and all material facts, and after any discussion with the A&CC, he or she must leave the A&CC's meeting. The disclosing individual is prohibited from making any attempt to improperly influence the deliberation or voting on the matter giving rise to the conflict of interest. The A&CC members will decide if a conflict of interest exists. The organization shall not enter into any related party transaction unless the transaction is determined by the Board to be fair, reasonable and in Kaleida Health's best interest at the time of such determination. With respect to any related party transactions in which a related party has a substantial financial interest, the A&CC shall: (i) prior to entering into the transactions, consider alternative transactions to the extent available; (ii) approve the transaction by not less than a majority vote of all members of the A&CC present at the meeting; and (iii) contemporaneously document, in writing, the basis for its approval, including its consideration of any alternative transactions.

Each Director, Corporate Officer and Non-Director member of a Committee of the Board must disclose to the Secretary of Kaleida Health, in writing, all appropriate information and sign the Kaleida Health Conflict of Interest Disclosure Statement before his or her initial election to the Board and annually thereafter. Any employees holding a position of manager or above and all physicians under contract are required to complete the Kaleida Health Conflict of Interest Disclosure Statement upon hire or promotion and thereafter annually during performance review. Even though all information obtained on disclosure statements will be held in confidence and released on a need-to-know basis, completed questionnaires will be made available to the Board and/or the A&CC for review.

5.2 – Records of Proceedings

The meeting minutes of the A&CC will contain: (i) the name(s) of the person(s) who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, including any related party transaction; (ii) the nature of the financial interest; (iii) any action taken to determine whether a conflict of interest was present; (iv) the A&CC's conclusion as to whether a conflict of interest in fact existed; (v) the names of the persons present for discussions; (vi) the contents of the discussion, including any alternatives to the proposed transaction or arrangement; and (vii) a record of any votes taken in connection with the proceedings.

5.3 - Participation on Boards

An employee must obtain written approval from the Vice President within his or her reporting structure prior to serving as a member on the Board of Directors/Trustees of any organization whose interest may conflict with those of Kaleida Health. Furthermore, employees must annually disclose all Board of Directors/Trustees activities in the Kaleida Health Conflict of Interest Disclosure Statement. All

fees/compensation (other than reimbursement for expenses arising from board participation) that are received by an employee for board services provided during normal work time at Kaleida Health will be paid directly to Kaleida Health or a Kaleida Health affiliated foundation.

An employee who is asked, or seeks to serve on the Board of Directors/Trustees of any organization whose interest would not impact Kaleida Health (for example, civic [non-governmental], charitable or fraternal) will not be required to obtain such vice president approval.

However, Kaleida Health retains the right to prohibit membership by an employee on any Board of Directors/Trustees where such membership might conflict with the best interest of Kaleida Health. Questions regarding whether or not board participation might present a conflict of interest should be discussed by the employee with his or her supervisor and referred to the Vice President within his or her reporting structure for resolution.

5.4 - Honoraria

With the permission of their manager, employees are encouraged to participate as faculty and speakers at educational programs and functions and to contribute to professional publications. However, any honoraria or compensation in excess of one hundred dollars (\$100) will be turned over to Kaleida Health or a Kaleida Health affiliated foundation unless the employee used paid time off or off-duty time to attend the program, or that portion of the program for which the honoraria is paid, or to produce the material for publication for which compensation is received.

Principle 6 - Business Relationships

Business transactions with vendors, contractors and other third parties will be an arms-length transaction, free from offers, direct or indirect, of anything of value, including gifts, trips, accommodations, travel expenses, events, meals, or favors of any sort that could serve as an inducement for Kaleida health or any workforce member (as defined in Scope of Practice) to influence or provide assistance in a purchase or referral of health care items or services. Educational grants to Kaleida Health by vendors for educational events are permissible only as outlined below. Violations of this Principle could result in termination of the workforce member involved and/or the termination of the existing or proposed relationship between Kaleida Health and the vendor, contractor or other third party. For the purpose of this Principle, including Section 6.1 to the end of Section 6.3, “vendors, contractors and other third parties” excludes educational institutions in their regular educational interactions, between or amongst attending physicians and residents, medical students, fellows, undergraduates or other clinical students. This exclusion does not permit offers, direct or indirect, of anything of value, including gifts, trips, accommodations, travel expenses, events, meals, or favors of any sort, that could serve as an inducement for Kaleida Health or any workforce member (as defined in III. Scope of Practice) in the a purchase or referral of health care items or services.

It is the intent of Kaleida Health that this policy be construed broadly to avoid even the appearance of improper activity. At all times, Kaleida Health remains committed to regulatory and statutory compliance as well as any compliance guidance published by federal or state authorities. Questions or clarification regarding the appropriateness of specific conduct or activities should be addressed to the Chief Compliance Officer or Kaleida Health’s Office of General Counsel.

6.1 - Gifts and Funding Sources

At all times it is Kaleida Health’s desire to preserve and protect its reputation and avoid any impropriety or appearance of impropriety. Kaleida Health’s Office of General Counsel or Internal Audit & Corporate Compliance must approve exceptions to any of the following.

1. Gifts from Patients. Workforce members are prohibited from soliciting tips, personal gratuities or personal gifts from patients or families of patients. Workforce members may accept unsolicited gifts or gratuities of a nominal value (less than \$50) from patients or families of patients. If a patient or other individual wishes to present a monetary gift of more than \$50, he or she should be directed to the development office of the institution or group to which they want to contribute, including the Kaleida Health Foundation.

2. Funding for Educational Events for Workforce Members. A vendor may provide or support an educational program or event that is to be held on Kaleida Health property, other than property that Kaleida Health has leased to a third party, only in accordance with the following requirements:
 - a. Educational events on a Kaleida Health site, other than those presented through the Organizational Development Office, are to be approved by the Site President or other Vice President responsible for the area involved when such events involve either of the following:
 1. Any expense, including educational materials, honoraria or meals, to be covered by Kaleida Health; or
 2. Any form of non-educational institution vendor financial support in any amount, except through grants as described below.
 - b. Educational events that are off site or require out of town travel will be recommended by the Site President or other Vice President for the area involved to the Chief Compliance Officer for approval. No vendor funding for the educational event or for accompanying travel, meals, or entertainment is permitted other than as set forth in this section. This section shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.
 - c. In all cases, the validity of the educational event will be approved in advance by the Site President or other Vice President responsible for the area involved. The input of Kaleida Health's Office of General Counsel as well as areas of clinical expertise may be sought to determine whether the event violates the Federal Anti-Kickback Statute or federal or state compliance guidance. This section shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.
 - d. Educational events may be funded by vendors/vendor foundation grants. To support the educational mission of Kaleida Health, grants may be made by vendors/vendor foundations to the Kaleida Health Office of Research and Sponsored Projects (ORSP). In making educational grants to Kaleida Health, vendors must follow the guidelines established by the HHS OIG. Such grants will be without restriction, other than for educational purposes, and will be controlled by the ORSP. Check requests to withdraw educational grant funds from a special purpose fund must be approved and signed by the ORSP. A written agreement must be in place between the vendor and Kaleida Health before the funds can be accepted.
3. Gifts or Entertainment from Existing or Prospective Vendors. Kaleida Health workforce members may not accept any gifts, entertainment or meals from existing or prospective Kaleida Health vendors without the approval of the Chief Compliance Officer.
4. Vendor Reporting Requirements under the Affordable Care Act for physicians and teaching hospitals. Annually, applicable manufacturers of covered drugs, devices, biologicals, and medical supplies must report payments or other transfers of value they make to physicians and teaching hospitals to the Centers for Medicare and Medicaid Services (CMS). Applicable manufacturers must report all remuneration to physicians and teaching hospitals above the de minimis amount of \$10 per payment or \$100 in the aggregate for a calendar year. Applicable manufacturers must report payments by the nature of the activity in one of the following categories: (1) consulting fees; (2) compensation for services other than consulting; (3) honoraria; (4) gift; (5) entertainment; (6) food; (7) travel (including the specified destination); (8) education; (9) research; (10) charitable contribution; (11) royalty or license; (12) current or perspective ownership or investment interest; (13) compensation for serving as faculty or as a speaker for a noncertified or accredited continuing education program; (14) compensation as a faculty at certified or accredited continuing educational program; (15) grant; or (16) space rental or facility fees for events held at a teaching hospital site. Beginning September 30, 2014 and annually thereafter, CMS will make the information publicly available. Specific questions regarding the applicability of the Affordable Care Act to hospital-related activities should be directed to Kaleida Health's Office of General Counsel.

6.2 - Contracting

Workforce members may not utilize "insider" information for any business activity conducted by or on behalf of Kaleida Health. All business relations with contractors must be conducted at arms-length both in fact and in appearance and in compliance with Kaleida Health policies and procedures. Workforce members must disclose personal relationships and business activities with contractor personnel who may be construed by an impartial observer as influencing the performance or duties of a Kaleida Health employee. Workforce members have a responsibility to obtain clarification from management on questionable issues to assure compliance with Kaleida Health's Conflict of Interest Policy.

6.3 - Business Inducements

Kaleida Health will never use gifts or any form of inducement to improperly influence business relationships or outcomes. Offering, giving, soliciting or receiving any form of inducement or other improper payment is prohibited. Kaleida Health accepts patient referrals based solely on the patient's medical needs and Kaleida Health's ability to render the needed services. Kaleida Health does not pay or offer to pay employees, physicians, or physician groups or other persons for referral of patients. Likewise, Kaleida Health does not accept any remuneration for referrals made by Kaleida Health.

Appropriate business commissions, rebates, discounts and allowances that are customary and conform to all regulatory and legal standards are acceptable if they are approved by a Kaleida Health Vice President. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to which the original agreement or invoice was made or issued. Such payments should not be made to individual employees or agents of business entities.

With the approval of a Vice President, Kaleida Health managers or authorized Kaleida Health employees may provide entertainment and meals of nominal value to Kaleida Health customers, current and prospective business partners and other persons when such activities have a legitimate business purpose and are reasonable and consistent with all applicable laws.

This section shall not apply to the activities of workforce members while acting as individuals or on behalf of entities other than Kaleida Health, so long as such individual or non-Kaleida Health activities are distinct from, and do not directly relate to, Kaleida Health, health care items and services, which are provided by an affiliated physician.

Principle 7 - Protection of Assets

All workforce members will strive to preserve and protect the corporation's assets by making prudent and effective use of Kaleida Health resources and properly and accurately reporting its financial condition.

The Standards set forth below are intended to guide key employees by articulating Kaleida Health's expectations as they relate to activities or behaviors which may impact Kaleida Health's financial health or which reflect a reasonable and appropriate use of the assets.

7.1 - Internal Control

Kaleida Health has established control standards and procedures to ensure that assets are protected and properly used, and that financial records, reports and cost reports are accurate and reliable. All workforce members of Kaleida Health share the responsibility for maintaining and complying with required internal controls. Activities perceived to be non-compliant should be reported to the appropriate manager, Internal Audit & Corporate Compliance or Kaleida Health's Office of General Counsel in accordance with Standard 2.7, Reporting Unethical Behavior.

7.2 - Financial Reporting

Kaleida Health has established and maintains a high standard of accuracy and completeness in the documentation and reporting of all financial records. Financial reports, accounting records, cost reports, research reports, expense accounts, time and attendance records must accurately and clearly represent the relevant facts and true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to Kaleida Health policy and national standards and may be in violation of federal and state laws. Illegal or inappropriate activities of this sort must be reported immediately to

Kaleida Health’s Office of General Counsel, Internal Audit & Corporate Compliance and the external auditors for Kaleida Health.

7.3 - Expense Reimbursement

Reimbursable expenses should be consistent with the workforce member’s job responsibility and Kaleida Health’s needs and resources. It is Kaleida Health’s policy that a workforce member should neither suffer a financial loss nor realize a financial gain as a result of business travel, entertainment, or other appropriate expenses incurred. Workforce members are expected to exercise reasonable judgment in the use of Kaleida Health’s assets and to spend the organization’s assets as carefully as they would spend their own. Workforce members must also comply with Kaleida Health policy relating to expense reimbursement and special purpose funds.

7.4 - Personal Use of Corporate Assets

All workforce members are expected to refrain from employing Kaleida Health assets for personal use. It is the responsibility of each workforce member to preserve the organization’s assets including time, materials, supplies, equipment, services and information. All property and business of Kaleida Health will be used or conducted in a manner designed to further Kaleida Health’s interests rather than the personal interests of a workforce member. Workforce members are strictly prohibited from the unauthorized use of or taking of Kaleida Health’s assets.

Engaging in any activity on company time that will result in remuneration to a workforce member, or the use of Kaleida Health’s equipment, supplies, materials or services for personal or non-work related purposes is prohibited. Any exception to this standard requires written approval of the Vice President responsible for the individual and/or area involved.

****Keypoint:**

Nothing in this Code of Conduct and Business Ethics is intended to or will be construed as providing any additional employment rights to employees or other persons.

In cases where employees are represented under a collective bargaining agreement, Kaleida Health will administer policies and procedures including this Code as outlined in the respective collective bargaining agreement.

IV. Approved by - (Include date)

General Counsel	9/10, 6/13, 12/14
Audit & Corporate Compliance Committee	10/10, 8/13, 12/14
Board of Directors	4/08, 12/10, 12/14

V. References (Include evidence based research, Kaleida Health policy, and regulation as applicable)

N.Y. State Finance Law, § 39, Article XIII (“**New York State False Claims Act**”)
 N.Y. Soc. Serv. Law § 366-d; Consolidated Laws Service Unconsolidated Laws of NY ch. 35 (“**Not-for-Profit Corporation Law**”); 18 N.Y.C.R.R. § 515.2

Social Security Act § 1877, 42 U.S.C. 1395nn (“**Physician Self-Referral Law**”) (codified as amended at 42 C.F.R. §§ 411.350-411.357); 42 U.S.C. § 1320a-7a (“**Civil Monetary Penalties Law**”)
 Social Security Act § 1128B, 42 U.S.C. 1320a-7b (“**Criminal Penalties for Acts Involving Federal Health Care Programs**”)
 31 U.S.C. §§ 3729 - 3733 (“**False Claims Act**”)
 Title VI of the Civil Rights Act of 1964; Health Insurance Portability & Accountability Act of 1996 (**HIPAA**), Public Law 104-191 (codified as amended in 45 C.F.R. Parts 160 and 164); Emergency Medical Treatment and Active Labor Act (**EMTALA**), 42 USC 1395 dd; Federal Sentencing Guidelines
 Federal Deficit Reduction Act of 2005
 Pub.L. 109-171, § 1932, 120 Stat. 4; Patient Protection and Affordable Care Act

Pub. L. 111–148, 124 Stat. 119 (codified as amended at scattered sections of the Internal Revenue Code and in 42 U.S.C.); 26 C.F.R. § 53.4958-3(c).

- [ADM.5](#) - Responding to Allegations of Research Misconduct
- [FI.1](#) - Expense Reimbursement
- [FI.5](#) - Kaleida Health Special Purpose Fund
- [FI.7](#) - Charity Care
- [HR.3](#) - Harassment
- [HR.15](#) - Standards of Personal Conduct
- [HR.100](#) - Equal Employment Opportunity
- [LE.2](#) - Human Subject Protection
- [LE.3](#) - Corporate Compliance Program
- [LE.13](#) - Fraud, Waste and Abuse Compliance Including Federal and NYS False Claims Act
- [MED.9](#) - Disruptive Medical Staff Member Policy
- [PT.8](#) - Your Rights as a Hospital Patient
- [PT.9](#) - Interpreter Services

Version History:

Effective Date:	Reviewed/ Revised
8/24/2017	Reviewed no changes
8/29/16	Reviewed no changes
12/22/14	Revised
6/13	Revised
12/10	Revised
2/08	Revised

Kaleida Health developed these Policies, Standards of Practice, and Process Maps in conjunction with administrative and clinical departments. These documents were designed to aid the qualified health care team, hospital administration and staff in making clinical and non-clinical decisions about our patients' care and the environment and services we provide for our patients. These documents should not be construed as dictating exclusive courses of treatment and/or procedures. No one should view these documents and their bibliographic references as a final authority on patient care. Variations of these documents in practice may be warranted based on individual patient characteristics and unique clinical and non-clinical circumstances. Upon printing, this document will be valid for 8/24/2017 only. Please contact Taylor Healthcare regarding any associated forms.