

Code of Business Ethics

WHY WE EXIST
THR Mission: To improve the health of the people in the communities we serve.

WHERE WE ARE GOING
THR Vision: Texas Health Resources, a faith-based organization joining with physicians, will be the health care system of choice.

HOW WE ACT
THR Values: Respect, Integrity, Compassion and Excellence

HOW WE LIVE OUR MISSION, VISION AND VALUES
THR Promise: Individuals Caring for Individuals, *Together*SM

I PROMISE to continually learn and improve.
I will demonstrate this by:

- Looking for opportunities to learn new things.
- Being open to new ideas.
- Looking for better ways of doing things and sharing these ideas with others.
- Being open to teaching what I know to others.

I PROMISE to earn your trust.
I will earn your trust by:

- Being honest.
- Keeping my word.
- Working to resolve any issues with you before going up the chain of command or involving others.
- Owning responsibility for my behavior.

I will project a professional image by:

- Following clothing and grooming standards.
- Wearing my badge above the waist, facing outward so it can be seen clearly.
- Communicating with confidence and concern.

INTEGRITY

I PROMISE that, before acting, I will first ask, "Does this positively reflect THR's Mission, Vision, Values and Promise?"
I will demonstrate this by:

- Keeping patient information confidential.
- Being aware of conversations and what can be heard by others.
- Not discussing my problems with patients or visitors or blaming others.

I PROMISE that quality and my actions are...
I will follow

- Washing my hands
- Following identification
- Reporting
- Making good choices
- Eating a healthy diet

SE I will listen and communicate clearly.
actively listen and be a good communicator by:

- Introducing myself and explaining my role.
- Making eye contact.
- Referring to people by their last name.
- If I am not sure of pronunciation, I will ask.
- Listening with my head and heart before responding.
- Communicating professionally and respectfully without arguing or judging.
- Using plain language.
- Identifying and solving needs for language assistance.
- Using approved talking points when available and appropriate.
- Always asking, "Is there anything else I can do for you now?"

Stopping and offering...

- Meeting and managing light service delivery:
 - Voice: 30 seconds
 - Care (not immediate)
 - Convenience: 15-20
- Being a problem solver: requests until resolved upon time frame.
- Seeking help when I cannot do a task.

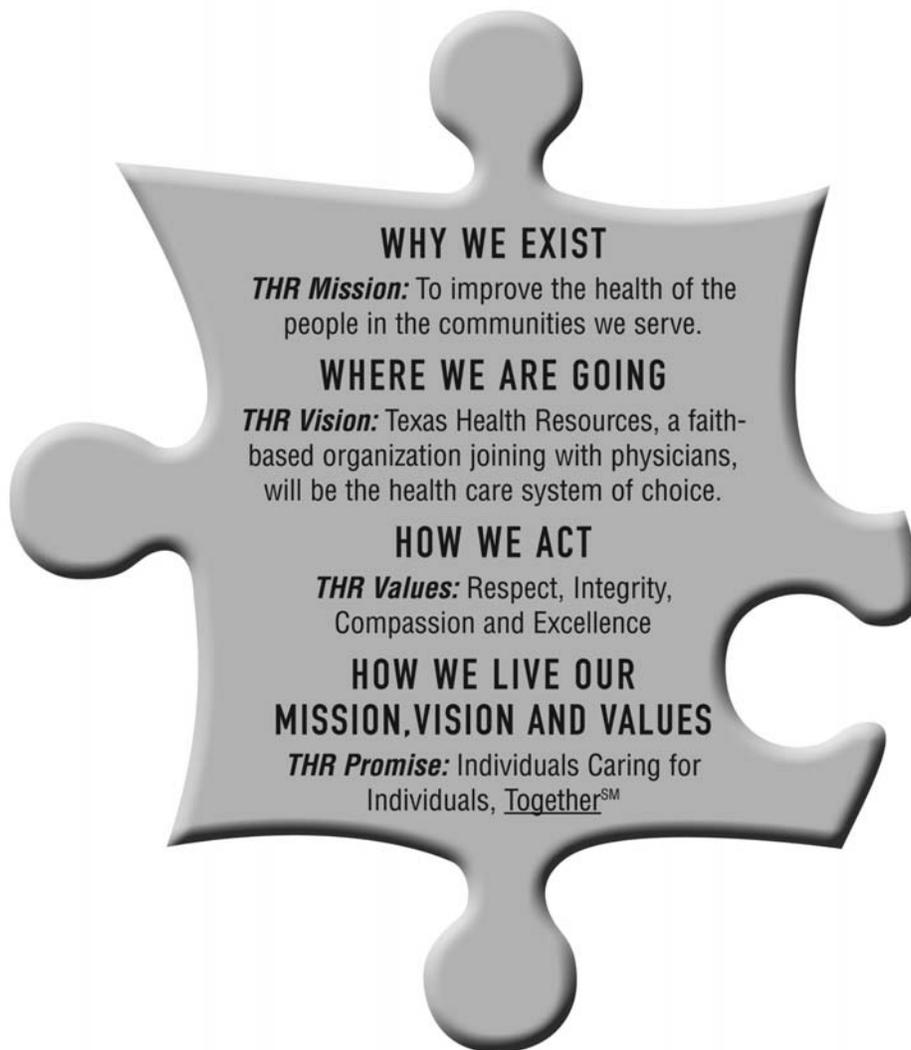


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A Commitment from the President

TO ALL EMPLOYEES, CONTRACTORS AND AGENTS:

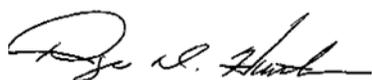
“Doing the Right Thing”. This is the simple imperative that stands behind everything we do at Texas Health Resources (THR). We pursue our mission and business objectives with integrity and a commitment to full compliance with laws. This is the right thing to do and it also makes good business sense. By acting with integrity, we earn the trust of our patients, business partners, co-workers, suppliers and the communities we serve.

This Code of Business Ethics (Code) is a component of the THR Business Ethics and Compliance Program that includes standards of conduct designed to guide and explain, in a practical and understandable way, basic rules that apply to our healthcare business activities. The Texas Health Resources' Chief Compliance Officer is responsible for overseeing the THR Business Ethics and Compliance Program and related processes.

Today's healthcare laws and standards can seem complex. This booklet explains the personal responsibilities we bear as THR employees, contractors and agents, such as speaking up if something doesn't seem right. Review the Code carefully. This will help you make sure your actions never fall short of our commitment to doing the right thing.

Nothing is more important than our commitment to integrity—not meeting a business goal, achieving a budget objective or pleasing a boss. Our commitment to all four THR values—Respect, Integrity, Compassion and Excellence--helps us live the THR Promise (see inside front cover).

Together, by following the letter and spirit of this Code, we will ensure the trust of all stakeholders and maintain the pride that comes along with working at THR.



Douglas D. Hawthorne, FACHE
President and CEO
Texas Health Resources

THR Business Ethics and Compliance Program

THR's Business Ethics and Compliance Program (Program) represents a commitment to doing what is right. As a THR employee, you are agreeing to uphold this commitment, understand the standards that apply to your job and follow those standards.

You should carefully examine your conscience when you think or hear...

"It can't hurt just this once."

"We can bury it and no one will know."

"No one will ever find out."

"Everyone does it."

"You never heard this conversation."

"Don't tell anyone about this."

Always do the right thing. The biggest mistake anyone can make is attempting to cover something up, not telling the truth or failing to speak up when something doesn't seem right.

THR's Business Ethics and Compliance Program addresses the essential elements necessary for an effective compliance program and builds upon the practices of checks and balances, ethics, common sense, trust and best practices. The Program is vital in assisting THR with achieving its healthcare mission in full compliance with applicable laws and consistent with the highest ethical standards.

SEE ALSO

In This Book: Non-Retaliation; Addressing Business Ethics or Compliance Concerns.

THR Policy: Non-Retaliation – Good Faith Reports of Suspected Misconduct; Record Retention Periods; Record Retention Schedule; Business Ethics and Compliance – Education and Training; THR Business Ethics and System Compliance Program.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I spoke to my supervisor on an issue and he is not taking action. If I call the Hotline, will my name be told to my supervisor?

You may remain anonymous, if desired. However, there may be a point where your identity may become known should a governmental agency become involved or due to specific facts. Your concern will be reviewed and a decision made about follow-up and/or corrective action. Even though you may not always be aware of the investigation outcome, be assured your concern was investigated and appropriate actions taken. There will be no retaliation or retribution to a reporting employee for asking a question or raising a concern in good faith.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What training is available to help me know the laws and regulations for my job duties?

THR is aware of the need for appropriate and on-going compliance training. General and specific compliance training for identified risk areas is available. Let your supervisor know if you need specific training or tools to do your job and feel confident about compliance with laws and regulations.

Our office has many boxes of old records. How long must I keep records?

THR has a record retention policy and schedule listing common documents and the length of time these documents must be kept. Your supervisor can clarify record retention questions.

Where can I find more information on THR's Business Ethics and Compliance Program and policies?

Program information can be found on the "System Compliance" Intranet website. The website contains Program details, information on support structures, contact information, training and awareness materials, policies, other guidance and links to outside tools.

Pointing You in the Right Direction

Addressing Business Ethics or Compliance Concerns

Employees are expected to ask questions and express concerns about actual or suspected misconduct. Managers should promote open and honest communication. THR does not allow retaliation or retribution against an employee for asking a question or concern in good faith. Good faith means you believe the information reported is true.

Use the Chain of Command

1. Ask and keep asking until you get an answer that makes sense.
2. Discuss your question or concern with your supervisor or another member of management. Give your supervisor a chance to resolve the problem.
3. If your supervisor is unable to find an answer, or you are uncomfortable discussing the issue with your supervisor, call the THR Chief Compliance Officer directly, or
4. Call the THR Compliance Hotline at 1-800-381-4728. You may remain anonymous, if desired.

After considering the options above, if an employee has an unresolved concern about safety or quality of care, the employee may contact the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) at 1-800-994-6610.

Be sure to contact your entity Human Resources Department for human resource related topics and concerns.

SEE ALSO

In This Book:	Business Conduct; Federal and State False Claims Acts; THR Business Ethics and Compliance Program.
THR Policy:	THR Business Ethics and System Compliance Program; Federal and State False Claims Acts and Protections.

Business Conduct

You should conduct your business affairs with honesty, fairness, integrity and respect. These qualities are evidenced by being truthful and never misrepresenting facts or information. All activities should be conducted in the spirit of “transparency”. Employees must not engage (directly or indirectly) in conduct that is disloyal, disruptive or damaging to THR. You should strive to treat your customers with respect and dignity. THR is judged by your actions, the attention and care you give, the courtesies you extend, the problems you solve and the quality of service you deliver. If you have questions or concerns about THR policies, laws, regulations, patient safety or quality of care issues, you must inform your supervisor, a senior manager, or, if you prefer, the THR Chief Compliance Officer. Failure to report known or suspected misconduct may result in disciplinary action.

SEE ALSO

In This Book: Non-Retaliation; Addressing Business Ethics or Compliance Concerns; Corrective Action for Violation of THR’s Code of Business Ethics.
THR Policy: Non-Retaliation – Good Faith Reports of Suspected Misconduct; Progressive Corrective Action; Personal Conduct.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What should I do if I know a THR employee is violating the Code of Business Ethics?

If you think you know of an illegal or unethical activity, voice your concern to your supervisor. If your supervisor is unable to answer your question, call the THR Compliance Hotline at 1-800-381-4728. You may remain anonymous, if desired. Not reporting suspected misconduct could result in disciplinary action. Employees or other persons who, in good faith, report suspected misconduct will not suffer harassment, retaliation or adverse employment consequences. Good faith means you believe the issue is based on true facts. A report is not made in good faith if it disregards or ignores facts that disprove the allegation.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What should I do if I am asked to do something I think is wrong?

It is THR's policy that no one should be expected or permitted to act in a way that violates his or her personal integrity based on personal ethical values, religious beliefs or cultural tradition. If you think you have been asked to not follow THR's Code of Business Ethics, system values or to perform illegal activities, you must speak up. Take time to gather the facts. After reviewing the known facts, speak to your supervisor if you still have concerns. If your supervisor is unable to answer your question, call the THR Compliance Hotline.

As I walked by a patient's room, I noticed a situation I believe is unsafe for the patient. What should I do?

Employees are expected to ask questions and express concerns if they witness a safety or quality of care issue. Voice your concern to your supervisor. If your supervisor is unable to answer your question, contact the THR Compliance Hotline. You should also complete the on-line THR Safety Action Learning Tool (SALT) and submit the incident for review and follow-up through THR's patient safety processes. If after using all options you have an unresolved patient safety concern, you may call the Joint Commission on Accreditation of Healthcare Organization (JCAHO) at 1-800-994-6610.

Report Actual or Suspected Violations of the Code

Conflicts of Interest

You should not be a part of any undisclosed and unapproved activities that actually do or have the appearance of a conflict with your THR duties. All activities should be conducted in the spirit of “transparency”. A conflict of interest occurs if your activities or personal interests appear to or may influence objective decisions required to perform your THR duties. You or any family member should not receive special favors from anyone that, to the best of your knowledge, does or seeks to do business with THR or is a competitor of THR. Employees whose families work for or consult with THR suppliers or competitors must disclose that relationship to their supervisors. Investments in competitor’s or supplier’s businesses must not involve conflicts of interest that are not disclosed and approved by management in a fair and open manner.

If you have or may have a conflict of interest, do not take part in any decision-making activity related to the conflict. Contact the THR Chief Compliance Officer with any questions about activities that may cause a future conflict of interest.

Annually, specific THR employees, board members, officers, hospital committee members and certain others must complete a THR Annual Conflict of Interest Disclosure Form. This process allows transparency so THR and our Boards of Trustees know about and can manage any potential conflicts of interest. All persons asked to complete the THR Annual Conflict of Interest Disclosure Form must do so promptly and either submit or return the form as directed.

SEE ALSO

In This Book: Outside Activities; Honoraria; Request for Quote Process; Relationships with Suppliers and Representatives; Inside Activities; Business Courtesies: Gifts; Solicitation.

THR Policy: Dualities and Conflicts of Interest Policy and Forms.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

My wife is a nursing/allied health recruiter for a local firm. She plans to send people to THR for work. Will this cause me to have a conflict of interest?

You must tell your supervisor about your wife’s work as a recruiter. You must not be a part of the hiring process for any person sent to THR by your wife’s firm. If you are asked to complete an Annual Conflict of Interest Disclosure Form, you must list the relationship on your form.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I own a part of a private supply company from which THR buys supplies. I am a THR manager and make buying decisions for my department. What should I do?

Even if you own a small part of the supply company and your benefit from the sales are small, your fairness could be questioned. You should tell your supervisor about your ownership in the company and refrain from participating in any buying decisions that involve the supply company.

As a department head, I have worked with a THR vendor for several years. The vendor asked to remodel my house at a greatly reduced price because I give him so much THR business. Can I agree to this price?

Accepting a greatly reduced price for remodeling work from the THR vendor would directly violate the Code. The vendor would be giving you a special favor due to his relationship with THR.

I have been asked to serve on the Texas Nurses' Association Board. Will my acceptance cause a conflict of interest?

Serving on the board of a professional organization is acceptable. You should, however, discuss the position with your supervisor to be sure your responsibilities will not interfere with your job duties and schedule.

Our area decided to buy a product. The vendor allows buyers to attend an educational session to learn proper use, patient safety and efficacy of the product. Is it OK for me to attend at the vendor's expense?

You may attend the educational session at the vendor's expense since the session is not for sales or promotional purposes. In addition, the session is needed to provide information regarding the safe and effective use of the product.

I have been asked to be a speaker/faculty member at an industry conference. The conference is partially paid by one or more THR vendors and is not promotional in nature. The conference is devoted to objective scientific educational topics. Is it OK for the industry conference sponsor to pay my travel and lodging, and also pay me an honorarium?

Since the conference is for objective educational purposes (rather than to promote vendor products) and since you are serving as a bona fide faculty member, it is OK for the industry conference sponsor to pay for your travel and lodging. Further, if you prepared the presentation on your own time and, if you are taking PTO to attend the conference, you may keep the honorarium. Please refer to the Honoraria section of this booklet for more information.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A marketing firm asked me to complete a product survey and participate in a group discussion about specific products that I know about because of my healthcare background and experience. The firm does not share specific vendor names as a part of the activity and I will not know which vendors are involved. The event will not take place on THR property. Is it OK for me to participate and keep any fee for this activity?

You may keep the fee if you participate outside of normal working hours and you are not acting as an agent of THR regarding the survey. The activity should not be in connection with a known THR vendor. If the activity is merely an opportunity for a specific vendor to promote products through a third party marketing firm, you should not participate or keep the fee. You must avoid even the perception that future buying decisions might be affected.

A pharmaceutical company has offered to provide financial support for education of medical staff members. Is this OK?

You should contact the THR Chief Compliance Officer to discuss the proposal. There are many laws that apply to hospital – physician relationships including the provision of education to medical staff members.

A vendor has offered to give me a scholarship to attend an outside healthcare educational event. May I accept the scholarship?

A vendor's scholarship, grant or award may be accepted only if recipients are chosen based upon objective criteria during an independent review process. The process should not involve sales agents or others involved in business with THR. The scholarship should not be linked in any way to THR's vendor relationship.

I've been asked to complete an Annual Conflict of Interest Disclosure Form. What is the purpose of this form and why must I complete it?

Specific THR employees, board members, officers, hospital committee members and certain others must complete an Annual Conflict of Interest Disclosure Form. This form assists THR and its Boards of Trustees in knowing and managing any potential conflicts of interest. You should complete the form and return or submit it promptly.

Display Prudent Judgment and Avoid Undisclosed and Unapproved Conflicts

Corrective Action for Violation of THR's Code of Business Ethics

Any employee who violates the THR Code of Business Ethics is subject to corrective action in accordance with Human Resources' policies. This can include verbal or written corrective action up to and including involuntary separation of employment.

You should be aware that certain actions prohibited by THR policies might also violate criminal laws, thus resulting in personal criminal prosecution and, upon conviction, fines or imprisonment.

Ethical behavior depends on self discipline and maintaining respect for customers, co-workers and the working environment. The guidelines published in this booklet are established to assist you in making appropriate decisions in situations that may arise in your daily activities. Good judgment should be used at all times, maintaining integrity in all that you do. Inappropriate conduct is cause for corrective action, up to and including involuntary separation of employment. An employee may not excuse his or her conduct because this booklet or other THR policy does not specifically prohibit the behavior preceding the corrective action. THR encourages you to act in an ethical manner reflecting the faith-based values and mission upon which our organization is based. Additionally, THR expects that employees recognize that professional, responsible and courteous conduct fosters a positive and productive working environment.

SEE ALSO

In This Book:	Business Conduct; Non-Retaliation; Fraudulent Activities; Federal and State False Claims Acts; Relationships with Suppliers and Representatives; Use of Licensed Property or Copyrighted Materials.
THR Policy:	Progressive Corrective Action; Personal Conduct; Non-Retaliation-Good Faith Reports of Suspected Misconduct.

Ethical Behavior is Essential to Good Business

Federal and State False Claims Acts

THR is committed to compliance with Federal and State False Claims Acts and the prevention and detection of fraud, waste and abuse. The False Claims Acts (Act) provide a mechanism for investigating and prosecuting healthcare fraud. Healthcare claims sent to government programs are subject to detailed reviews and may start a government investigation if the reviewer believes the claim may be false or fraudulent.

The government defines a false claim as knowingly making, using or causing to be made or used, a false statement or record to get a claim paid or approved. This could include anything from documenting false items in a medical record to incorrect coding or submitting an inaccurate cost report. THR has internal and external audits, consultants, continuing education and subscriptions to many publications to help us detect and prevent any problems with claims submitted to federal or state government healthcare programs.

Employees, contractors and agents should be aware that they may call the government, if they believe a company does not respond appropriately when told of a potential violation. Under certain facts, individuals are allowed to enter into a suit against those sending false or fraudulent claims and share in part of any recovered funds.

Violations of the Act can subject companies or individuals to fines between \$5,000 and \$10,000 plus up to three times the actual damage. Other penalties could include probation, prison, suspension or revoking a provider's agreement to participate in government programs.

Employees must never knowingly send, cause to be sent or plan to send false or fraudulent claims for payment or approval. Employees involved in false or fraudulent claims will be subject to disciplinary action including involuntary termination. All known or suspected concerns of fraud, waste or abuse should be communicated to your supervisor, a member of management, Human Resources or the THR Compliance Hotline at 1-800-381-4728. You may remain anonymous, if desired.

SEE ALSO

In This Book:	Non-Retaliation; Fraudulent Activities; Corrective Action for Violation of THR's Code of Business Ethics; Billing, Coding and Cost Report Practices; Addressing Business Ethics or Compliance Concerns; Books, Records and Accounts.
THR Policy:	Federal and State False Claims Acts and Protections; Prohibition Against Doing Business With Any Ineligible Person; Cooperation with Search Warrants, Subpoenas and Governmental Investigations; Business Ethics and Compliance-Education and Training; THR Business Ethics and Compliance Program Auditing and Monitoring; THR Business Ethics and System Compliance Program; Non-Retaliation – Good Faith Reports of Suspected Misconduct; Progressive Corrective Action.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I heard a person can violate the False Claims Act if he or she “knew or should have known” about a rule, but did not follow it. Laws and regulations change often, how can I stay up-to-date?

Understanding and obeying laws and regulations is everyone’s job. The government publishes laws, regulations and rules and expects healthcare providers to know those rules. You and your supervisor have a duty to make sure you have the knowledge and tools to do your job duties in compliance with laws and regulations. Voice any concerns you have about needed education to your supervisor. If you still believe you do not have the needed tools or education, call the THR Chief Compliance Officer or the THR Compliance Hotline at 1-800-381-4728 for assistance.

I recently read an article where both the employer and several employees were convicted of violating the Federal False Claims Act. As an employee, can I be held personally liable for false claims?

In significant cases, both companies and individuals can be prosecuted under the Federal or State False Claims Acts, if the government concludes violations took place. Usually, companies sign settlement agreements and agree to improve processes and education to avoid prosecution. However, all parties can be impacted by the False Claims Acts. Never be part of an activity you believe may violate laws and regulations.

I work in a clinical area. Would I have to worry about the False Claims Act or being part of a government investigation?

While false claims investigations usually begin with data and systems reviews, it is possible that medical record data, medical necessity for services given or even patient care quality may be questioned. Be sure to accurately and thoroughly document all clinical services provided and follow all THR policies. Never intentionally enter wrong data in a medical record.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What should I do if a government agent arrives unannounced for a non-routine business matter?

Be cooperative and ask for identification. Contact THR Legal Services at 817-462-7141 prior to speaking with the agent. If after hours, call 214-345-8480 or 817-250-2000 and ask for the "on-call" attorney. Do not interfere with or delay the investigation. Do not alter, remove or destroy data. Do not guess if asked a question you do not know. Be aware that making statements to an agent without the advice of an attorney could leave you at risk. Your comments might be misunderstood and used against you later.

Never Disregard Laws and Regulations

Non-Retaliation

No employee or other person who, in good faith, reports suspected misconduct involving the Code, THR policies, laws or regulations, patient safety or quality of care issues will suffer retaliation. Retaliation includes harassment or adverse employment action. A question or concern raised in good faith means the employee believes the concern is based on true facts. A concern is not made in good faith if the concern is made with disregard for or ignores facts that disprove the concern.

Any employee who retaliates against a person reporting a concern in good faith is subject to disciplinary action up to and including employment termination based on the THR Progressive Corrective Action policy.

SEE ALSO

In This Book: Corrective Action for Violation of THR's Code of Business Ethics; Business Conduct; Fraudulent Activities; Federal and State False Claims Acts; Books, Records and Accounts; Billing, Coding and Cost Report Practices.

THR Policy: Non-Retaliation – Good Faith Reports of Suspected Misconduct; Progressive Corrective Action.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I called the THR Compliance Hotline to report a concern in good faith. My supervisor called me into her office and was angry that I called the Hotline. I believe my supervisor is retaliating against me for calling the Hotline. What should I do?

Report the retaliation concern to your entity Human Resources Department or call the THR Compliance Hotline.

I reported a patient safety issue to JCAHO. Will I get in trouble for calling JCAHO?

You will not be in trouble for reporting a patient safety issue. Employees are encouraged to follow the Chain of Command steps to report any issue or concern. After considering all options, if an employee has an unresolved concern about safety or quality of care, the employee may contact JCAHO at 1-800-994-6610 without fear of retaliation.

No Retaliation for Reports Made in Good Faith

Admission, Emergency Treatment, Transfer and Discharge Practices

THR is committed to fair and ethical processes for the admission, emergency treatment, transfer and discharge of all patients. These processes will be free from discriminatory bias in accordance with applicable federal and state laws and regulations including the Emergency Medical Treatment and Active Labor Act (EMTALA).



Treatments Are Conducted in a Fair and Ethical Manner

Antitrust and Restraint of Trade

You must not engage in formal or informal, oral or written, expressed or implied collaboration with competitors or their representatives about establishing or maintaining prices on competing goods or services, or restraining competition by allocation of product markets or customers (for example, price fixing, agreements not to compete, boycotts). However, it is possible to discuss prices to accomplish a lawful and ethical objective when dealing with competitors as suppliers or customers, or as partners in legally permitted organizational agreements. Call THR Legal Services about restraint of trade questions.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A strategic planner from a competitor health system starts an exploratory conversation about mutually agreed upon strategies for “protection” of respective market shares or service areas. Am I in violation of the Code if I participate?

The THR employee must refuse to participate. If such discussion is not stopped, the THR employee must leave the meeting. Strict federal and state antitrust laws protect the free enterprise system. This conversation would be seen as collaboration with competitors for the purpose of dividing the market and “restraining trade.”

Avoid Circumstances of Unlawful Collaboration with Competitors and Restraint of Trade

Corporate Image

Our mission as a non-profit, faith-based organization is to improve the health of the people in the communities that we serve. As an employee, you are expected to observe the highest standards of personal and professional conduct. Personal behavior is particularly important to remember when you are wearing a THR uniform or identification badge or are representing THR.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am attending a conference as a representative of THR. During the conference there is an after hours social event. Would attending this event cause me to be in violation of the Code?

An employee has a right to privacy outside the work environment. However, you should be aware of the possibility that inappropriate behavior of any kind could jeopardize the public's trust of THR particularly if you are wearing a THR uniform, identification badge or are otherwise associated with the health care profession, such as wearing a lab coat.

Observe Professional Conduct when Representing THR

Disclosure of Affiliations with Other Healthcare Providers

THR has various financial contracts and affiliation arrangements with other healthcare providers including physicians, physician groups, other hospitals or hospital systems and vendors. In each of these relationships, THR activities will support its Mission, Vision, Values and non-profit, faith-based heritage. These affiliations and financial arrangements are governed by applicable legal and accreditation requirements. Clinical decisions (including decisions about tests, treatments and other interventions) are based solely on identified patient healthcare needs. Disclosure about THR's arrangements and affiliations with another healthcare provider is available upon request.

Clinical Decisions Are Based Solely on Identified Patient Healthcare Needs

Environmental Compliance

It is the policy of THR to strictly adhere to federal, state and local laws and regulations relating to environmental protection, especially for disposal of medical waste and hazardous materials.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I have been asked to store hazardous materials in a supply closet. I am worried about the safety of this practice. What should I do?

If you have a question regarding safety or the appropriateness of the task, speak to your supervisor. If your supervisor is unable to answer your question or if you remain uncomfortable after the discussion, call your entity's Safety Officer or the THR Chief Compliance Officer.

Help THR Protect the Environment

Legislative Activities

THR and its employees participate in local, state and national legislative activities and give information to elected officials on issues important to the healthcare industry and THR's healthcare mission. THR legislative activities should be coordinated through the THR Government and Community Affairs Department and must follow THR's Legislative Activities policy.

THR does not directly or indirectly support or oppose any candidate for elective office. Payments are not made to political campaigns or its activities. THR employees may not use THR letterhead or other resources for personal political correspondence or to engage in any political campaign activity. Further, any personal political activities must be conducted outside of working hours and off THR property. In no case will THR reimburse employees for expenses related to political candidates or causes.

If you have questions regarding permitted legislative activities, contact the THR Government and Community Affairs Department.

SEE ALSO

THR Policy: [Legislative Activities.](#)

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I received a personal letter from my supervisor at work through interoffice mail requesting that I give money to a specific political action committee (PAC). Do I have to give and, if I do, will I violate the Code?

You do not have to give money to the PAC nor should you be asked by your supervisor to give money to a specific PAC in the workplace and during regular business hours. THR encourages employees to maintain an interest in governmental issues related to the healthcare industry. However, participation in the political process is personal and should be free from pressure. If you are asked to give money to a PAC or other political activity during regular business hours and in any THR work areas report the issue to either THR Government and Community Affairs Department or the THR Chief Compliance Officer.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

My supervisor asked me to write a letter to my congressman supporting proposed healthcare legislation that THR favors. Is it OK for me to do so?

It is OK for your supervisor to make you aware of the proposed legislation and encourage you to write a letter to your congressman. However, you are under no duty to write such a letter to keep your job. It is your personal decision to support or oppose any proposed legislation.

I would like to run for city council? Is it OK for me to do so?

THR encourages employees to be active in their communities. A decision to serve in public office is personal. However, discuss your plans with your supervisor to determine if the duties of that public office, meetings, etc. (should you be elected) will keep you from fulfilling your THR job duties. It is possible that the duties of the public office may interfere with your THR job duties. These factors should be discussed and considered prior to making a decision to run for a public office.

Employees Should Adhere to the THR Policy on Legislative Activities

Relationships with Joint Ventures and Other Business Affiliations

THR sometimes enters into joint ventures or other business affiliations with unrelated third parties such as physicians or other hospital systems to share ownership and/or governance control over an entity or business activity. Some of these affiliations may include permission to use a THR trade name. In other cases, the activity may be operated under a name that is not associated with any THR trade names. In all cases, joint ventures and business affiliations are carefully evaluated, designed and operated to be compliant with all regulatory requirements.

Most THR joint ventures do not function as tax-exempt entities. THR's relationships with these joint ventures must be conducted on an arms-length basis and in compliance with specific laws and regulations. For example, fair market value fees must be charged for any services provided to a joint venture by THR employees, equipment should not be loaned and confidential information should not be shared without prior approval from THR Legal Services. Any questions regarding THR joint venture or permissible relationships should be directed to THR Legal Services.

SEE ALSO

In This Book: Confidential Information; Conflicts of Interest; AntiTrust and Restraint of Trade; Business Courtesies; Gifts; Gifts to Physicians and Practitioners.

Contact THR Legal Services for Questions Concerning THR Joint Ventures

Tax-Exempt Status

Most THR operations are conducted within tax-exempt corporations. Exemption is accomplished through the exercise of the THR Mission Statement and compliance with existing regulations issued by the Internal Revenue Service and other regulatory agencies. You must understand and protect THR's tax-exempt status and make sure assets in your area are dedicated to THR's charitable healthcare mission. Further, take no action that you feel may be inconsistent with THR's tax-exempt status. Specific questions and concerns should be directed to your supervisor, THR Legal Services or the THR Tax Management Department.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am thinking of buying a home computer from a THR vendor. The sales person knows I work at THR. Could I order my computer through THR to get a break on the price and avoid paying sales tax?

Use of THR tax-exempt status and purchasing power for a personal purchase violates the Code and Internal Revenue Service laws.

Help Protect THR Tax-Exempt Status

Billing, Coding and Cost Report Practices

As a major provider of healthcare services, THR takes part in several private and federally funded health benefit programs such as Medicare and Medicaid. These programs are subject to specific rules and requirements. THR is committed to billing, coding and cost report integrity. Please refer to the various billing, compliance and finance policies for more information.

THR follows guiding principles consistent with recommendations by the American Hospital Association:

- THR will serve the emergency health needs of all regardless of the patient's ability to pay;
- Charity care notices will be prominently posted in appropriate languages;
- Financial counseling will be available to financially and medically indigent patients to provide full or partial financial help and to identify other funding sources if available; and
- THR will offer a discount to underinsured patients who do not qualify for full or partial financial help.

Additional THR standards:

- Employees aware of a billing, coding, cost report or other violation must report the problem using the Chain of Command process;
- Employees must not knowingly violate any payer rules and must follow billing, coding, charging and cost report rules;
- Employees should assist persons asking about actual or estimated charges, patient bills, health benefit coverage or services;
- Employees must not submit a claim or charge for payment known to be false, fraudulent, fictitious or a duplicate of another claim or charge;
- Billing errors causing an overpayment must be promptly corrected and returned to the payer and/or patient;
- Collection processes must be done with fairness and must comply with the Fair Debt Collection Practices Act;
- Coding activities must follow THR coding compliance policies and official coding guidelines. Upcoding, unbundling or any other means of receiving incorrect payment is unlawful and strictly prohibited; and
- All cost reports must be prepared based upon accurate information and in accordance with laws and regulations.

SEE ALSO

In This Book: **Fraudulent Activities; Non-Retaliation; Federal and State False Claims Acts; Addressing Business Ethics or Compliance Concerns.**

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I believe a process in my department leads to incorrect patient and payer bills. What should I do?

First, discuss this concern with your supervisor. If you believe your concern is not being addressed, contact the THR Chief Compliance Officer or call the THR Compliance Hotline. You may remain anonymous, if desired.

I am not sure what billing code should be used for a specific medical service. Is it OK for me to use a general billing code that I know will be accepted by the payer?

Coding for medical services is often complex. It is critical that correct codes be used. Never "guess" what a code should be and do not choose a general code just because you know the general code will be paid by the payer. Speak with your supervisor or seek advice to confirm which code is correct.

I know my manager is not following a THR billing compliance standard for charging my department's services. What should I do?

You and your manager are held accountable for following THR's billing compliance standards. Use the Chain of Command process to resolve your concern or call the THR Compliance Hotline.

THR is Committed to Accurate Billing Practices

Books, Records and Accounts

All records, whether medical, operational or financial, should be recorded and maintained in accordance with all applicable laws and approved THR policy.

THR's financial books, records and accounts must be maintained in accordance with generally accepted accounting principles. All business transactions must be accurately shown in THR's books and records. No false or misleading entries will be made for any reason. All records must be maintained in accordance with THR's Record Retention policy.

THR will follow a quarterly certification process to affirm the accuracy of its financial statements. Certifications will be made by finance officers or directors responsible for the entity's financial statements, the THR Chief Executive Officer and THR Chief Financial Officer.

SEE ALSO

In This Book: Fraudulent Activities; Non-Retaliation; Use of Resources; Billing, Coding and Cost Report Practices.

THR Policy: Asset Transfer, Disposal and Sale; Business Travel, Entertainment and Expense Reimbursements; Record Retention Schedule; Record Retention Periods.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

As a unit secretary, I am responsible for summarizing and taking time sheets to the Payroll Department. After I complete my initial summary, I give the time sheet to my supervisor for approval. Occasionally, I notice my supervisor added hours on an employee's time that I know he did not work. I am afraid I will lose my job if I tell anyone. What should I do?

Our department sold a piece of old equipment for \$200 cash. The department frequently needs to pay for small expenses. Can the department start a petty cash fund?

First, consider discussing this matter with your supervisor. If you still believe time is being altered, call your entity Human Resources Department or call the THR Compliance Hotline at 1-800-381-4728. You may remain anonymous, if desired.

All money from the sale of a THR asset must be given to your entity Finance Department along with a description of the sale. Employees or departments may not keep money from the sale of THR assets in the department. Any petty cash fund must be opened through Finance. Asset sales must follow the Asset Transfer, Disposal and Sale policy.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

I am a secretary and was asked to complete an expense report for my supervisor. I know her husband went along on the trip and she added her husband's costs in the report. What should I do?

First, if you are comfortable, ask your supervisor if she meant to add her husband's costs in the report. If so, remind her of the THR policy. If you know the expense report is false, you should call your entity Human Resources Department. If you prefer, call the THR Chief Compliance Officer or the THR Compliance Hotline. Further guidelines regarding travel expense reimbursement are part of the Business Travel, Entertainment and Expense Reimbursements policy posted on the THR Intranet.



Maintain Accurate and Complete Records

Business Courtesies: Gifts

You should not solicit, accept or offer a substantial gift or courtesy. In most cases, a gift worth more than \$100 may be considered substantial unless the item is widely recognized as a routine business courtesy. Business gifts and courtesies should be infrequent, low in value and must not influence your judgment or fairness. The receipt or offer of cash or cash equivalents is prohibited in any amount. Cash equivalents include checks, gift certificates, gift cards or any other item redeemable at a store for products or cash. For purposes of this standard, gifts include items received from or offered to a patient, physician, supplier, or their employees or agents, or any person with whom, to the best of your knowledge, THR does business.

Employees must use good judgment in deciding when a gift or courtesy might be perceived as creating a conflict or influencing objectivity. Routine business courtesies include such things as one or two tickets to a local sporting event, play or concert, tickets to charity events, flowers, candy, fruit baskets or an occasional round of golf at a local golf course. Special rules apply to non-monetary gifts or courtesies offered to physicians. Please refer to the "Gifts to Physicians or Practitioners" section of this booklet for specific information and guidance on gifts to physicians.

Federally funded healthcare programs have strict requirements that prohibit giving items of value to influence patient choice of a specific hospital or other healthcare provider. If you have questions about business gifts or courtesies, ask your supervisor or call the THR Compliance Hotline at 1-800-381-4728.

SEE ALSO

In This Book: Gifts to Physicians or Practitioners; Conflicts of Interest.

THR Policy: Business Travel, Entertainment and Expense Reimbursements.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I manage the relationship between THR and a pharmaceutical company. During the holidays, the sales representative sent me two tickets to a local sporting event. May I accept?

This gift must not affect your fairness or objectivity. In most cases, \$100 is a good rule of thumb in deciding whether the gift has a significant value. However, giving tickets to a local sporting event is a widely accepted routine business courtesy. Therefore, you may accept the two tickets even though the value may exceed \$100 in value. On the other hand, a gift to a play-off game or a season pass would not be acceptable since these gifts are not routine business courtesies.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

A vendor has offered to pay for my attendance at an industry educational conference in Chicago. The program is related to my job duties. Should I accept the offer?

The vendor should not pay your expenses. You may attend the event, if your supervisor agrees that the program is related to your job duties and will be beneficial. However, THR should pay for registration fees, hotel and airfare in accordance with the THR Business Travel, Entertainment and Expense Reimbursements policy. Vendor payment for these items could be perceived as affecting your fairness and objectivity. Acceptance of food and non-lavish entertainment at the conference is OK.

Due to my position and expertise, I have been asked to serve as a keynote speaker at a conference in Los Angeles sponsored by a healthcare trade association. Can the trade association pay all my expenses?

The trade association may pay for your expenses, if your supervisor agrees that your participation is acceptable during work hours. The trade association may pay these expenses because THR has no purchasing relationship with the trade association and because it is customary and appropriate for professional organizations to pay for speakers' expenses.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A supplier wants to routinely pay for my monthly departmental lunches and the meeting room. Is it OK for me to accept?

You must avoid the appearance that such a courtesy might influence your objectivity and decisions. If there is a business need to have routine departmental meetings and serve lunch, the cost of the lunches and other out-of-pocket expenses should be paid through the department's budget. This is true whether the meeting is held in the department or at an off-site location. On the other hand, THR does not prohibit a supplier from providing a modest appreciation lunch on a one-time or infrequent basis, if there is no disruption to the workplace.

A supplier has offered to provide lunch to my staff as an expression of appreciation. Is it OK to accept?

If the offer is a one-time or infrequent occurrence, it is OK for the supplier to provide a modest lunch as a token of appreciation. As a supervisor, you must use good judgment in determining whether the lunch might be perceived as affecting you or your staff's fairness and objectivity.

Use Good Judgment when Receiving or Offering Gifts

Confidential Information

Confidential information, whether medical, technical, business, financial or personal, and whether or not specifically identified “confidential”, must not be divulged except as authorized and required by law and THR policy. When in doubt, ask your supervisor, Human Resources, THR Legal Services, THR Finance, System Communications or the THR Chief Compliance Officer. Your duty to protect such information exists both during and after your employment with THR.

Confidential information should be accessed and used only by persons authorized to review and act upon such information. You must not (for personal gain or curiosity) use or direct confidential information to any other person or entity. This confidentiality requirement applies regardless of the nature of the information, whether financial, patient-related, medical staff-related or personnel-related and regardless of how you acquired the information.

Further, it is THR's policy to respect and protect confidential information of other persons or companies. You must not use or share another company's proprietary information or trade secrets unless the submitting party agrees in writing that the information is not confidential. The approved written non-disclosure agreement will indicate the rights and obligations of all parties. In addition, no THR employee should disclose information to THR that might be reasonably considered confidential information of a former employer.

Protected health information must be handled in strict accordance with the Health Insurance Portability and Accountability Act (HIPAA). Please refer to THR privacy and information security policies for full information on handling and security of protected health information.

SEE ALSO

In This Book: Use of Licensed Property or Copyrighted Materials; Outside Activities; Honoraria; Vendor Endorsements, Demonstrations and Education; Solicitation; Use of Resources; Electronic Communications and Data.

THR Policy: Patient Access to Health Information.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What is considered THR confidential information?

Any information which has the potential to jeopardize THR's marketplace competitiveness or cause damage or harm to THR is considered confidential. If you have a question about whether something is confidential, ask your supervisor. In most cases, the following examples are considered confidential information:

[Answer continued on next page.]

_____ **Q U E S T I O N S A N D A N S W E R S** _____

COMMON EMPLOYEE QUESTIONS

[Question is on previous page.]

[Answer continued from previous page.]

- Patient information;
- Information on participants in THR benefit plans and programs;
- Compensation, wages or salary information;
- Marketplace strategies and strategic plans;
- Financial data that is not made available to the public or otherwise sent to audiences outside THR;
- Quality and patient safety data intended for internal use only;
- THR and/or hospital policies without prior approval of the policy originator or the person with responsibility for the policy statement;
- Contracts and other legal documents and data contained in such documents;
- Information referenced or marked as “confidential” in documents, meeting records or other THR materials;
- Other documents or data generally known to be confidential to THR and not generally available for discussion or distribution outside THR;
- Confidential data or trade secrets belonging or submitted to THR by others in the course of doing business; and
- Pricing for products, equipment, supplies or services.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

As part of an industry survey, a professional association is requesting salary data for certain job categories in my department. The information will be compiled by the association as part of their annual salary survey for publication in the professional association's newsletter. There will be no reference in the publication to any of the survey respondents. Is it OK for me to provide this information since it is a "generic" part of an industry survey?

You should not release salary data to anyone outside THR. Compensation and salary data is considered confidential. Call your THR Compensation Department for approval prior to releasing any salary data to an outside agency. This is true even in cases where the request is through an industry survey. In most cases, your THR Compensation Department will take ownership to send the data, if participation in the survey is deemed appropriate.

I have a friend who works in the finance department at a nearby hospital. He occasionally calls me to compare prices for certain THR outpatient services. What should I tell him?

You should politely tell him you cannot discuss confidential matters and report the inquiry to your supervisor. Even if the inquiry is only pertaining to published charges, you should remind your friend to seek this data through public sources.

While filing medical records, I discovered my next door neighbor has HIV. I am concerned not only for my own family, but also for my neighbor's wife who may not know of her husband's diagnosis. What can I do?

Your discovery of this diagnosis information may place you in a moral and ethical dilemma, but the Code, the THR Personal Conduct policy and the law, clearly prohibit you from divulging any protected health information. You must not discuss protected health information or other confidential data with family, friends or associates.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I have been approached by Medicare auditors seeking to review an agreement between THR and a physician group. I believe the document constitutes confidential information. Should I withhold the information from the Medicare auditors?

You are correct in that the agreement would be considered confidential information. However, since Medicare is permitted by law to audit our records, a review of confidential information is allowed under the Code. In this case, before releasing the agreement to the auditors, you should first check with your supervisor and THR Finance to verify the auditor's credentials and reasons to access the information.

I often receive questions from companies wanting references on former THR employees. May I respond without violating the Code?

Employee's performance evaluations represent confidential data. Direct the caller to your entity Human Resources Department.

As an employee, I have access to the electronic health record for my job role. May I use my access to look at my own personal health information?

Employees, like any other patient, may request access to their own health information by submitting a request in writing using the form entitled Authorization for Release of Patient Information. This form is located on MyTHR Connection. The request will be reviewed by Health Information Services. Review the THR Patient Access to Health Information policy for more information.

Do Not Disclose Confidential Data or Protected Health Information

Electronic Communications and Data

THR maintains electronic communication systems (such as electronic mail, Internet, Intranet, voice mail and other such automated information) to assist in conducting THR business. These systems, the equipment and the data stored in the systems, are the property of THR whether they are located in the employee's home, at a remote location or in the office. THR retains the right to access and review THR's electronic communication systems at any time for any reason without user notice.

THR data is the property of THR and should be used for THR business only. You do not have a personal privacy right in any matter created, received or sent from the electronic mail system. Threats to data include accidental or deliberate destruction, changes or misuse. THR policy states access to data will be granted on a "need-to-know" basis. You are accountable for the changes or use of data that is obtained under your individual log-on ID. You must protect and guard the data and information you have access to.

THR's electronic mail system should not be used as a means to communicate or forward "chain letters" or other messages that are not directly related to your job duties. Use of the THR electronic mail system for such messages may result in disciplinary action. Email messages should not contain content that may reasonably be considered offensive or disruptive to any employee. Communication such as sexual comments or images, racial slurs, gender-specific comments or any words or phrases which may reasonably be considered offensive, harassing, vulgar, obscene or threatening is strictly prohibited.

THR's Electronic Communications Acceptable Use policy provides detailed guidance on protecting patient and THR confidential data when using voice mail, the Internet and electronic mail. Protected health information (PHI) may be sent by email if certain requirements are met such as limiting the patient data to those who need-to-know and to the minimum necessary amount, confirming email addresses before sending, using encryption and using the confidentiality statement.

THR workforce members using or accessing PHI from non-THR locations must receive prior written authorization to use and access data remotely. PHI must be secured and protected from unauthorized access at all times using reasonable physical and technical safeguards. Follow THR policy guidelines when authorizing, accessing, storing or printing PHI remotely. PHI must not be stored on personal computers or other non-THR owned hardware devices, except by written approval.

SEE ALSO

In This Book:	Solitation; Use of Resources; Confidential Information.
THR Policy:	Safeguarding Health Information and Sensitive Personal Information; Electronic Communications Acceptable Use.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

My computer is linked to the Internet. Is it a violation of the Code to communicate daily with my sister in New York about the health of our parents who live with me in Texas?

Frequent use of a THR resource, like electronic mail, for personal reasons is a Code violation. Routine communication with relatives should normally be done at home using your personal computer and Internet access.

I have been granted special security clearance for a category of highly sensitive information. While on a business trip, I phoned my office and told my security password to the receptionist so she could access a file and give me data. Is this action in violation of THR policy?

Providing your security access information to the receptionist compromises the security of the data. The receptionist was not approved for this access.

A friend has forwarded an email message to me concerning a good cause. I would like to forward this email to my friends. Is it OK for me to forward it to other THR employees?

The electronic email system is for business use only. Notify your friend that non-business messages should be sent to you at your home. Do not forward the message to other THR employees.

Is it legal for THR or my supervisor to read my email?

It is legal for your supervisor to read your email. According to the Federal Electronic Communications Privacy Act, an employer-provided computer system is the property of the employer. The company has every right to monitor all email traffic and Internet surfing that occurs on the company's system.

What type of information requires additional protections when using THR's electronic systems?

Under the HIPAA Privacy and Security Rules, reasonable administrative, physical and technical safeguards must be used to protect electronic patient health information. Review the Electronic Communications Acceptable Use policy for guidance on using the different types of electronic communication systems.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

Are there other types of information which require additional protections?

Electronic systems and confidential information (for example, names, social security numbers and financial information) require additional administrative, physical and technical safeguards. Review the appropriate THR information privacy and security policies for further information.

Are there any measures to take when working with protected health information or sensitive personal information (SPI) from a remote location?

THR workforce members must receive prior written authorization to use and access PHI or SPI remotely. Reasonable physical and technical safeguards must be taken in accordance with THR policies.



Protect the Appropriate Use and Integrity of Electronic Data and Communications

Fraudulent Activities

No employee is authorized by anyone associated with THR to commit fraudulent activities. Any employee who commits fraud or assists another person in hiding a fraudulent act will be terminated from THR employment and may be subject to prosecution by law enforcement agencies. Employees should not ignore or intentionally prevent the detection of a fraudulent activity. If an employee is uncertain if an activity is fraudulent, call the THR Chief Compliance Officer.

SEE ALSO

In This Book: Billing, Coding and Cost Report Practices; Books, Records and Accounts; Corrective Action for Violation of THR's Code of Business Ethics; Federal and State False Claims Acts; Non-Retaliation.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

What are considered fraudulent activities?

Fraudulent activities include, but are not limited to:

- Forgery or alteration of patient billing-related items such as submitting false claims and assignments of accounts;
- Forgery or alteration of checks, drafts, promissory notes and securities;
- Any misappropriation of funds, securities or any other similar assets;
- Any irregularity in handling or reporting of money transactions;
- Any irregularities of payments with business transactions and giving or obtaining contracts with the intent to misrepresent;
- Falsifying or altering any record or report that misrepresents facts or data, such as employment application, payroll or time record, production record, expense account, email or correspondence, shipping and receiving record or scientific research/data collection record;
- Misappropriation, theft, unauthorized use of furniture, fixtures, equipment, supplies, software and/or any other THR property, property of patients, guests, physicians or vendors.

Help Detect and Prevent Fraudulent Activities

Inside Activities

THR prohibits any employee from accepting a position as an independent contractor to THR when the contracted work will be personally performed and falls within the employee's current THR job duties. All work performed for THR must generally be shown as wages on your W-2 Form provided at the end of each calendar year.

If an employee has a bona fide outside business activity that is not related to the employee's current job duties, it may be OK for the employee's outside business to contract with THR for services at an entity where the employee does not work. Any such arrangement must be free from conflicts of interest and approved by Human Resources. In addition, the THR Chief Compliance Officer must approve the establishment of a vendor file prior to making independent contractor payments to an employee through the accounts payable system.

SEE ALSO

In This Book: Conflicts of Interest.

THR Policy: Dualities and Conflicts of Interest Policy and Forms.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I work at a THR entity as a full-time employee and at another THR entity on a part-time basis as an independent contractor. For my part-time services, I get an hourly rate with no taxes being withheld. Am I doing anything wrong?

As long as both your full and part-time supervisors and administrators know of your dual duties, you individually are not in violation of the Code. However, all of your THR compensation must be subjected to applicable payroll tax withholdings and wage and hour regulations. In this case, your supervisors must coordinate with the Payroll Department to assure that all payments are made through the payroll system so that overtime, if applicable, is paid, appropriate withholdings are made and your W-2 Form is correct.

I am a nurse at a THR hospital and I would like to work as an employee of a temporary nurse staffing agency. Can I work as an agency nurse at a different THR hospital?

If you wish to seek part-time work at another THR hospital, the work should be performed as an employee of the other THR hospital. An employee cannot be an employee at one hospital and an agency nurse or contractor at another hospital.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am a hospital employee in the Plant Operations and Maintenance Department and I also own a personal painting business. Is it OK for my hospital to hire me on weekends or after hours to personally perform painting work at the hospital?

Since your normal job duties include painting and maintenance work, the hospital may not hire you as an independent contractor for those same duties. Any activity that falls within your hospital job description must be carried out as an employee and must be paid through Payroll based on THR policies. On the other hand, if you own a painting company and your employees will perform the work outside of your entity, it may be possible for your painting company to contract with THR, assuming there are no conflicts of interest. The THR Chief Compliance Officer must approve the creation of a new vendor file.

I am a nurse and would like to contract with THR's research entity as a class instructor for a weekend educational program. I will do all preparation on my own time. Is it OK for me to be an independent contractor for these services unrelated to my job duties?

If you prepare all materials on your own time, you may be an instructor as an independent contractor.

Employees May Not be Compensated as Independent Contractors for Job Related Activities

Solicitation

Solicitation, canvass or distribution of literature is not permitted on THR property unless the activity is a THR sponsored and approved program. This policy is designed to prevent disruption to operations, interference with patient care and inconvenience to patients, customers, visitors or other employees. THR sponsored and approved programs include selected charitable organizations, THR Foundation campaigns or activities, auxiliary programs, *ReachOut THR* activities, employee benefit-related programs and discounts, or other programs authorized by THR or the entity President. Activities authorized by the entity President should be coordinated with the entity Human Resources Department. Specific guidelines for THR sponsored and approved programs are posted on the Intranet.

Recognition of and participation in employee work/life events is permitted with manager approval. Such events include birthdays, weddings, birth of a child, holiday celebrations, length of service and other work/life events. Event notices should not be communicated through the THR communication system, such as email. Such notices can be posted in common work areas, if employee participation or donation of money is not required. Notices should not be posted on bulletin boards since these boards are only for communication of THR information to patients, employees and for notices required by law. Employee work/life events should never disrupt normal operations.

Non-employees may not solicit employees or distribute brochures, coupons or other materials on THR property. Tenants of THR owned buildings may post notices of building amenities such as food service, if approved by THR Real Estate and executive management.

SEE ALSO

In This Book: Donations, Grants and Other Charitable Gifts; Electronic Communications and Data; Confidential Information; Conflicts of Interest; Vendor Endorsements, Demonstrations and Education.

THR Policy: Solicitation and Distribution.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am helping my son sell candy bars to raise money for his little league team. Is it OK to sell the candy to my co-workers during our break periods?

While THR believes in supporting community organizations, too much solicitation can be disruptive and put pressure on employees to give to causes they may not support. Therefore, employees should not solicit co-workers to purchase items or donate money even when used for a good cause.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am participating in a walk-a-thon for a local charity that I personally support. Is it OK for me to ask my co-workers to sponsor me by making a pledge?

You should not ask co-workers to make a pledge or give money. If the walk-a-thon is a THR sponsored or approved activity, it is OK to encourage employee participation by walking in the event, but co-workers should not be asked for money.

I heard unions may be trying to solicit THR employees in their campaign activities. If a union member tries to solicit my participation or gives me literature while I am on THR property, what should I do?

THR is committed to providing employees a safe, healthy and satisfying workplace including appropriate balance between work and family life. As a property owner, THR has a right to determine who and what type of activities are allowed on THR-owned property. However, any individual or group has the right to demonstrate on public property. Union members should be directed to the property's public area which is normally the property's outer edge. If union members try to stop or disrupt traffic upon entering our campus, contact your entity security department.

A charity asked me if THR would provide a donation to the charity's educational event. The charity will put THR's name on its website, posters and other publications listing THR as a donor. Does THR donate funds to this type of thing?

All donation or sponsorship requests should be sent to one of the THR Foundations or to the THR Community Benefit Department for consideration.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A company wants to sponsor a special website for THR employees to buy the company's products at a discount. Is it OK for me to work with the company to get this set up?

You should refer the company to the THR Human Resources Department. The company's program will be evaluated and, if approved as an employee benefit program, will be offered to THR employees through Human Resources processes. Go to *PC Online* for a listing of approved employee discount purchasing programs.

Is it OK for me to organize a wedding shower for a co-worker and hold the event in a conference room after work?

It is OK to share and celebrate employee work/life events as a group, if approved by your manager. Participation must be voluntary and must not disrupt the department's normal operations. Further, the event notice may be posted discretely in a common work area. Notices should not be posted on bulletin boards. These boards are only for communication of THR information to patients, employees and notices required by law.

Do Not Solicit on THR Property Without Prior Approval

Use of Licensed Property or Copyrighted Materials

It is THR's policy to comply with license agreements, copyright laws or other restrictions that govern the use of software, published materials or restricted property. Copying software or other restricted materials without authorization may violate those agreements, may be illegal and could subject you to disciplinary action up to and including termination. You must never make copies, resell or transfer products or materials created by another company or by THR, unless authorized by the author or under an applicable agreement such as a software license agreement, copyright laws or another agreement authorizing such activities.

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Employees must comply with property rights of others including patents, trademarks, service marks and trade secrets. Property rights govern an individual's or company's right to control the use, sale or distribution of its developed product or service. Property created as part of an employee's job function becomes the property of THR.

SEE ALSO

In This Book: Corrective Action for Violation of THR's Code of Business Ethics; Confidential Information.
THR Policy: THR Intellectual Property Protections.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

Only one of the computers within our department has a specialized software program needed by other employees. For efficiency purposes and to achieve uniform document format, we simply copied the software onto the other computers in the department. Does this action violate the Code?

Without approval from THR Information Services, you may have violated the license agreement for the specialized software program. Appropriate authorization from the licensor is required to place any software on your computer.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I would like to copy an article out of a publication that is copyrighted. Is it OK for me to make copies of the article and use the copies inside THR?

If you plan to copy a single article for internal use, you must first determine if the publication is included under THR's copyright agreement with Copyright Clearance Center. Authorization to copy excerpts from licensed works for internal use is provided through that agreement. Contact a librarian at 817-250-3167 for more information.

What types of items are subject to copyright laws?

Copyrighted items may include articles from publications, TV and radio programs, videotapes, music performances, photographs, training materials, manuals, documents, software programs, databases and Internet pages.

I would like to send copies of a newsletter that is copyrighted. Is it OK for me to make copies of the newsletter and use the copies inside THR?

Copying and sending an entire copyrighted newsletter is not permitted under THR's agreement. You must obtain prior written approval from the publisher to copy the full newsletter.

Can I forward an entire electronic publication internally?

Most subscriptions do not permit forwarding of entire copyrighted electronic publications. However, select articles for internal use may be forwarded under THR's agreement with Copyright Clearance Center. Contact the librarian at 817-250-3167 to verify if the specific publications are covered.

Honor Intellectual Property Laws

Use of Resources

THR has internal control procedures designed to provide appropriate acquisition, use and disposition of THR assets and resources. THR resources may not be used for any unlawful purpose or used in a manner inconsistent with THR's mission, vision, values or THR policies. In addition, no employee should make THR resources available to others for use in a non-THR business activity.

Assets must be recorded accurately in THR books and records and disposed of in accordance with THR policies. Special policies and procedures apply to the handling and management of assets containing protected health information or THR confidential data. Please refer to THR Privacy and Information Security policies for complete information.

Always follow THR's Asset Transfer, Disposal and Sale policy when selling or disposing of THR assets that are no longer needed in your department. Sale or disposal of assets should be handled in coordination with THR Supply Chain Management.

SEE ALSO

In This Book: Books, Records and Accounts; Confidential Information; Electronic Communications and Data.

THR Policy: Asset Transfer, Disposal and Sale.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I often take my office laptop computer home overnight to work on personal projects. Is that OK?

While it is tempting to "borrow" office equipment, the equipment belongs to THR and should not be removed from the workplace for personal use. On the other hand, using your laptop outside the workplace for THR business is acceptable. However, be certain the laptop does not contain protected health information or personal sensitive information before taking the laptop from the workplace.

My supervisor often asks me to do personal work for him. This includes typing personal letters, running errands and scheduling personal appointments. Is this OK?

While your supervisor may occasionally ask for your help on personal business, such requests should be infrequent. The request should never interfere with the conduct of THR business.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

My department has unused furniture and old equipment. Can I sell or give the items to employees?

THR's Asset Transfer, Disposal and Sale policy must be followed when disposing of assets. Contact THR Supply Chain Management for assistance. Unsold THR items are available for purchase on an Internet auction site. Employee bids for the items will be handled by the auction site manager in the same manner as any other bid submitted.



Use THR Resources for Business Only

Donations, Grants and Other Charitable Gifts

Most THR entities are charitable organizations and are qualified to receive tax-deductible gifts and donations. Donations are often solicited through the Harris Methodist Health Foundation or the Presbyterian Healthcare Foundation as a part of the Foundations' fundraising activities. To qualify as a donation, grant or charitable gift, the transaction must be a voluntary transfer of cash or property without an expectation of benefit by the donor. Donations, grants or contributions (whether cash or non-cash) should be directed to the appropriate THR Foundation whenever possible. The Foundation will make sure all gifts and donations are properly recorded and acknowledged based on Internal Revenue Service requirements.

In some cases, a donor may be a current or future THR vendor or supplier. If a vendor or supplier wishes to make a charitable contribution, the vendor or supplier should be referred to the appropriate THR Foundation. As a general rule, THR entity staff should not solicit or accept vendor donations, grants or other charitable contributions at the departmental level. However, if the vendor company has a separate and independent grant-making division that makes donations using objective criteria and based upon a grant request, it is permissible for a department manager to submit the grant request. In all cases, the grant request must be submitted directly to the grant-making division and must be handled entirely through the independent decision-making channels. Further, the process must not involve discussions or other interaction with the company's sales or marketing representatives.

Physician participation in fund-raising activities as experts in medical technologies or services can add greatly to proposals or grant requests. If a physician will be involved in a fundraising proposal to a THR vendor, specific guidelines must be followed. Contact the THR Chief Compliance Officer for more information on these guidelines.

SEE ALSO

In This Book: Relationships with Suppliers and Representatives; Solicitation; Vendor Endorsements, Demonstrations and Education.
THR Policy: Asset Transfer, Disposal and Sale.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am a department manager. Is it OK for me to ask one of my suppliers for a donation to fund equipment for my department?

Make the appropriate THR Foundation aware of your needs. Let the Foundation handle fundraising efforts to meet the need. Since you and your staff have direct business relationships with suppliers, you should not ask suppliers for donations or gifts. Solicitation of suppliers or sales representatives by department personnel constitutes a conflict of interest and may be perceived as pressuring the supplier for donations in exchange for future or past business.

We are sponsoring an entity approved community benefit event and would like local restaurants or vendors to contribute snacks and prizes. Is it OK for me to ask local restaurants or vendors to do this?

It is OK to solicit local restaurants or retailers for items that will be used in the community benefit activity. As a general rule, THR vendors should not be solicited. If a vendor offers to contribute items in support of a community benefit event, the items should be of low value and must be donated independent of any purchasing arrangement. A vendor should never feel pressured to make a donation.

Is it OK for me to ask one of my suppliers for a donation to fund the cost of sending employees to an educational seminar or similar event? What if the supplier voluntarily approaches me?

You should not solicit suppliers or accept funding of departmental education. If you become aware of a supplier who wishes to make a donation for educational purposes, direct the supplier to one of the THR Foundations. THR Foundations maintain education endowment funds that are dedicated to the promotion of medical education where it is most needed within THR. You must avoid even the perception that receiving a gift might affect your objectivity or decision making. Donations for educational purposes should not be marked for specific employees or pre-arranged for use by a specific person, physician or department that the supplier does business with. Educational funds will be disbursed in a fair manner under THR Foundation guidelines.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am active with the Girl Scouts and would like to ask a THR supplier to make a contribution to the annual Girl Scout fundraising drive. Is it OK for me to ask the supplier if they would consider making a donation to the Girl Scouts?

You should not solicit current or prospective vendors or suppliers for donations to good causes you may support. The Girl Scouts should contact the supplier directly as a part of their independent fundraising activities and without your involvement. You must avoid even the perception that the supplier is expected to make a donation due to your position with THR.

Is it OK for my department to make a donation to a charity or sponsor a charity event?

Department funds are to be used for operational purposes only. As an alternative, the ReachOut THR program provides THR employees an opportunity to support local charities. ReachOut THR guidelines are located on the Intranet.

A physician is participating in a charitable mission trip and asked for a donation of pharmacy items. Can we give items to the physician?

THR cannot give supplies or other items directly to a physician. However, it may be possible to donate certain pharmaceutical items directly to the charity depending on the facts and circumstances. THR developed guidelines for the donation of items such as supplies, drugs and equipment for charitable purposes. Any such donations should be handled by THR Supply Chain Management. Also refer to the Asset Transfer, Disposal and Sale policy.

THR Foundations Should Handle Charitable Donations

Fair and Accurate Representation of Products and Services

You should strive to fairly and accurately represent THR and its services. Avoid false and misleading advertising and reject high-pressure treatment or misleading marketing and sales tactics. It is THR's policy that all marketing materials reflect services and products in compliance with applicable advertising and nondiscrimination laws. Verbal and written communications must be true, fair and accurate. A quick advantage gained through even slight misrepresentation or exaggeration can compromise and endanger THR's reputation. Advertising and promotional materials must be approved by THR Legal Services prior to publication.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

In an advertising campaign, new technology offered in a THR hospital is referred to as "state of the art." Since the THR hospital is the only hospital in the Metroplex offering this technology, can we accurately make this claim?

The term "state of the art" implies the most up-to-date technology available in the industry at the time. Because other hospitals may be offering even more advanced technology without our knowledge, we can't always know for sure that the technology is truly "state of the art". To provide fair and accurate verbal and written communications, it would be better to describe the advanced technology without a claim that the technology is "state of the art". THR Legal Services must approve all advertisement.

Representation of THR Must be Truthful, Accurate and Fair

Gifts to Physicians or Practitioners

THR is committed to compliance with all laws and regulations that govern business relationships with referral sources. Such laws include Federal Stark referral laws (Stark) and Medicare/Medicaid fraud and abuse laws.

Any gift or courtesy given to a physician, physician group or other referring practitioner must be documented and recorded in the THR Business Courtesies Database. In addition, the following guidelines must be followed:

- Cash or cash equivalents (gift certificates) are never permitted as gifts in any amount;
- All gifts must be tracked in the THR Business Courtesies Database, and the total value of gifts during the year must not exceed the limit set by the Centers for Medicare and Medicaid Services (approximately \$325 per year, per physician);
- Gifts may not be provided in response to a solicitation by the physician (or his/her office staff) and
- The volume or value of admissions or referrals generated by the physician(s) must never be a factor.

Contact THR Legal Services with any questions you may have.

SEE ALSO

In This Book: Business Courtesies: Gifts; Relationship with Suppliers and Representatives.

THR Policy: Business Courtesies Provided to Physicians; Voluntary Leadership Services by Physicians.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I am responsible for providing information on hospital services to physicians. A physician's office staff has asked me to bring lunch in order for me to get an appointment. What should I do?

You should refuse any solicitation for a gift or courtesy by a physician or a physician's office staff. **Unsolicited** meals or gifts may be given as a business courtesy, but the value must be tracked in the THR Business Courtesies Database. Meals, gifts or courtesies must be handled without regard to the volume or value of business done between the hospital and the physician practice.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I work in a department that is growing in patient volumes and revenue. In large part, this success is due to specific physicians who routinely admit patients. Is it OK to thank these specific physicians by sending a gift basket?

It is not acceptable under current laws to single out specific physicians based on the number of admissions or referrals to your department. If a “thank you” gift is planned, the same gift must be provided to all physicians who are credentialed to perform procedures in your department whether or not they refer patients. Additionally, each physician gift must be tracked in the THR Business Courtesies Database.

A group of 20 physicians serve on a hospital advisory committee to provide input regarding hospital activities. The physicians have been paid for their time throughout the year. The hospital would like to treat all of the physicians to a nice dinner to celebrate the successful completion of a project. Is this acceptable?

If the physicians have been paid for attending hospital meetings, there will be a written agreement. The agreement may contain language permitting an appreciation gift as additional compensation. “Thank you” gifts permitted under a written agreement are acceptable and are not tracked in the THR Business Courtesies Database. All other gifts must be entered into the tracking Database. Contact THR Legal Services or the THR Compliance Hotline if you have questions.

THR purchases local sporting event tickets. Can I give these tickets to physicians as a business courtesy without violating the Code?

The tickets must be tracked in the THR Business Courtesies Database. Before giving tickets to a physician, you must check the Database to verify whether the value of the tickets, when added to other gifts, will cause the physician to exceed the annual gift limit.

Track Gifts in the THR Business Courtesies Database

Honoraria

Employees are often asked to speak or participate in non-THR presentations about their areas of expertise. On these occasions, you cannot disclose THR confidential data or hold yourself out as a THR agent. Public distribution of THR materials at a non-THR meeting must be approved by your supervisor.

An employee participating in a non-THR meeting may keep an honorarium. However, if the employee prepared or gave his or her presentation during THR work hours and/or traveled to the event at THR's expense, the honorarium should be given to THR. If you have access to THR confidential information, you must not engage in outside activities or speaking events and use the confidential information.

If an employee has questions or concerns about honoraria, he/she should speak with his/her supervisor or call the THR Chief Compliance Officer to discuss the specific facts of the situation.

SEE ALSO

In This Book: Outside Activities; Conflicts of Interest; Confidential Information.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

I recently presented an evening discussion on computer technology to the local chapter of the professional organization in which I belong. My preparation time was during THR working hours. In recognition of my efforts, the chapter gave me a gift worth more than \$200. May I keep the gift?

You should not personally keep the gift. The Code prohibits your personal acceptance of honoraria (cash or non-cash) for presentations prepared or presented on THR's time. If you accept the gift, you must give it to THR for use in THR activities. Receiving an inexpensive thank you gift would not violate the Code. An inexpensive gift would generally be worth \$100 or less.

I have been asked to speak at an industry trade conference. I prepared the information on my own time and will take PTO to attend. Can I accept an honorarium and let the trade association pay for my travel expenses?

The trade association can pay your expenses and you may keep the honorarium. THR proprietary information that is considered confidential should not be used in your presentation.

Honoraria May be Kept if the Presentation is Prepared Outside Your Business Hours

Outside Activities

You should not engage in any outside employment, consulting agreements or other activities that might affect your fairness and independent judgment in carrying out your THR work duties.

If you have access to THR confidential data, you must not work for any outside company or contract service that involves the use of such data.

SEE ALSO

In This Book: Conflicts of Interest; Confidential Information; Honoraria.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

As a physical therapist, I often work with patients who eventually need home therapy care. Occasionally, patients ask me if I can personally treat them at home. May I give these services and not violate the Code?

You may give this care as long as you do not steer business to your home therapy practice as a result of your access to THR patients and medical records and you notify your supervisor of the activity. You would violate the Code if you directly approached or solicited patients for your own personal business. Further, you must not make personal business cards or other promotional material available to patients or others on THR premises.

Is it OK for me to “go into business” with one or more of my direct reports to perform consulting or other services for customers who are not competitors or suppliers of THR?

As a supervisor, it is inappropriate for you to engage in an outside business activity with employees who report to you in your THR position. Such outside activities may affect your fairness in performing your supervisory duties with these THR employees.

I have been asked to serve as an expert witness in a healthcare related case. Is it OK for me to agree to serve as an expert witness?

Employees may not be an expert witness in any medical or other health related litigation without obtaining written and formal authorization from THR Legal Services.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A THR vendor asked me to participate in meetings about a vendor product. The purpose of the meeting is to provide general product data and seek feedback from potential users. The group meeting will be held off THR property and on the weekend. The vendor will pay all travel and lodging expenses and I will also be paid a consulting fee or honorarium for my work. Is it OK for me to attend the meeting and keep a consulting fee or honorarium for my work? What if I give the fee or honorarium to my department?

If attending the meeting is important to your job duties, you may attend with the prior approval of your supervisor. However, you should not accept compensation of any kind in exchange for your work. Likewise, you should not accept vendor paid travel or lodging. You must remain independent in your job duties and decision making. After attending the meeting, you will most likely be expected to make recommendations and/or present data to THR that could influence buying decisions related to the vendor's product(s). Accepting vendor payment for travel or participation creates a conflict of interest. Vendors should use established THR business channels during regular working hours to provide data and seek product feedback. Donating the fee or honorarium to your department does not remove the conflict of interest. The fee or honorarium should not be accepted.

Employees Outside Employment Should Not Conflict with THR Responsibilities

Relationships with Suppliers and Representatives

THR requires ethical business dealings in all aspects of employee activities. THR expects employees to treat suppliers fairly and honestly, giving clear instructions about technical and business requirements and appropriate feedback about product or service quality. It is THR's policy to provide minority and/or woman-owned businesses a chance to compete on an equal basis with other vendors in a competitive marketplace.

All purchasing relationships must be independent, fair and free from conflicts of interest. No vendor or vendor representative will be given special favors based upon a family relationship to a THR officer, employee, board member or medical staff member.

Federal and state laws, including the Medicare and Medicaid fraud and abuse laws, prohibit giving kickbacks and paying for patient or business referrals. Consistent with these laws, THR strictly prohibits an employee from asking, taking or giving money or anything of value, either directly or indirectly, in return for the referral of any item or service provided by THR or its affiliates.

Purchase contracts involving discounts, rebates or other cost reductions must be fully stated in the written agreement and all such cost reductions must be properly recorded in THR's accounting records and Medicare cost reports.

Specific THR employees have authority to commit THR to a contract or purchase agreement. Refer to the THR Approval, Authorization and Responsibility Matrix which defines signature authority by job title. Your Supply Chain Management Department should always be involved in purchasing transactions.

Under no circumstances should an employee engage in agreements to buy something from a supplier based on the supplier's commitment to buy goods or services from THR. THR does not allow employees to accept anything of value from a vendor in return for the vendor's provision of goods or services to THR or any of its affiliates.

Employees must report activities or conduct, which they suspect may be unethical or illegal, to their supervisor or the THR Chief Compliance Officer. Any employee found to have been involved in inappropriate business dealings will be subject to corrective action including involuntary termination, if warranted. Employees are encouraged to ask questions about business matters that appear suspicious. Inquiries may be made to the THR Chief Compliance Officer directly or by calling the THR Compliance Hotline.

SEE ALSO

In This Book: Corrective Action; Conflicts of Interest; Gifts to Physicians or Practitioners; Request for Quote Process; Vendor Endorsements, Demonstrations and Education; Donations, Grants and Other Charitable Gifts.

THR Policy: Progressive Corrective Action.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

Is it OK to purchase a supply item from a company that is owned by a hospital board member or a physician medical staff member?

If a board member or physician has a product that he or she would like to sell to THR, the product must be evaluated through a fair process in the same manner as any other prospective supplier. The product may be a good opportunity at a reasonable price; however, the board member or physician should be directed to THR Supply Chain Management. Supply Chain Management will carry out an independent and fair product review using knowledgeable reviewers. The board member or physician must not be involved in any way that would sway the decision-making process. If a decision is made to buy the product, the product will be made available to all THR entities through normal Supply Chain Management processes.

I received a sales call from a sales representative who is the son of a medical staff physician. Does this create a problem?

As long as THR's independent and fair purchasing processes are strictly followed, this does not create a problem. Special favors must not be given to sales representatives based on his or her relationship to a physician or any other person affiliated with THR. If you feel pressured in any way, consult with your supervisor or call the THR Compliance Hotline.

Treat Suppliers Fairly, Honestly and with Respect

Product Samples, Demonstration Equipment and Acceptance of Vendor Products

THR may receive vendor products as a sample or for demonstration and evaluation purposes. Acceptance of a vendor product or service that is intended to induce a purchase, prescription or product recommendation is strictly prohibited. Further, THR and its employees will not endorse or recommend specific products to patients. Discussions with patients must be based solely on objective clinical data and consistent with the physician's order and patient choice.

Sometimes, the hospital may need to sample a product or test equipment prior to purchase. In these instances, THR Supply Chain Management should be contacted to coordinate and approve acceptance of samples or demonstration equipment. Employees should not accept free items or reduced prices in return for future purchases. Any such offer should be reported immediately to THR Supply Chain Management or the THR Chief Compliance Officer.

THR Supply Chain Management will follow the standards listed below when reviewing agreements for samples, demonstration equipment or other acceptance of vendor products.

Test Samples and Demonstration Equipment:

- The item must be for testing or demonstration purposes only;
- The amount supplied must be reasonable and must not exceed what is necessary for timely review;
- Unused samples and demonstration equipment must be promptly returned to the supplier; and
- There must be a clear understanding that the product or equipment will be reviewed fairly with any purchase decision being made strictly on the merits of the product.

Acceptance of Vendor Products for Patient Evaluation:

Some companies offer samples for patient trial use to enable the patient to evaluate whether to purchase the same product after discharge. These arrangements must be approved by THR Supply Chain Management and must be offered under a written agreement with the manufacturer that meets at least the following requirements:

- The arrangement must be part of a published program that is widely offered to a broad sector of healthcare organizations whether or not the organization purchases any product from the vendor;
- Sampling quantities must be limited to what is needed to permit patients to evaluate whether to purchase the product after discharge;

- If a discharge pack is provided, the contents must be of nominal value and only for the patient to take home;
- Employees must not personally receive the benefit of any vendor products or programs;
- Employees must not endorse or promote any products to patients; and
- Vendors with sampling programs should be given an equal chance to participate if the product quality is comparable and all requirements are met.

SEE ALSO

THR Policy: Purchasing Agreements for Supplies, Services and Equipment – Discounts, Rebates and Other Arrangements.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

A baby formula company has a program where the company provides sample baby formula to hospitals at no cost for use by patients. Formula samples are also provided to new mothers in a discharge pack. Is it OK to participate in the program?

It is acceptable to participate in the program if the baby formula is offered by the vendor under an industry-wide program. The program must be independent of any other hospital purchasing arrangement and meet the requirements specified above. All such programs must receive prior approval from THR Supply Chain Management.

A vendor has a program where diabetes-testing devices are provided to the hospital at no cost for distribution to patients in a discharge pack. Is it OK to accept discharge packs and supply them to patients to take home for evaluation?

It is OK for the hospital to participate in the vendor's patient evaluation program if the items being distributed are of low value and the program is provided under a written agreement that has been approved by THR Supply Chain Management. The patient should be advised that other products are available in the marketplace.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

A vendor will supply equipment at no charge if the hospital purchases disposable supplies. Is this OK?

Nothing is “free”. The cost of the equipment is included in the supply price as a hidden cost. THR has strict policy requirements that require clear written documentation, spelling out the cost of all supplies and equipment, including any discounts or rebates. Further, all equipment and supplies must be properly recorded in THR’s books and records and for cost report purposes. THR Supply Chain Management must handle all contracts and should be contacted with all pricing questions or concerns.

A vendor has offered to supply five free demonstration laser printers for my department to evaluate. I can keep the printers at the end of the review period, if I make a commitment to purchase all of my printers from this vendor. Should I accept?

Acceptance of five demonstration printers is more than needed to evaluate the printer’s quality and performance. In addition, since the printers will still have value at the end of the demonstration period, they must be returned to the vendor unless the demonstration equipment is included in a purchase agreement and handled properly for accounting purposes. Keeping the printers without proper accounting treatment could be viewed as an unrecorded discount or rebate.

Follow Guidelines for Vendor Samples



Request for Quote Process

Before buying products or services, THR employees should contact THR Supply Chain Management and follow all policies and procedures. A sufficient number of qualified vendors should be contacted to obtain competitive prices and to evaluate the quality of products or services. In addition to being a good business practice, this process is important because THR is a tax-exempt organization. Accordingly, contracts for goods or services must not exceed fair market value. The contract payment is especially critical when goods or services are provided by a physician or a physician group. When contracting with physicians, THR must comply with federal and state laws such as Stark referral laws and Medicare/Medicaid fraud and abuse laws. In most cases, THR Supply Chain Management staff will take primary responsibility for the contracting process.

Bids and price quotes may be solicited by sending out requests for proposals or through telephone calls. THR recognizes that obtaining bids and price quotes may not always be practical. For example, all THR construction projects are managed by the THR Facilities Development Department to provide overall project efficiency. Further, a vendor may be a sole source provider of the service or the service may be so unique that other suppliers are not readily available. Likewise, the size of the anticipated purchase may not warrant obtaining formal bids. In any event, sufficient research should be done to provide confidence that the product or service meets THR quality requirements and that the price is competitive.

When the product selection process requires an on-site visit to a vendor location to review the product, the written requests for proposal should specify that an on-site review is required. The written proposal should specify how many reviewers will be involved and whether the prospective vendor must pay the travel expenses. Any requirement for an on-site review must be limited to the time needed for the review and should include a limited number of reviewers, normally one or two.

SEE ALSO

In This Book: Relationships with Suppliers and Representatives; Conflicts of Interest.
THR Policy: Business Travel, Entertainment and Expense Reimbursements.

Q U E S T I O N S A N D A N S W E R S
COMMON EMPLOYEE QUESTIONS

My manager signed a contract for significant services after receiving a bid from only one vendor. Is there a problem with this?

Managers do not have authority to sign contracts under the THR Approval, Authorization and Responsibility Matrix. Further, it appears the manager did not work with THR Supply Chain Management to pursue competitive bids. The contracting process (bidding, negotiation and vendor selection) should be coordinated with Supply Chain Management and include a competitive, open, arms-length contracting approach. THR may not receive the highest quality goods/services at the best price if only one bid is obtained. More than one bid should be obtained anytime the transaction is significant unless the vendor is a sole source provider or there are other unique facts. If you have a question about a specific transaction, call THR Supply Chain Management and follow its purchasing policies.

A current vendor has a new product that easily fits into an existing system. Do we need to go through a quote process for this new product?

All major purchases must follow the request for quote process. Contact THR Supply Chain Management for help.

A physician has recommended my entity purchase a product from a company he partially owns. It appears the product has merit. How do I handle this situation?

Refer the physician's request to THR Supply Chain Management. The product may be a good option at a reasonable price and one that THR may want to pursue. An independent review will occur. Based on the review's outcome and other bids, a fair decision will be made through normal Supply Chain Management process. If a decision is made to buy the product, the product will be made available to all THR entities through normal Supply Chain Management processes.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

THR is thinking of buying new high-tech equipment for my area. My supervisor asked me to review the equipment. A vendor invited me to the East Coast to attend an equipment demonstration. May I attend the demonstration without violating the Code?

You may attend, if a demonstration is necessary to carry out the review and your supervisor approves the visit. In most cases, THR should pay for your hotel and airfare to the demonstration under the THR Business Travel, Entertainment and Expense Reimbursements policy. Accepting reasonably priced meals and entertainment at the event is OK. If a formal written Request for Proposal (RFP) was sent to specific vendors and **all** respondents must (as a condition of the RFP) give a demonstration, it is acceptable for an out-of-town vendor to pay reasonable travel expenses. In these instances, follow the terms and conditions noted in the RFP.

Request Proposals for Significant Transactions

Vendor Endorsements, Demonstrations and Education

Employees should not endorse or promote a specific vendor or vendor products or services to patients, employees or business associates. Vendors should not use the THR or hospital entity name or logo in press releases, advertising materials, brochures or articles without THR's prior approval. Vendors may include THR or a hospital entity name on a customer list. THR employees should not write articles or provide quotes about a vendor or a vendor's products.

Vendors sometimes request on-site demonstrations for prospective customers at a THR facility. On-site demonstrations are permitted if specific guidelines are followed, including:

- Vendor on-site demonstrations should be infrequent and not disrupt entity operations.
- If possible, there should be a written agreement with the vendor and include demonstration details.
- If payment for employee time and effort is involved, the amount must be reasonable and the agreement must clearly state what the payment is for. Payment includes cash or "in kind" compensation.
- THR personnel must not appear to be vendor "sales" agents and the on-site demonstrations must be fair in all aspects.

Vendors may wish to sponsor education events for patients, the community, employees or physicians. These requests may be in the form of a sponsorship, donation or grant. THR restricts vendor participation in education events and specific guidelines must be followed.

Patient and Community Education:

- Vendors may provide charitable donations to fund objective patient healthcare education. Acceptance of donations is allowed. However, there must be no appearance that THR is "endorsing" the vendor or its products.
- The vendor's participation must be purely passive and philanthropic.
- Event materials must refer to the vendor as a donor. Words such as "in partnership" or "co- sponsor" should not be used. The event should be a THR controlled activity and the vendor may be acknowledged as a donor such as, "We wish to thank XYZ Company for financial support of this educational program."
- The vendor should not have a promotional table at the community event and literature should not be distributed.
- It is acceptable for the vendor representatives to attend the session, but the vendor should not be a speaker or participate in the THR educational program other than as an attendee/sponsor.

THR Employee Education Events:

THR's Solicitation and Distribution policy applies to employee educational events. Specifically, this policy prohibits vendors, suppliers or others from distributing literature on THR property. If the event is sponsored by THR primarily for THR employees, vendors may not distribute literature or have booths. If you have questions regarding employee educational events, contact your entity Human Resources Department.

THR Physician Education Events:

- You must work with THR's Research and Education Institute in all aspects of the physician education sessions. This will assure federal laws concerning referral sources are followed.
- All printed materials, brochures and arrangements with vendors must meet the Accreditation Council for Continuing Medical Education (ACCME) requirements for accreditation of continuing medical education.
- Vendors may attend and participate as permitted by ACCME accreditation rules.

You may call the THR Chief Compliance Officer with any questions regarding vendor participation or sponsorship of education events.

SEE ALSO

In This Book: Confidential Information; Relationships with Suppliers and Representatives; Solicitation; Donations, Grants and Other Charitable Gifts.

THR Policy: Solicitation and Distribution.

QUESTIONS AND ANSWERS

COMMON EMPLOYEE QUESTIONS

THR recently bought a product and the vendor has asked that I provide a quote for a news release. Can I give this quote?

All vendor requests involving promotional activities should be processed through the THR System Communications Department. Generally, quotes or testimonials are not allowed since these may be perceived as an endorsement of the vendor or the vendor's product.

My department recently installed new technology. I have been asked if the vendor can perform an on-site demonstration for a potential customer. Is this OK?

THR employees may participate in on-site demonstrations as long as specific guidelines are agreed to in advance. These guidelines are posted on the THR Intranet and are summarized above.

QUESTIONS AND ANSWERS
COMMON EMPLOYEE QUESTIONS

A pharmaceutical company has offered to provide financial sponsorship for specific medical staff education. Can this offer be accepted?

Contact the THR Chief Compliance Officer to discuss the proposal. If the event serves to maintain, develop or increase scientific knowledge and skills that the participant will use to provide safe and effective services to patients, the proposal may be OK. In addition, the program must not involve promotion of the pharmaceutical company's products.

Do Not Endorse Specific Vendor Products to Patients or Employees



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**Questions about business ethics, compliance
or information in the booklet?
Call the THR Compliance Hotline at 1-800-381-4728
or e-mail SystemCompliance@TexasHealth.org.**