# Code of Conduct

**POLICY NO.**

CCPlan.02

**ORIGINATING DEPARTMENT**

Administration

**REPLACES PREVIOUS POLICY #**

**EFFECTIVE DATE**

Dec. 5, 2012

---

**Title:** Standard Precautions

**Administrator’s Approval Date:** Dec. 5, 2012

---

**APPLICABLE STANDARDS (Required Information)**

- **Joint Commission (JC)**
  - List Chapter, Standard & EP
  - LD.04.01.01, EPs 1, 2, 3, LD.03.01.01, EP 4

- **National Pt. Safety Goals**
  - List Goal No. & Suffix
  - CMS §482.11(a); 482.11(b)(2)

**OTHER:**

---

**APPROVING COMMITTEES / DATES:**

<table>
<thead>
<tr>
<th>Critical Care</th>
<th>Infection Prevention</th>
<th>Med. Exec.</th>
<th>P &amp; T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**~ EDUCATION REQUIRED ~**

Contact the Education Department to determine if either is required.

If yes, Education must approve policy, and Kate Salvato must be listed under Approval Team Members.

**SKILL VALIDATION REQUIRED**

<table>
<thead>
<tr>
<th>YES</th>
<th>X</th>
<th>NO</th>
</tr>
</thead>
</table>

**DIDACTIC/EDUCATION REQUIRED**

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Yes or No MUST be checked on both boxes to prevent policy being returned

---

**APPROVAL TEAM MEMBERS**

List the approval team member/proxy (with their official title) in the order in which they should be approving this policy.

- JoAnn Davis, Director of Risk Management
- Catherine Salvato, MSN, RN, NEA-BC, Director of Education

---

**ADMINISTRATION APPROVAL TEAM MEMBERS**

Place an “X” in the box next to the Administrators included on the approval route.

- Brad Kirkes, VP/Ancillary and Clinical Services
- Gary Siegelman, M.D., Senior VP / Chief Medical Officer
- Mike Metzing, VP/Corporate Support Services
- Earl Tanis, Sr. VP/CFO
- Eric Gloss, D. O., VP / Medical Affairs
- Dave Walczak, Asst. VP / Chief Information Officer
- Paul Lakeman, Sr. VP, Government Relations
- Michael Ashton, Administrator, Milford Memorial
- Pam Marecki, AVP Marketing Communications
- Gerald White, President BH Dev. & Special Projects
- Shana Ross, VP/Human Resources
- John Van Gorp, Sr. VP/Strategic Planning & Business Dev.
- Bonnie Perratto, MSN, MBA, RN, NEA-BC, FACHE, Senior VP/Chief Nursing Executive
- Deborah Watson, Sr. VP, /Chief Operating Officer
- Terry Murphy, President/CEO

---

*Policies become effective upon completion of electronic approval route for all designated Approval Team Members*
1. **Purpose / Statement:**

Bayhealth is committed to conducting its business lawfully and ethically. As Bayhealth's reputation is the sum of the reputations of its employees, it is critically important that all of its employees meet the highest standards of legal and ethical conduct. To protect Bayhealth's reputation and to assure uniformity in standards of conduct, it has established this Code of Conduct as part of its Corporate Compliance Program. Under the Corporate Compliance Program, Compliance Officers have been appointed to ensure compliance with the Corporate Compliance Program, to serve as a contact for employees to report any potential violations of laws, regulations or this Corporate Compliance Program, and to take appropriate action against violators of any such laws, regulations or this Corporate Compliance Program.

1.1 This Code of Conduct establishes the general policies and procedures with which all Bayhealth employees must comply as a condition of employment with Bayhealth in order to ensure that their conduct conforms to the highest ethical standards and is in accordance with all applicable laws, rules and regulations. These policies and procedures are not meant to cover all situations. Any doubts whatsoever as to the propriety of a particular situation, whether or not the situation is described within this Code of Conduct, should be submitted either to your immediate supervisor or to one of the Compliance Officers. The intent of Bayhealth's Corporate Compliance Program is to safeguard the tradition of strong moral, ethical and legal standards of conduct.

1.2 Every employee of Bayhealth is required to understand and comply fully with both the rules and approval procedures established by this Code of Conduct. The standards of conduct that govern Bayhealth's relationship with the government are applicable to all employees whether or not the employee is directly engaged in performing activities relevant to any federal, state or private contracts. Any employee violating any provision of this Code of Conduct will be subject to disciplinary action, up to and including discharge from employment. In addition, promotion of and adherence to this Code of Conduct and to the Corporate Compliance Program will be one criteria used in evaluating the performance of supervisors, managers and directors. To the extent that any additional policies are set forth in any other manual, those policies should be consistent with this Code of Conduct. In case of any inconsistency, this Code of Conduct shall govern.

2. **COMPLIANCE WITH ALL LAWS AND REGULATIONS**

All of Bayhealth’s employees must scrupulously comply with all federal, state and local laws and government regulations and must immediately and directly report to the Compliance Officers any actual or perceived violation of this Code of Conduct.
the Corporate Compliance Program or any other policy covered in the Corporate Compliance Program. Bayhealth further expects all employees to comply with all licensure, certification and Condition of Participation laws and regulations.

3. **COMPLIANCE WITH ALL HOSPITAL POLICIES AND PROCEDURES**

All of Bayhealth’s employees must also scrupulously comply with all policies and procedures.

4. **COMPLIANCE WITH THE PATIENTS’ BILL OF RIGHTS STATEMENT**

All of Bayhealth’s employees must comply scrupulously with all standards set forth in the Patients’ Bill of Rights and the Delaware Mental Health Patient’s Bill of Rights, including the patients’ right to refuse to perform tasks in or for the hospital and the patient’s right to protective services.

5. **DEALING ETHICALLY AND HONESTLY WITH CUSTOMERS, SUPPLIERS AND CONSULTANTS**

5.1 **Quality of Service**

5.1.1 Bayhealth is committed to providing services that meet all contractual obligations and quality standards.

5.2 **Contract Negotiation**

5.2.1 Bayhealth has an affirmative duty to disclose current, accurate and complete cost and pricing data where such data are required under appropriate federal or state law or regulation. Employees involved in the pricing of contract proposals or the negotiation of a contract must ensure the accuracy, completeness and currency of all data generated and given to supervisors and other employees and all representations made to customers and suppliers, both government and commercial. The submission to a federal government customer of a representation, quotation, statement or certification that is false, incomplete or misleading can result in civil and/or criminal liability for Bayhealth, the involved employee and any supervisors who condone such a practice.

5.3 **Admissions, Transfers and Discharges**

5.3.1 Decisions regarding admissions, transfers and discharges are to be based on the best interests of the patient and in accordance with hospital policies. Care is to be provided only to those patients for which Bayhealth possesses the necessary knowledge, skills, capacity and environment in which to provide services. Referrals outside Bayhealth will occur when appropriate services are not available within the system or when the patient desires to be transferred.
5.4 **Clinical Decision Making**

5.4.1 The rights of Bayhealth’s professional, medical, nursing and allied health staff to exercise professional judgment in the discharge of their duties will be respected. Clinical decisions are based on identified patient health needs. Decisions will not be compromised by financial incentives, or risk sharing relationships with leaders, managers, clinical staff, independent licensed practitioners or vendors. Procedures designed to protect the integrity of clinical decision making include disclosure and review of conflicts of interest and utilization of fair bidding practices.

5.5 **Marketing and Advertising Activities**

5.5.1 In conducting all marketing and advertising activities, Bayhealth employees may offer factual information or documented evidence to the general public. Bayhealth employees shall not distort the truth, make false claims, engage in comparative advertising or attack or disparage another provider. Marketing materials will accurately reflect services available and the level of licensure /accreditation. All direct to consumer marketing activities require legal review in advance if they involve giving anything of more than nominal value to a patient.

5.6 **Competitive Analysis**

5.6.1 Antitrust law prohibits competitors from entering into agreements to fix prices or to reduce price competition. Price fixing has been interpreted broadly to include any type of joint action between two competitors which influences the price of products or services that the competitors sell either directly or indirectly. Because it is often difficult to determine what activities may result in price fixing, Bayhealth employees should follow the following principles:

5.6.2 Employees should not provide Bayhealth business information to a competitor, unless the provision of this information is necessary to consummate a bona fide customer/supplier relationship or to serve particular customers jointly. Employees may supply published pricing information and fee schedules to customers even though a competitor may obtain this information through the customer. However, employees should not disclose or disseminate any information believed to be confidential or proprietary to Bayhealth.
5.6.3 Employees should not obtain information about a competitor’s business directly from the competitor unless the provision of this information is necessary to consummate a bona fide customer/supplier relationship or to serve particular customers jointly. Employees shall not obtain such information directly from a competitor in order to perform market analysis. However, employees may obtain information about a customer from public sources or from competitors. In conducting market analyses, employees should not accept or use information known to be proprietary to a competitor. Supervisors must ensure that a competitor’s proprietary information is not improperly obtained or used in any improper fashion.

5.7 **Antitrust Issues**

5.7.1 Antitrust laws apply to all commercial and federal domestic (and some foreign) transactions by Bayhealth, and they are designed to ensure that competition exists and to preserve the free enterprise system. As this is a highly complex area, and this policy cannot cover all situations in which antitrust laws may apply, employees should take special care in this area, and promptly refer any questions to a Compliance Officer, who will consult legal counsel as required. Antitrust issues that an employee may encounter are in the areas of pricing, boycotts and trade association activity.

5.7.2 Examples of actions that violate the antitrust law and that must not be engaged in under any circumstances include entering into or negotiating an agreement with one or more competitors to: (a) fix prices at any level or to fix other terms of service; (b) allocate customers or markets; or (c) boycott a supplier or customer. In addition, employees must refrain from engaging in unfair practices that might restrict competition. For example, employees should refrain from any discussion of pricing schemes or market divisions with competitors to avoid implicating these prohibitions. In addition, employees must refrain from reciprocal agreements and must not require purchasers to buy from Bayhealth under any kind of coercion, express or implied.

5.8 **Anti-kickback and False Claims Issues**

5.8.1 Federal and state laws prohibit Bayhealth and its employees from offering a kickback to an entity or person to induce that customer or potential customer to purchase services from or to refer a patient to Bayhealth. Moreover, the laws prohibit accepting a kickback. In addition, there are laws that prohibit the filing of false claims. As this is a highly complex area of the law, this policy cannot list all situations in which the anti-kickback or false claims laws may apply. Therefore, employees must take special care in this area, and promptly refer any questions to a Compliance Officer, who may refer the question to legal counsel, if appropriate.
5.8.2 Examples of the types of actions that could violate the federal Medicare/Medicaid anti-kickback statute and similar state laws include the following:

5.8.2.1 Offering or paying anything of value to induce someone to refer a patient to Bayhealth;
5.8.2.2 Offering or paying anything of value to anyone (patient or referral source) in marketing Bayhealth;
5.8.2.3 Soliciting or receiving anything of value for the referral of Bayhealth patients to others;
5.8.2.4 Receiving free goods of any kind other than the same good when purchasing products.

5.8.3 Bayhealth has adopted various Policies designed to ensure compliance with federal and state anti-kickback laws.

5.8.4 Examples of the types of actions that could violate the federal False Claims Act and other federal false billing laws include:

5.8.4.1 Filing a claim for services that were not rendered at all or were not rendered as described on the claim form;
5.8.4.2 Filing a claim for services that were rendered, but were medically unnecessary;
5.8.4.3 Submitting a claim containing information you know to be false; or
5.8.4.4 Misusing Social Security or Medicare symbols, emblems or names in marketing.

5.9 **Charging of Costs/Timekeeping**

Any document submitted to secure reimbursement or payment should be true and correct.

5.9.1 The employee’s entry into the Kronos timekeeping system and/or signature on a timesheet is a representation that the entry/timesheet accurately reflects the number of hours worked. The supervisor’s signature on an expense report is a representation that it has been reviewed and that steps have been taken to verify the validity of the hours or expenses reported and the correctness of the allocation of the hours or expenses. Supervisors must avoid placing pressure on subordinates that could lead them to believe that deviations from appropriate time reporting or cost charging practices will be condoned.
5.10 Billing and Reimbursement
Bayhealth is committed to ensuring that its billing and reimbursement practices comply with all federal and state laws, regulations, guidelines and policies and that all bills are accurate and reflect current payment methodologies. Bayhealth is committed further to ensuring that all patients and customers receive timely bills and that all questions regarding billing are answered. Bayhealth shall provide assistance to patients and third party payers seeking to understand the charges associated with patient care. Conflicts regarding billing will be resolved in accordance with the Grievance Management Process.

6. USING HOSPITAL RESOURCES PROPERLY

6.1 Making Political Contributions
Employees may not contribute or donate Bayhealth funds, products, services or other resources to any political cause, party or candidate without the advance written approval of Administration. However, employees may make voluntary personal contributions to any lawful political causes, parties or candidates as long as the individual does not represent that such contributions come from Bayhealth and as long as the individual does not obtain the money for these contributions from Bayhealth for the sole purpose of making such a contribution.

6.2 Providing Business Courtesies to Customers or Sources of Customers
Bayhealth's success in the marketplace results from providing quality services at competitive prices. Bayhealth does not seek to gain an improper advantage by offering business courtesies such as entertainment, meals, transportation or lodging to customers, referral sources or purchasers of Bayhealth services. Employees should never offer any type of business courtesy to a referral source or a purchaser for the purpose of obtaining favorable treatment or advantage. To avoid even the appearance of impropriety, employees must not provide any referral source or purchaser with gifts or promotional items of more than nominal value (e.g., pens or calendars).

6.3 Except for additional restrictions that apply in the federal or state government area and are noted below, employees may pay for reasonable meal, refreshment and/or entertainment expenses for referral sources and purchasers of Bayhealth services which are incurred only occasionally, are not requested or solicited by the recipient, and are not intended to or likely to affect the recipient's business decisions with respect to Bayhealth.

6.4 Educational Activities Grants
Department Heads or those otherwise in a position that represent Bayhealth shall not receive any educational activities grants that create even the appearance of impropriety or conflict with the "Gifts to Physicians from Industry" Guidelines adopted by the American Medical Association's Council on Ethical and Judicial Affairs and the Pharmaceutical Manufacturers Association (now Pharmaceutical Manufacturers and Research Association) in December 1990.
6.5 **Research Grants**
Bayhealth shall ensure that any funds provided to support health care research or consulting agreements are provided for bona fide purposes and in a manner that clearly separates such payments from any referrals.

6.6 **Charitable Contributions**
All charitable contributions received from vendors must directly benefit Bayhealth. Under no circumstances may a check be made payable to an individual at Bayhealth. Bayhealth shall not accept any donations that are in conjunction with a marketing effort or sales promotion. Under no circumstances shall donations be accepted that require Bayhealth to use the donation to purchase supplies from the vendor making the contribution.

[See the Hospital's Corporate Policy on Charitable Contributions and Research Grants.]

6.7 **Government Customers**
Bayhealth, on a regular basis, is a party to numerous government contracts and subcontracts with various governmental agencies. Examples are provider contracts wherein Bayhealth supplies services to or on behalf of the Medicare and Medicaid programs, either directly or as a subcontractor to a Medicare contractor. It is essential that all employees are knowledgeable of, and comply with, all of the applicable laws, rules and regulations of all such governmental agencies. Billing Personnel also should comply with Bayhealth's Corporate Policy on Reimbursement and Billing Policies and Procedures. Any employees who may have a concern or question concerning compliance with any governmental contract or subcontract should contact their supervisor or a Compliance Officer.

6.8 Employees also may not provide or pay for any meal or refreshment (except on Bayhealth premises in the course of business activities), entertainment, travel or lodging expenses for government employees without the prior approval of a Compliance Officer. State, local and foreign governmental bodies may also have restrictions on the provision of business courtesies, including meals and refreshments. Bayhealth's employees doing business with such governmental bodies are expected to know and respect all such restrictions.

6.9 **Accurate Books and Accounts**
All of Bayhealth's payments and other transactions must be properly authorized by management and be accurately and completely recorded on Bayhealth books and records in accordance with generally accepted accounting principles and established corporate accounting policies. No false, incomplete or unrecorded corporate entries shall be made. No undisclosed or unrecorded corporate funds shall be established for any purpose, nor shall Bayhealth's funds be placed in any personal or non-corporate account. All corporate assets must be properly protected, and asset records must be regularly compared, with actual assets with proper action taken to reconcile any variances.
7. **AVOIDING ABUSES OF TRUST**

Bayhealth expects its employees to avoid engaging in any activity that might interfere or appear to interfere with the independent exercise of the employee's judgment in situations where the employee's personal interests might detract from or conflict with Bayhealth's best interest or the interests of Bayhealth's customers or suppliers.

7.1 **Relationship to other health care providers, educational institutions and payors/recognition of conflicts of interest**

7.1.1 All relationships between Bayhealth and other health care providers, educational institutions and payors will be guided by our values of integrity and responsibility for our actions. The potential for conflicts of interest exists at all levels of the organization including Board Members, Managers, the Medical Staff and Employees. Bayhealth will consider its contractual and other relationships carefully and maintain effective procedures to identify potential conflicts of interest to ensure that our mission to our patients, the community we serve and our business interests are protected and advanced in our relationships with others, see also B9000.48 Conflict of Interest Policy, Medical Staff Bylaws 12.5 Conflict of Interest, and D7300.01 Conflict of Interest, Bayhealth Home Care.

7.1.2 All reasonable precautions should be taken to avoid conflicts, and the appearance of conflicts, between private interests and the performance of official duties.

7.1.3 Conflicts of interest must be disclosed in order to ensure that decisions are not inappropriately influenced by such conflicts.

7.2 **Insider Trading**

No employee of Bayhealth shall trade in the securities of any company, or buy or sell any property or assets, on the basis of non-public information acquired through employment at Bayhealth, whether such information comes from Bayhealth or from another company with which Bayhealth has a confidential relationship.

7.3 **Acceptance of Business Courtesies**

7.3.1 Never accept anything of value from someone doing business with Bayhealth or someone whose services are subject to Bayhealth's review if the gratuity is offered or appears to be offered in exchange for any type of favorable treatment or advantage. To avoid even the appearance of impropriety, do not accept any gifts or promotional items of more than nominal value. Gifts received which are valued in excess of $50 must be reported to your Vice President. An employee may accept meals, drinks or entertainment only if such courtesies are unsolicited, infrequently provided and reasonable in amount. Such courtesies must also be directly connected with business discussions, unless an exception is approved by a supervisor. Do not accept reimbursement for lodging or travel expenses or free lodging or travel without the express written approval of your Vice President.
7.4 **Government Proprietary and Source Selection Information**

7.4.1 Bayhealth does not solicit nor will it receive any sensitive proprietary internal government information, including budgetary, program or source selection information, before it is available through normal processes.

8. **LIMITATION ON EFFECT OF CODE OF CONDUCT**

Nothing contained in this Code of Conduct is to be construed or interpreted to create a contract of employment, either express or implied, nor is anything contained in this Code of Conduct intended to alter a person’s status of "employment-at-will" with Bayhealth to any other status.

9. **RESERVATION OF RIGHTS**

Bayhealth reserves the right to amend the Code of Conduct, in whole or in part, at any time and solely at its discretion.

10. **List of Exhibits:**

Statement of Understanding of and Compliance with Bayhealth's Corporate Policy on Code of Conduct
BAYHEALTH MEDICAL CENTER, INC.
STATEMENT OF UNDERSTANDING OF AND COMPLIANCE WITH CORPORATE COMPLIANCE PROGRAM AND CODE OF CONDUCT

I certify that I have read and understand the Code of Conduct and the Corporate Compliance Program and agree to abide by it during the entire term of my employment. I acknowledge that I have a duty to report any alleged or suspected violation of the Code of Conduct or the Corporate Compliance Program to the Compliance Officer. Unless otherwise noted below, I am not aware of any possible violation of the Code of Conduct or the Corporate Compliance Program. I also certify that I have not been convicted of, or charged with, a criminal offense related to health care nor have I been listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded health care programs.

_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________

[For Existing Employees Only]
Further, I certify that I am not aware of any additional circumstances, other than those disclosed above, that could represent a potential violation of the Corporate Compliance Program or the Code of Conduct. I will report any potential violation of which I become aware promptly to a Compliance Officer. I understand that any violation of the Corporate Compliance Program, the Code of Conduct or any other corporate compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment.

Please check the appropriate box:

☑️☐ I certify that this is my first review of this Policy following either initial adoption of this Policy or my initial employment.

☑️☐ I certify that this is my annual review of this Policy.

___________________________________________________________
Date Signature
___________________________________________________________
Print/Type Name
___________________________________________________________
Position

Please return this form to [Human Resources] for filing in the employee's personnel file.