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Subject

Code of Conduct

Purpose

This Code of Conduct (the "Code") provides guidance to all employees, members of the Board of Trustees, independent contractors, Medical Staff, volunteers, students, and vendors (all referred hereinafter as "employees") of Fletcher Allen Health Care, Inc. It is meant to assist employees in performing tasks related to Fletcher Allen's operations within appropriate ethical and legal standards. In addition to the Code, other guidance is available in our policies and procedures, which may be accessed through Intradoc on Fletcher Allen's intranet.

Other policies referred to in the Code are identified by their identification code as contained in Intradoc.

Policy Statement

It is the policy of Fletcher Allen that employees act in a manner that (i) promotes Fletcher Allen's mission, (ii) is consistent with Fletcher Allen's values, and (iii) complies with all applicable laws, regulations, organizational policies and accreditation standards, as outlined in this Code and other applicable policies. The Code is a critical component of our Integrity and Compliance Program.

Our Mission

Fletcher Allen's mission is to improve the health status of the communities we serve by integrating patient care, education and research in a caring environment.

Our Statement of Values

- We respect the dignity of all individuals and are responsive to their physical, emotional, spiritual and social needs and cultural diversity.
- We are just and prudent stewards of limited natural and financial resources.
- We foster a climate that encourages both those receiving and providing care to make responsible choices.
- We strive for excellence in quality and care and seek to continuously learn and improve.
- We acknowledge a partnership with the community to ensure the best possible care at the right time, in the right place, and by the right provider.
- We are caring and compassionate to each other and to those we serve.

- We communicate openly and honestly with each other and with the communities we serve.

PATIENT CARE AND RIGHTS

Statement of Rights

Each patient is provided with a written statement of patient rights and a notice of privacy practices (ETHI00001, HIPAA36). These statements include the right of a patient to make decisions regarding medical care and a patient's rights related to his or her health information maintained by Fletcher Allen. We do not restrict the availability or compromise the quality of essential care on any basis (HIPAA28, HIPAA29 and HIPAA32).

Confidentiality of Patient Information

Fletcher Allen is legally and ethically committed to maintaining the confidentiality and privacy of our patients. Employees must avoid discussing confidential information with outsiders, or where others, including family, can overhear them (HIPAA12). Consistent with federal and state law, we do not use or disclose individually-identifiable patient information unless it is necessary for treatment of the patient, payment for services, the operations of Fletcher Allen, or as required by law (HIPAA5, HIPAA17 and HIPAA19). Employees may only access patient information when it is necessary for their job performance, and they must limit their access to the minimal amount needed to complete the task (HIPAA23).

Providing Patients with Quality Care in a Safe Environment

Fletcher Allen is committed to providing patients with quality care in a safe and respectful environment. This commitment to quality care and patient safety is a responsibility of all employees. In promoting quality care and patient safety, we need to be attentive to the increasing number of patient quality of care measures as we establish best practices. All employees are encouraged to engage in process improvement work within their departments and on an interdisciplinary and system-wide level to assure that quality of care and patient safety standards are being met.

Fletcher Allen wants to maximize the safety of the systems that support the delivery of quality health care services by promoting shared accountability for the safe operation of those systems. Employees shall report all potential hazards or adverse events at the time of identification and/or occurrence. Report all adverse events and "near miss" events (as defined in QMI00001), with the exception of employee injuries, through the computerized S.A.F.E. reporting system. Employee events are reported on the Employee Event Report form available through Human Resources. All information reported through the S.A.F.E. reporting system and information related to any root cause analysis is considered confidential and protected under the State of Vermont's peer review privilege (QMI00001). If employees have any questions about patient safety or event reporting, they should contact the Patient Safety department at 847-2468.

Emergency Treatment

Fletcher Allen follows the Emergency Medical Treatment and Labor Act (EMTALA) in providing an emergency medical screening examination and necessary stabilization to all patients, regardless of ability to pay. In an emergency situation or if the patient is in labor, we will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. Patients with emergency medical conditions should be transferred to another facility only at the patient's request or if the patient's medical needs cannot be met at Fletcher Allen and appropriate care is known to be available at another facility. Transfers are conducted in strict compliance with state and federal EMTALA regulatory and statutory requirements (NED00037).

Advance Directives

Patients have the right to prepare an advance directive and, as appropriate, employees will provide information and education for patients about advance care planning. Patients' advance directives will be honored as required by law and within the capabilities of Fletcher Allen (ETHI00003, ETHI4 and ETHI6). When advance directives are received by Fletcher Allen, they will be incorporated into the patient's medical record.

Research, Investigations, and Clinical Trials

Fletcher Allen is committed to the protection of human research subjects. Employees involved in scientific research are obligated to act ethically and comply with all applicable laws and regulations in conducting any research-related activity and clinical trials. We are bound to protect our patients and respect their rights during research, investigations, and clinical trials. This means that those engaged in research must follow the principles of the Declaration of Helsinki and the Belmont Report (<http://ohrp.osophs.dhhs.gov/humansubjects/guidance/belmont.htm>). All research participants are given a full explanation of alternative services that might prove beneficial to them. They are also given a full explanation of the risks, expected benefits, and alternatives. Refusal of a patient to participate in a research study will not compromise access to services. Prior to the initiation of any research involving human subjects, approval from Fletcher Allen's Institutional Review Board (IRB) must be obtained. Employees involved in the conduct of an approved research study or clinical trial must adhere to all IRB related requirements (RESEARCH1.)

EXPECTATIONS OF ALL EMPLOYEES

Expected and Unacceptable Behaviors

Fletcher Allen is committed to a culture of safety and quality where employees' work environments support teamwork and respect for everyone. Through service excellence, we know excellent customer service and excellent clinical care go hand in hand. Employees are expected to:

- Act courteously to other employees and to patients and their families.
- Always tell the truth.
- Respect and value everyone.
- Take personal responsibility for others' privacy and confidentiality.
- Ask for help if they do not know what to do.
- Correct and report mistakes, not cover them up.
- Care as much about how their work is done as they do about getting it done.
- When confronted with a choice, do the right thing.

The following are examples of unacceptable and disruptive behaviors:

- Shouting or yelling.
- Using profanity.
- Slamming or throwing objects in anger or disgust.
- Engaging in hostile, condemning, or demeaning communications.
- Criticizing others' performance or competency in an inappropriate location or in a manner not aimed at performance improvement.
- Demonstrating disrespect or intimidation, or disrupting the delivery of high-quality patient care.
- Retaliating against anyone who addresses or reports unacceptable behavior.
- Being unfit for duty for any reason, including because of the use or possession of alcoholic beverages or other drugs, including diversion of controlled substances.

The forgoing examples are not all inclusive or exhaustive.

Compliance With all Laws, Regulations, Policies and Accreditation Standards

Fletcher Allen is committed to acting in full compliance with all applicable laws, regulations, organizational policies, as well as standards for accreditation established by the Joint Commission and other applicable accrediting authorities. Employees are required to know and follow the laws, regulations, policies and procedures that apply to their jobs (Compliance Program – B3I, B3G and B2G). Failure to do so could result in exclusion from participation in federal or state health care programs, civil monetary penalties and loss of licensure, and could subject an employee to disciplinary action by Fletcher Allen, up to and including termination.

Duty to Report Known or Suspected Violations

Employees have an affirmative obligation to report in good faith any known or suspected violation of a law, regulation, or organizational policy or other misconduct. Employees are encouraged to work through their supervisor or manager first to report these issues. Quality of care issues generally should be reported through the

S.A.F.E. system as described above (QMI00001). Reports may also be made to the Chief Compliance Officer. All employees have the right to use the Integrity & Compliance Hot Line (802-847-9430 or 800-466-7131). Reports will be treated confidentially (Compliance Program – B2V and B2K). Fletcher Allen is committed to our policy of non-retaliation against employees and professional staff who report suspected violations in good faith (Compliance Program – B2E).

Keeping Current on Compliance Information

Except in the case of Medical Staff members who undergo compliance training as part of their two-year credentialing cycle, employees are required to undergo annual training on applicable laws, regulations, policies and the Integrity & Compliance Plan (Compliance Program – B1W).

Members of Fletcher Allen’s Board of Trustees are required to be educated annually about health care compliance risk areas, the content and operation of Fletcher Allen’s Integrity and Compliance Plan and program, the Board’s responsibility for oversight of the implementation and effectiveness of the Plan, and the process for reporting integrity and compliance issues to the Board (Compliance Program - B3I). Physicians, other billing providers, and staff involved in professional billing must annually complete additional coding and billing training sessions.

All vendors are required to undergo a certification process, which includes being educated about the requirements in this Code, in order to be able to do business with Fletcher Allen (FAHC Vendor Management Policy SC12).

Maintaining the Security of Electronic Information

Fletcher Allen is committed to maintaining the security of all confidential information, including electronic information. Fletcher Allen follows HIPAA’s Security Rule (HIPAASEC01) and other applicable federal and state laws, rules and standards. All employees must know and follow our policies regarding physical safeguards, including workstation access, use and security (INFOSEC001 and HIPAASEC04).

Protecting of Fletcher Allen’s Assets and Resources

Employees should strive to make prudent and effective use of Fletcher Allen’s assets and resources, including time, materials, supplies, equipment, capital, space and information. Employees are responsible for ensuring that assets and resources such as telephones, computers, copiers, and equipment are not improperly or unreasonably used. This includes the use of Fletcher Allen funds for travel and entertainment-related expenses. As a general rule, employees should not use Fletcher Allen’s resources without prior approval. Occasional personal use of things such as telephones and computers is allowed so long as that use is consistent with Fletcher Allen’s policies (HR-F-08 and INFOSEC001). Any use of Fletcher Allen’s assets or resources for personal financial gain is strictly prohibited.

Additional Leadership Responsibilities

It is critical that the tenets of this Code form the foundation for everything we do at Fletcher Allen. Leaders should foster a culture that promotes the highest standards of ethics and compliance. Everyone in the organization with supervisory responsibility is expected to be a role model for these standards and values, and should never sacrifice ethical and compliant behavior in the pursuit of business objectives.

Leaders should encourage staff to raise concerns and propose ideas free from the fear of retaliation or retribution. Fletcher Allen will not tolerate retaliation against employees and professional staff who report suspected violations in good faith. Any person who attempts to retaliate will be subject to discipline, up to and including termination (Compliance Program – B3I and B2E).

Leaders are also responsible for ensuring that staff have adequate information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas (Compliance Program – B3G).

CODING AND BILLING FOR SERVICES

Accurate Claims Submission and Documentation

Fletcher Allen is committed to preparing and submitting accurate claims for reimbursement consistent with the statutes and regulations governing federal and state health care programs, as well as guidance otherwise communicated by the Centers for Medicare and Medicaid Services (CMS), other regulatory agencies that administer health care programs, and their agents. We are also committed to ensuring that claims submitted for reimbursement are in compliance with all contractual arrangements we may have with third-party payers. It is each and every employee's responsibility to do his or her utmost to assist Fletcher Allen in submitting complete and accurate claims for payment. No one should knowingly submit false claims for payment, including using the wrong billing codes, falsifying the medical record, or billing for services that are not provided or are not medically necessary. Physicians and other providers are obligated to provide complete, accurate and timely information in the patient's medical record to support the services rendered (Health Information Management – HIM27 and HIM29; Compliance Program – B3J, B2H and B20).

Cost Reports

As a condition of participation in the Medicare program, Fletcher Allen is required to submit reports of our operational costs. All Medicare cost reports submitted to CMS must be submitted in full compliance with all applicable federal regulations and statutes, in particular 42 C.F.R. Parts 412 and 413 (RM2). Because of the complex nature of these requirements, all issues related to cost reports must be communicated to the Revenue Finance & Reimbursement Department.

Physicians at Teaching Hospitals

Fletcher Allen's teaching physicians will comply with the physical presence and documentation requirements set forth in the regulations and instructions issued by CMS and other regulatory agencies that administer government-sponsored health care programs relating to the supervision of residents and fellows. These generally require that teaching physicians who bill for services provided in connection with a resident must **personally document** (1) that they performed the service or were physically present during the key or critical portions of the service performed by the resident, and (2) that they participated in the patient's management (Compliance Program – B3P, B3J).

Education about False Claims Recovery

Fletcher Allen's Education about False Claims Recovery policy (Compliance Program - B7A) provides detailed information to employees about (a) the federal False Claims Act and Program Fraud Civil Remedies Act (and similar state legislation), (b) "whistleblower" protections under both federal and state law, and (c) our policies and procedures to prevent, detect and remedy fraud, waste and abuse.

Examples of the types of activities that place us at risk for violating laws designed to prevent health care fraud include:

1. Filing a claim for goods or services that weren't provided or weren't provided as described on the claim form;
2. Filing a claim for services without documentation to substantiate the performance of those services;
3. Submitting a claim containing information known to be false;
4. Adding false diagnoses;
5. Using a past diagnosis to represent the patient's current condition;
6. Using incorrect modifiers;
7. Billing for and accepting reimbursement for services that were not medically necessary; and
8. Billing Medicare as primary when it should be secondary under applicable Medicare Secondary Payer rules.

If employees have any doubts or questions as to the propriety of a particular situation, whether or not the situation is included above, they should notify their immediate supervisor or the Chief Compliance Officer or his or her staff (Compliance Program - B2G).

RELATIONSHIPS WITH OTHERS

Prohibition on Payments for Referrals

It is generally illegal to give or receive payment for patient referrals or to give or receive payment for a recommendation that someone lease or buy something (like equipment or drugs) from you, if a government health program (like Medicare) is paying for the patient services or item. It is Fletcher Allen's policy not to offer or accept payment for referrals or recommendations or to accept payment for referrals that we make. "Payment" does not have to be cash; it can be anything of value, like a discount or a free service or piece of equipment. If employees are offered such "kickbacks," they should immediately report the incident to their supervisor or the Chief Compliance Officer (EXEC13, Compliance Program – B101 and SC10.)

Conflicts of Interest

A conflict of interest may occur if an employee's outside activities, personal financial interests, or other personal interests influence or appear to influence his or her ability to make objective decisions in the course of that person's job responsibilities. Fletcher Allen has a responsibility to preserve and enhance the public's trust, which can only be achieved through the appropriate disclosure of any relationship that an employee has that could, or even may *appear* to, inappropriately impair that person's judgment in work-related decisions.

All employees, including physicians and residents, officers, directors, as well as members of the Board of Trustees, should at all times: (i) act in a manner that you believe to be in Fletcher Allen's best interests; (ii) comply with the conflict of interest disclosure and management procedures set forth in our policies; (iii) seek to avoid Personal Interests, as defined in our policy, that may create a real or perceived a conflict with your professional obligations or fiduciary duties or the interests of Fletcher Allen that may adversely affect business or professional decisions; and (iv) refrain from participating in operational, strategic, or professional decisions in which you have a Personal Interest. All other employees should (i) seek to avoid conflicts of interest, (ii) disclose any conflicts of interest to his or her supervisor or other leader, as appropriate, and (iii) refrain from participating in business or clinical decisions that implicate any conflict of interest (EXEC).

Gifts, Gratuities and Business Entertainment

No personal gifts from vendors of any kind are permitted. Employees may not solicit, offer, or accept gifts, gratuities or subsidies to or from patients, vendors or others doing business with Fletcher Allen, except as permitted by policy. Employees are expected to uphold the highest professional standards in interactions with vendors and patients and to avoid any transaction or business arrangement with a vendor or a patient that could improperly influence decision-making or patient care (EXEC13).

CON Compliance Plan

Vermont law requires the receipt of a "Certificate of Need" (CON) before hospitals and individual providers undertake certain specified actions, including acquiring expensive pieces of equipment, establishing new services, and committing to large capital expenditures. It is Fletcher Allen's policy under its CON Compliance Plan to comply fully with Vermont's CON laws, to promote a culture of compliance with those laws, to maintain a cooperative and open relationship with state regulatory agencies (including the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA)), to provide employees of Fletcher Allen with education and training on the CON laws, and to implement procedures and internal controls, with appropriate lines of accountability, to ensure that these policies are implemented and enforced. Under the CON Compliance Plan, any project that is potentially subject to a CON, as specified in the Plan, must be reviewed and approved by the General Counsel before the project is initiated. All employees involved in project planning should be familiar with the requirements of the Plan (EXEC12).

Communications with Governmental Agencies, Regulatory Authorities and Accrediting Bodies

It is Fletcher Allen's policy to cooperate with all governmental agencies, regulatory authorities and accrediting bodies in a direct, open and honest manner. Employees should never mislead representatives of a governmental agency, regulatory authority or accrediting agency.

SAFETY AND THE WORK ENVIRONMENT

Controlled Substances

Prescription and controlled medications and supplies must be handled properly and only by authorized individuals to minimize risks to patients, family members and employees. Many of these substances are governed and monitored

by specific regulatory organizations and must be administered by physician order only. Employees who become aware of inadequate security of drugs or controlled substances or the diversion of drugs from the organization are obligated to report the incident immediately (PHARM00001, PHARM2, PHARM7, PHARM14, HR-E-05, and Compliance Program – B2V).

Occupational Safety

Federal and state laws and regulations regarding the promotion of occupational safety and avoidance of job-related hazards are designed to ensure that all employees work in a safe environment. Employees are obligated to follow these laws and regulations. Employees who notice a potential or actual infringement of occupational safety laws and rules should report this to their supervisor, the Office of Environmental Health and Safety or the Chief Compliance Officer (SEH105).

Protection of the Environment

Fletcher Allen is committed to complying with all environmental laws and regulations that relate to our operations and will preserve our natural resources as much as reasonably possible. We will operate our facilities with the necessary permits, approvals and controls. We will diligently use proper procedures to handle and dispose of hazardous and bio-hazardous waste, including but not limited to medical waste. To ensure that Fletcher Allen complies with these laws and regulations, employees must understand how their job duties may impact the environment. In addition, everyone must follow all requirements for the proper handling of hazardous materials and immediately alert the appropriate supervisor or leader to any situation involving the improper release of a hazardous substance, improper disposal of medical waste, or any situation that may potentially damage the environment (SEH2, SEH19, SEH13, and SEH17).

HUMAN RESOURCES

Commitment to Fairness

Employees must abide by the equal employment, educational opportunity and affirmative action rules, regulations and policies outlined in policies HR-A-01 and HR-A-02. Affirmative action and equal opportunity affect all employment practices. Employees with disabilities that require reasonable accommodations may request an accommodation through Human Resources (HR-E-08).

Diversity

Fletcher Allen is committed to diversity. Employees should respect the diverse opinions, beliefs, age groups and cultural differences of our staff, patients and visitors (HR-A-02.)

Harassment

Fletcher Allen reaffirms the principle that employees have the right to be free from sexual harassment, which is a form of discrimination based on gender. Fletcher Allen also does not tolerate harassment or discrimination against individuals who fall within any protected category (*e.g.*, race, religion, color, national origin, age, disability, ancestry, place of birth, sexual orientation or gender), and treats such actions as a form of misconduct. Sanctions will be enforced against individuals engaging in such behavior. Those who choose to file a complaint through Fletcher Allen do not lose their right to file with an outside enforcement agency (HR-E-03). To file a complaint with Fletcher Allen, please contact the Director of Employee and Labor Relations at 847-5982 and/or any other member of management or any Human Resources Specialist.

Persons Blocked or Ineligible to Participate in Federally-Sponsored Programs

Fletcher Allen does not hire or engage as contractors any person or entity who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or (2) has been convicted of a criminal offense related to the provision of health care items or services. All employees and applicants are required to disclose whether they are ineligible persons before they start working at Fletcher Allen. If after an employee's start date, Fletcher Allen is notified that he or she has subsequently been added to the list of excluded individuals, the process outlined in Compliance Program - B2R will be followed. We routinely search the Department of Health and Human Services' Office of Inspector General, the Department of the Treasury's Office of Foreign Assets

Control's Specialty Designated Nationals and Blocked Person List and General Services Administration's lists of such excluded and ineligible persons (Compliance Program – B2R, B3R and B3S.)

MONITORING PLAN:

Fletcher Allen's monitoring plan is outlined in its Integrity and Compliance Plan (Compliance Program - B3I), as well as the policies referenced in this Code.

DEFINITIONS:

1. Vendor: "Vendor" means any representative of a manufacturer or company, including a distributor, engaged in soliciting, marketing, or distributing products or information regarding medications, products, equipment or services. This includes representatives of manufacturers or companies that are already doing business with Fletcher Allen in any capacity and those that may be seeking to do business with Fletcher Allen.
2. Volunteer: "Volunteer" means any individual, who, without compensation or expectation of compensation, performs a task at the direction of or on behalf of Fletcher Allen after being officially accepted and approved by the Director of Volunteer Services to serve in a volunteer capacity (VOL7).

RELATED POLICIES:

Related policies are identified above and are published on Intradoc, which is accessible on Fletcher Allen's intranet (<http://intranet.fahc.org/>).

REFERENCES:

CON Laws: 18 V.S.A. §§ 9431-9444.

Federal False Claim Act: 31 U.S.C. §§ 3729-33, including 31 U.S.C. § 3730(h).

State False Claims Acts:

- State of Vermont: 13 V.S.A. § 3016;
- State of New York: State Finance Law, §§187-194.

Program Fraud Civil Remedies Act: 31 U.S.C. §§ 3801-12

Federal Laws and Regulations Prohibiting Kickbacks:

- Section 1128A Social Security Act;
- 42 U.S.C. §§ 1320a-7b(b), 1395nn and 1396b(s); and,
- 42 C.F.R §§ 1001.952, 1003.101 and 411.350.

Food and Drug Administration Regulations:

- 21 C.F.R. Part 50 (Protection of Human Subjects and Consent Issues); and,
- 21 C.F.R. Part 56 (Institutional Review Boards).

Health Insurance Portability and Accountability Act (HIPAA):

- Privacy and Security Rule: 45 C.F.R. Parts 160 and 164.

REVIEWERS:

Elizabeth Madigan, Director of Employee and Labor Relations
Robert Macauley, M.D., Director of Medical Ethics

APPROVING OFFICIAL'S NAME:

Jennifer Parks, Chief Compliance Officer

* Adopted by the Fletcher Allen Health Care Board of Trustees on December 14, 2010.