

**THE READING HOSPITAL**  
**STANDARDS OF CONDUCT**

*Excerpted from the Compliance Plan approved by the Board of Directors of  
The Reading Hospital (TRH) and its subsidiary entities on September 22, 2011*

TRH strives to assure that all activity by or on behalf of TRH is in compliance with applicable laws and appropriate ethical standards of behavior. The following standards are intended to provide overall guidance to TRH Staff to assist them in their obligation to comply with applicable laws. These standards are neither exclusive nor complete. The full text can be found in the Compliance Plan.

**1. Compliance with General Laws**

All TRH Staff must comply with all applicable laws regulating the business practices of TRH and the delivery of healthcare services, including inpatient and outpatient hospital services, physician services, long-term care services, and rehabilitation services.

**2. Billing and Cost Reporting**

All TRH Staff must comply with applicable reimbursement policies and procedures for the submission of claims. The goal of the TRH Staff shall be to provide sufficient and timely documentation for all services provided. All services provided should be properly documented; all bills should accurately reflect the documented services provided; and only accurate and properly documented services should be billed.

**3. Workplace Conduct/Employment Practices**

Employment Laws

TRH is committed to compliance with federal and state laws governing non-discrimination.

Contracting with Ineligible Persons

TRH will not employ, or contract for services on its behalf, an individual or entity whom it knows or reasonably should know has been convicted of a criminal offense or other adverse proceeding related to a government program or the delivery of health care (e.g., suspension or revocation of license or certification), or listed by a federal agency as debarred, excluded, sanctioned, or otherwise ineligible for participation in a governmental program.

**4. Conflict of Interest**

TRH relies on its TRH Staff to exercise their responsibilities in the best interests of TRH, the provider entity where they work, and the patients TRH serves. Each should avoid any conflict of interest. Although it is impractical to attempt to define every situation that might create a conflict of interest, generally speaking, a conflict exists when an individual's personal

interests or activities may influence his/her judgment in the performance of his/her duty to TRH and our patients.

## **5. Record Retention**

TRH strives for the development and implementation of a records system that assures complete and accurate medical record documentation, taking into consideration privacy concerns and regulatory requirements. All TRH Staff are expected to comply with TRH's Document Retention and Destruction Policy.

## **6. Kick-Backs, Inducements, and Self-Referrals**

All TRH Staff must comply with applicable laws affecting the qualification of TRH's participation in the Medicare/Medicaid programs. Both federal and state laws specifically prohibit any form of kickback, bribe, or rebate made directly or indirectly, overtly or covertly, in cash or in kind, to induce the purchase, recommendation to purchase, or referral of any kind of healthcare goods, services, or items paid for by Medicare or the Medicaid Program.

## **7. Competition/Marketing**

### Antitrust and Unfair Competition

All TRH Staff must comply with applicable antitrust and related laws which regulate competition. Antitrust laws make illegal any agreement or understanding, express or implied, written or oral, which restricts competition or interferes with the ability of the free market system to function properly. In the eyes of the law, good intentions, patient benefits, or consumer benefits do not justify or excuse violations.

### Relationship With Potential Non-Patient Customers & Referral Sources

All contacts with vendors, non-patient customers, and potential referral sources must be maintained as arms-length business relationships, must comply with applicable statutes and regulations, and should avoid even the appearance of impropriety.

## **8. Tax-Exempt Status**

TRH and each of its subsidiaries are recognized by the Internal Revenue Service as charitable organizations under Section 501(c)(3) of the Internal Revenue Code ("Code"). Charitable organizations are prohibited from engaging in certain activities, namely private inurement and political campaigning. Engaging in such behaviors may result in the imposition of "intermediate sanctions" penalty taxes and the loss of tax-exempt status.

## **9. Confidentiality - HIPAA**

TRH and TRH Staff possess sensitive, protected health information about TRH patients and their care. TRH takes very seriously the privacy and security protections mandated by state and federal laws, namely the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing privacy and security regulations. All TRH Staff are to comply with TRH's HIPAA and confidentiality policies and procedures.