

Westminster  
Canterbury

Lynchburg



Life Refreshed.

# Code of Conduct, Business Ethics and Corporate Compliance Handbook



April 2018



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## INTRODUCTION

This document contains Westminster Canterbury of Lynchburg's *Code of Conduct, Business Ethics and Corporate Compliance Handbook* ("the Code"). Each employee should read it with care and feel free to ask questions about the information it contains.

### **Purpose of the Code**

The purpose of the Code is to assist each of us as employees in maintaining the high ethical standards of Westminster Canterbury in all of our business practices. It will help guide you in making decisions that conform to the ethical and legal standards expected of you. It will also help ensure Westminster Canterbury's compliance with the laws that regulate our industry.

### **Definitions of Terms**

All references in the Code to "employee" or "employees" should be read to include all officers and other employees of the organization, unless otherwise indicated.

The abbreviation "WCL" includes Westminster Canterbury of Lynchburg and its subsidiaries.

"Resident" refers to anyone receiving care performed by an employee.

"Facility" refers to any location where residents receive service.

### **Questions about the Code**

After you have read the Code, you may have questions about its contents, how it applies to situations you may face, or what to do when a conflict of interest arises. Use WCL's Compliance Communication Process (which is explained on the next page) to get answers to your questions.

WCL's Compliance Officer and the company's internal auditors have the right and duty to conduct an investigation of any alleged noncompliance with our Code.

### **Acknowledgement Form**

After you have received the Code and had the opportunity to have your questions answered, you should go to the end of this handbook to the "Compliance and Disclosure Form," which requires your signature and any needed disclosures. By signing this form, you are acknowledging that you have read and understand the Code. Your signature is also an agreement to inform a supervisor should you receive a notice of exclusion or are convicted of a crime. Finally, the form provides space for you to disclose possible conflicts of interest, including outside business affiliations, as discussed in the Code section entitled "Conflicts of Interest."

You should complete the form promptly and give it to your supervisor. If during the year your situation changes in a way that may be considered a conflict of interest, or if you become involved with an outside business affiliation, you must discuss the situation with

your supervisor. At that time, you will be required to sign and submit a new form. Also, during your annual evaluation you will be asked to recertify that you understand our *Code of Conduct*. At that time you are provided an opportunity to update any disclosures that must be made.

## COMMUNICATIONS

### **Compliance Communication Process**

The Compliance Communication Process (the “Process”) is your guide to handling compliance issues. If you have a compliance concern or simply want guidance regarding a compliance issue, you should use the Process. You should also use the Process to report suspected violations of federal or state laws, rules or regulations, as well as to report suspected violations of our Code.

Most questions or issues can be, and should be, handled at the department level. Thus, the Process has been designed to give those closest to the employee the opportunity to address matters as they arise. The Process then allows for matters to be advanced to the corporate level, as appropriate.

### **The Compliance Communication Process**

1. First talk to your supervisor. He or she will be familiar with the laws, regulations and policies that relate to your work and will be able to handle most matters.
2. If you are not comfortable talking with your supervisor (for example, if you are questioning the actions of your supervisor), talk to your supervisor’s supervisor or your Administrator.
3. If you feel the matter cannot be handled at your department level, please contact the Director of Human Resources. The Director of Human Resources will advance matters to WCL’s Compliance Officer as needed, or you may call the Compliance Officer yourself.
4. If you wish to contact the Compliance Officer, call the toll-free Employee Compliance Hotline (the “Compliance Hotline”) at **888-277-9214**. All calls are confidential and you may call anonymously, if you choose.

The above Process is in place to provide an opportunity for individuals to report misconduct. Any retaliation toward anyone who in good faith reports misconduct is a violation of WCL policy and is a terminable offense.

### **Response Timeline**

Each person that your concern is reported to, whether your supervisor, the administrator, the Human Resources Director or the Compliance Officer, will have up to 72 hours to respond to you regarding the concern. If you place an *anonymous* call to the Compliance Hotline, then the person investigating the concern will be unable to respond to you.

The supervisor, administrator, Human Resources Director or the Compliance Officer may take up to 10 business days to investigate and determine the outcome. Certain concerns may be brought before the Corporate Compliance Committee for consideration.

### **When Should You Call the Hotline?**

You should call the Compliance Hotline anytime you are aware of an actual or potential violation of the Code, laws or regulations, and you feel that you cannot go to your supervisor or to the other personnel designated in the Compliance Communication Process.

### **When Should You *Not* Call the Hotline?**

If you have questions about employment policies or procedures, talk to your supervisor. For questions about medical, dental or disability plans or claims, call your provider. If you still have questions regarding policies, procedures or benefits, talk to the Director of Human Resources.

### **Elder Justice Act**

Under the federal Elder Justice Act, 42 U.S.C.A. Section 1320b-25, all employees of WCL have the right and the obligation to report any reasonable suspicion of a crime against one of our residents. Employees should make a report to any of the following: a supervisor, the administrator or the Virginia Department of Health. In addition, any employee who has reason to suspect that a crime has been committed should also make a report to local, county or state law enforcement agencies. Employees cannot be discharged, demoted, suspended, threatened, harassed or denied a promotion because they have reported the suspicion of a crime.

## **FRAUD, WASTE, ABUSE & THE FALSE CLAIMS ACT**

### **What is Fraud, Waste and Abuse?**

**Fraud** is generally defined as an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. In the healthcare environment it can mean willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or to obtain by false pretenses any of the money or property owned or under the control of any healthcare benefit program (including private insurance and Medicare or Medicaid) or to Westminster Canterbury. It includes any act that constitutes fraud under applicable Federal or State law and can lead to a variety of criminal charges such as theft, embezzlement, and larceny.

**Waste** is overutilization of services, resources, or other practices that, directly or indirectly, result in unnecessary costs to the healthcare system as a whole or to Westminster Canterbury. It is not generally considered to be caused by criminally negligent actions, but by the misuse of resources. It can include inefficiency, redundancy, delays and complexity.

**Abuse** includes the excessive or improper use of something or practices that are inconsistent with sound fiscal, business or medical practices resulting in unnecessary costs to Westminster Canterbury or to the healthcare system as a whole. It includes the intentional destruction, diversion, manipulation, misapplication, maltreatment or misuse of resources owned or operated by Westminster Canterbury, or extravagant or excessive use so as to abuse one's position or authority.

Examples of fraud, waste and abuse may include but are not limited to:

- Receiving payments for services that fail to meet professionally recognized standards of care
- Providing and billing for services that are medically unnecessary
- Forgery or alteration of documents
- Theft, unauthorized removal, or willful destruction of records or the property of residents, other staff members or Westminster Canterbury
- Inappropriate use of Westminster Canterbury-provided electronic devices, such as computers, tablets, cell phones, pagers or email.

### **False Claims Act**

The federal government has a statute that prohibits knowingly submitting a false claim to a federal payer for reimbursement. A "false claim" includes (1) making a false statement regarding a claim for payment, (2) falsifying information in the medical record, (3) double-billing for items or services, (4) billing for services not performed or furnished, and (5) submitting claims that are related to other violations of laws or rules, such as anti-kickback laws.

Virginia also has a False Claims Act that prohibits and penalizes providers that knowingly submit a false claim.

WCL has training to prevent improper billing; policies and procedures to prevent, detect and correct incorrect claims; as well as edits in place to prevent the submission of an incorrect claim. Further, our non-retaliation policy and Compliance Communication Process empowers the employee, vendor or related entity to express concerns regarding billing and claim submission so that any needed corrections or process improvements can be made.

The federal False Claims Act (the "Act"), as well as several state False Claims Acts, have so-called "whistleblower" or "qui tam" provisions. These allow private persons to file lawsuits in the name of the government for violations of the Act. The government may or may not choose to act on the information brought forward. If it does not act, the individual has the right to pursue the action independent of the government. Should an entity be found in violation of the Act, the individual who brought the action forward may be entitled to a percentage of the recovery. If it is determined that the action was frivolous or brought forward primarily for harassment, the individual can be made responsible for the costs incurred by the entity. Additionally, in a situation where the person bringing forward the action has a part in the violation, any share of the proceeds may be reduced or even eliminated.

WCL believes that the claims we submit for payment will be just and accurate when we follow our policies and procedures and use the systems we have in place. Should you have a concern regarding submission of claims for payment, there are many options for offering this communication. The qui tam provisions of the False Claims Act do not require an individual to report their concerns to the entity before they bring them forward in the name of the government. However, should you have a legitimate concern regarding submission of claims for payment, WCL needs to know so that we can review the information, investigate, and clarify or correct the situation promptly as appropriate.

Our Code requires all of us to bring forward to a supervisor any concerns we have about how WCL conducts business. Use the Compliance Communication Process to ensure that any concerns you have are heard and acted upon. Just as our Code has always protected you from any sort of retaliation or retribution for sharing your concerns, the civil False Claims Act also provides protection from retaliation for any employee who reports a concern.

## **EMPLOYEE CONDUCT**

### **Documentation and Record Keeping**

Each employee who works at WCL has an obligation for accurate and true record keeping. Employees are prohibited from making false or fraudulent statements in any documentation or record. This documentation may include, but is not limited to, clinical documentation, billing documents, payroll records, financial documents, contracts, expense reports and receipts, and reports to the Compliance Hotline. Additionally, information that has been entered into any record may never be changed or tampered with, causing the entry to be false or inaccurate. Only the original author may make corrections after consulting with a supervisor to discuss the reason for the change, the validation that the information being added or changed is accurate, and the proper methodology for making the correction. If the original author is not available to make the needed correction, the supervisor will direct the correction process. The signature of the employee creating the documentation or record must be present. Each employee must never sign a document or record for another employee.

### **Hiring and Employment Practices**

As an organization, WCL is committed to fair employment practices. When hiring and evaluating, WCL:

- Complies with federal, state and local Equal Employment Opportunity laws, hiring the best qualified individuals regardless of race, color, age, religion, national origin, gender identity, sexual orientation or disability. All promotions, transfers, evaluations, compensation and disciplinary actions follow this policy.
- Conducts employment screenings to protect the integrity of our workforce and welfare of our residents and staff members.
- Requires all staff members who need licenses or certifications to maintain their credentials in compliance with state and federal laws; documentation of current licenses or certifications must be provided

## **Employee Screening**

WCL is prohibited by federal law from employing or retaining or contracting with anyone who is excluded from any federal or state funded programs. WCL has implemented screening procedures conducted prior to hire, and monthly thereafter, to identify such individuals. These standards also apply to temporary healthcare workers, physicians, board members and other vendors. Volunteers are screened annually.

WCL's policies and procedures are intended to ensure that it does not contract with, employ, or bill for services ordered, rendered or supervised by anyone:

- Confirmed with a positive drug test.
- Convicted of a violent crime, including assault, abuse or rape.
- Convicted of a criminal offense related to healthcare, including fraud, neglect or abuse of clients.
- Convicted of a felony in the preceding seven years, in accordance with the state Department of Health and the Department of Social Services.
- Convicted of an offense considered exclusionary by state statutes regulation or standard.
- Excluded from or ineligible to participate in federal healthcare programs.
- Disbarred or excluded by a duly authorized licensing agency.
- Listed on the Federal Terrorist list maintained by the Department of Treasury, Office of Foreign Asset Control.

## **Criminal Conduct**

WCL does not permit or condone criminal activity with respect to any aspect of its business, including traffic offenses if your current position requires a valid driver's license. As long as you are employed or affiliated with WCL, you must **immediately** (no more than five calendar days) report to your supervisors if you are convicted of an offense that would preclude employment in a healthcare facility, if action has been taken against your license, or if you are excluded from participation in any federal or state healthcare program. Any staff members who are alleged to have committed a criminal act may be suspended based on the severity of the charge or, if convicted of a felony, will be terminated.

Any employee who becomes aware of suspected criminal activity is required to report the activity using the Compliance Communication Process. The Compliance Officer also must be notified of the occurrence, the investigational findings, and the required actions related to reports of fraudulent or other criminal acts.

Any employee found to have engaged in criminal conduct will be subject to disciplinary action up to and including termination. WCL, or affected party, will refer all instances of suspected criminal conduct to the appropriate governmental authorities for possible criminal prosecution.

## **EEO and Unlawful Harassment**

Employees work best in an atmosphere of fairness, cooperation and equal opportunity. To promote this atmosphere, WCL and all of its employees must comply fully with these

guidelines and employment laws. While it is difficult to develop clear, practical rules and policies to cover every conceivable situation, included here are minimum standards for our employees.

### **Unlawful Harassment including Social Media**

Employee conduct at work and at WCL-sponsored and related functions (including activities that are an extension of such functions) must be professional at all times, keeping in mind that this includes all conduct whether it is through actions, verbal comments or electronic communication.

Technology today allows electronic communication, pictures and video to quickly reach across the globe. While there are many benefits to that technology, we have to remember the common rules of good judgment to ensure that any and all communications and/or postings are dignified, respectful and professional.

The posting of information on a social Web site or on an Internet blog has the potential to impact relationships among co-workers and WCL's reputation. Sound character and good judgment are character traits we consider when making hiring decisions. Behavior that does not reflect sound character or judgment; whether on duty or off duty, whether face-to-face or through the transfer or posting of digital messages or media; violates WCL's expectation of how you as our employee should represent yourself on our behalf.

Anything that labels or otherwise identifies our company with actions that can prove harmful to WCL's reputation—or to the credibility of any of our employees, families or the residents we care for—will not be tolerated and may result in disciplinary action, up to and including termination, unless such actions are protected by law.

There must be:

- No derogatory references made to or about any person, especially relating to gender, religion, race or any other protected class.
- No unwanted or otherwise inappropriate physical conduct (such as suggestive gestures, uninvited touching or sexual advances).
- No sexually explicit, vulgar, crude or offensive language, jokes, photographs or other materials.
- No other conduct that creates an inappropriate, intimidating and/or hostile environment or the impression of such an environment.

### **Behavior at WCL-Sponsored Events**

In addition to the minimum standards referred to above, at WCL-sponsored events there must also be:

- No function that excludes a person's participation based on any protected category or class.
- No activity that tends to demean any person based on any protected category or class.
- No practice or custom that tends to lead to uncomfortable situations or improper

behavior.

- No pressure on anyone to engage in the consumption of alcoholic beverages or participation in gambling activities.

### **Retaliation**

There must be no retaliation of any kind against anyone alleging or reporting harassment, conflicts of interest, hostility or unlawful-discrimination, or potential violation of laws and regulations. Assurances of our “no retaliation” policy shall be given to those who have made a report, whether the report is made using the Compliance Communication Process or to an outside entity.

### **Violations**

The above-stated standards for behavior are in addition to established WCL policies dealing with the avoidance of sexual harassment, other unlawful harassment and discrimination. Violation of WCL standards and policies may result in disciplinary action up to and including termination.

These standards are not intended to regulate personal morality, but rather to ensure that the work environment is free of harassment, conflicts of interest, hostility and unlawful discrimination.

## **EMPLOYEE CONDUCT WITH RESIDENTS**

All residents must be treated with respect and dignity at all times. As our employee and as a caregiver you must work to promote an atmosphere favorable to excellent care.

Staff should not discriminate against the residents and/or prospective residents and their families based on factors that are irrelevant to the resident’s needs and ability to access services. WCL will comply with all State and Federal discrimination laws, including applicable provisions of the Americans with Disabilities Act. Reasonable accommodation will be made for a resident’s cultural and religious preferences whenever possible.

### **Principles for Good Conduct**

The following principles were developed to comply with WCL objectives and applicable legal requirements:

- All residents have a right to be free from verbal, sexual, physical and mental abuse, corporal punishment and involuntary seclusion. Any employee found to have committed any form of abuse or willful neglect of a resident will be subject to disciplinary action.\*
- Any employee found to have tampered with or stolen a resident’s funds—whether from the resident’s trust account or a separate account of the resident, or who has misappropriated a resident’s property –will be subject to disciplinary action and potential legal action.\*
- Employees are not allowed to date residents. Any employee who violates this

rule will be subject to disciplinary action.\*

- Any employee who engages in sexual contact or sexual relations with a resident will be subject to disciplinary action,\* even if the sexual contact or relations are consensual.

Employees shall *not* witness a resident's signature on any documents external to the organization. Unauthorized witnessing of signatures on legal documents is considered a serious violation of WCL policy. Employees who violate this policy shall receive disciplinary action up to and/or including termination of employment. Health Services staff may sign as witness to the resident's/responsible party's signature on approved WCL documents, permission forms, etc.

In order to prevent situations where the perception is that the caregiver (you as an employee, or any vendor) used influence, pressure or intimidation to obtain an unfair economic advantage over a resident and/or their property, employees are not allowed to be direct participants in the sale and/or purchase of a resident's assets. Should you wish to purchase personal property from a resident, you must have prior approval from the Compliance Officer, the purchase must be made in an open-market setting with all details disclosed, and the purchase must be made at fair market value.

\* "Disciplinary action" means up to and including termination and referral for possible prosecution under applicable statutes.

### **Dual Relationships with Residents**

Employees must not enter into "dual," or private, relationships with residents or their family members not only to prevent situations where it could be perceived that you as a caregiver (employee) used influence, pressure or intimidation to obtain an unfair economic advantage over a resident, but also to avoid giving (or the perception of giving) a resident preferential treatment over another resident. Dual relationships open doors to situations that could be perceived as being unethical and creates liability for the employee.

WCL's policies expect employees to provide a quality of care that exceeds the level of care required under state and federal law. For staff to meet this quality of care goal and to provide consistent objective care, staff must maintain professional relationships with WCL residents. To maintain the high degree of professionalism we all expect, staff must monitor against becoming personally involved with any resident in a way that might interfere in any respect with providing the best care to the resident.

WCL also recognizes residents should be able to enjoy the relationships they desire. This community respects and appreciates the friendly relationships many of our staff and residents have; however, we ask employees to monitor their relationships with residents to ensure they do not cross a line that would hinder your ability to put our residents' care first, and to ensure that no relationship is of such a nature that it would give rise to any appearance of impropriety. Things like: (i) spending days off with residents, especially away from campus; (ii) accepting or giving gifts to residents; (iii)

discussing a resident's finances or estate plans; (iv) discussing your finances or personal problems; and (v) consuming alcohol with residents, should normally not occur. If there is a reason any of these are necessary, you should discuss this first with your department head and the situation should be documented in the resident's file.

### **Gifts from Residents**

Residents, resident councils and families of residents sometimes wish to give gifts to show appreciation to employees for good service. These are well-intentioned gestures, but the acceptance of a gift could give the impression that an employee is favoring a resident or giving him or her special care. It could also give the impression that the employee is taking advantage of the resident (such as a patient with dementia giving away a precious heirloom without understanding what he or she is doing).

No employee may accept gifts or tips from residents, families or others that compensate or reward an individual employee. Accepting gifts is permissible only if they are donated to the facility for fair distribution among all employees at the facility. This is an acceptable option only if no employee has solicited or encouraged such gifts. At WCL the Residents' Council typically shows their appreciation to staff at Christmastime by offering gifts to all employees of WCL, which are distributed in an equitable manner, but they are not required to do so.

All other gifts or offers of gifts should be refused with the explanation that acceptance would violate company policy. If the presenter of the gift continues to offer the gift, you should direct the individual or group to your supervisor.

### **Wills, Estates and Responsibility**

Staff members may not accept any gifts from a resident under a will or trust instrument except in those cases where the staff member and resident are related by blood or marriage.

Staff members may not serve as a resident's executor, trustee, administrator, or guardian, or provide financial services or act under a power of attorney for a resident except in those cases where the staff member and resident are related by blood or marriage.

### **Loans from Residents or Residents' Family Members**

Residents and their family members often form close bonds with employees. They also are sensitive to the personal difficulties that at times arise, and may wish to offer help. Employees who make residents aware of personal financial difficulty may create pressure or an expectation for the resident to help resolve the problem by offering a loan. WCL strictly prohibits any employee from accepting or soliciting a loan from any resident or resident's family members.

## CONFLICTS OF INTEREST

When considering whether or not you may have a potential conflict of interest, you should consider your duty to promote the best interest of WCL and the residents we serve. If you are involved in a business or other situation that might cause you to promote the interest of another—whether for your personal gain or for the gain of friends, relatives or businesses associates—then you may have a conflict of interest. Employees are strictly prohibited from accepting offers of employment from our residents, which would not only create a conflict of interest but would also create a dual relationship. Our *Code of Conduct* requires you to immediately discuss any potential conflict with your supervisor and disclose that information using the Compliance and Disclosure Form at the back of this handbook.

By not disclosing a potential conflict of interest, an unfair advantage may be gained. In situations where a conflict is not disclosed, all parties may believe their interests are being equally promoted when, in fact, they may not be.

Should you find yourself in a potential conflict of interest, simply complete the Compliance and Disclosure Form and talk with your supervisor. Depending on the circumstances, some conflicts may be resolved if they are handled properly. Two steps necessary to help resolve a conflict include disclosing the conflict or perceived conflict and then removing yourself from participating in any decisions regarding the competing interest. This practice will ensure all interests are represented and promoted fairly.

Each employee must avoid any situation involving a conflict between their personal interests (including those of close family members) and the interests of the company. Employees should not contract with close family members or incur any financial or personal obligation that might affect, or appear to affect, their judgment in dealing with other employees or with outside firms or individuals. *Note:* A “close family member” includes a spouse, domestic partner, parent, sibling, child, in-law and “step”-relative equivalents.

### **Potential Conflicts: Business Interests**

To better understand a possible conflict of interest, we have provided some examples of conflicts between personal interests and the interests of WCL:

- If you, or a close family member, receive personal gain by participating in any purchase or business decision made by WCL.
- Dealing in equipment, supplies, materials or property purchased by WCL, or dealing in products or services sold by WCL.
- Borrowing or receiving money from suppliers, customers, residents, individuals or companies with whom WCL does business.
- Acquiring any real-property interest in which it is known that WCL also has or may acquire an interest.
- Having a business or financial interest in any organization that:
  - Sells, rents or leases any goods, services or real property to WCL.

- Buys, rents or leases any goods, services or real property from the WCL.
- Is in competition with WCL.

Having “a business or financial interest” in an organization means the individual is involved in any of several capacities:

- An owner, consultant or employee.
- A stockholder having a one-percent (1%) or greater interest in a publicly traded company.
- The holder of any interest in a privately held company, partnership, brokerage or joint venture (including as a creditor, guarantor or director).
- An employee of or paid consultant to another organization in areas similar to those in which the employee provides services to our company.

*Note:* Each full-time employee ordinarily is expected to serve WCL’s interests on a full-time basis. **Permission to provide similar services to others should be obtained from the employee’s supervisor and must be approved by the Compliance Officer.** Positions with educational, charitable or non-profit entities need not be disclosed unless WCL has been asked in the last two years, or will be asked in the future, to contribute to such entity.

### **Dating/Family Relationships**

No employee shall have a dating or familial relationship with another employee:

- Who is in a reporting or supervisory chain.
- For whom he or she has bookkeeping or payroll responsibility.
- Whose terms or conditions of employment may be influenced by the relationship.

*Note:* For the purpose of this policy, a “dating relationship” is any relationship that includes sexual, romantic or other intimate involvement.

If a situation occurs that could be perceived as a violation of this standard, the employees must disclose the relationship to management. WCL will then make reasonable efforts to reassign or transfer one of the employees involved to avoid any actual or perceived conflict of interest.

If no suitable accommodation can be arranged, it may be necessary for one employee to leave the organization. The employees will be permitted to determine which of them will resign. If one of the two employees does not resign, management will decide which of the employees will leave. If you have any questions regarding whether a dating or familial relationship violates this *Code of Conduct*, you should consult with the Director of Human Resources, who will resolve any question you may have.

### **Employee Responsibility**

Determining whether you have a conflict of interest, and if so what to do about it, may be difficult. If you have questions, you should discuss them with your supervisor so that together you can deal properly with the situation.

The Compliance and Disclosure Form at the end of this handbook is provided for the

purpose of documenting potential or actual conflicts of interest. **Any employee who does not disclose a conflict of interest on the Compliance and Disclosure Form is subject to disciplinary action up to and including termination.**

### **Supervisor Responsibility**

Supervisors must refer each potential conflict of interest situation to the Compliance Officer, who will determine whether it poses a potential for harm to the company's business interests or creates an appearance of improper influence.

- If either problem exists, the Compliance Officer will work with the supervisor and the employee to determine a course of action to remove the conflict situation as soon as possible.
- If no problem exists, the Compliance Officer will approve the situation in writing, with a copy placed in the employee's personnel file.

In either case, the Compliance Officer will document the particular facts disclosed to him or her and the basis for his or her decision in each case.

## **VENDOR RELATIONSHIPS**

### **Vendor Gifts**

Employees may not accept gifts from anyone with whom WCL does or proposes to do business, except as described later in this section of the Code. Similarly, employees may not offer or give anything of value to anyone with whom WCL does or proposes to do business.

It is important that employees avoid any situation in which it might appear that improper influence affected an organizational policy or decision.

### **Gifts of Nominal Value**

Courtesy gifts of nominal value—including reasonable paid meals, ancillary to business meetings for WCL, and unsolicited promotional items such as pens and calendars that are not intended to invite any form of reciprocation—are permissible as long as public scrutiny of the gift would not cause WCL embarrassment.

### **Travel and Entertainment Expenses**

Our company pays travel and entertainment expenses in accordance with WCL's Travel Policy. Acceptance of an occasional business meal or entertainment of nominal value from someone with whom WCL does business is permissible if required as a courtesy in the normal course of business relations.

### **Stipends and Travel Expenses**

Stipends and travel expenses paid to an employee by an outside source for work done on WCL's behalf must be reported to the employee's supervisor.

### **Bribes and Kickbacks**

WCL makes referrals based solely on the clinical needs and the recipient's ability to provide the identified services. Employees must never give to, or receive from, any vendor or potential vendor any bribe, kickback or other unusual payment. **Federal and state laws specifically make it a crime for anyone to offer or accept a bribe, kickback or other thing of value for referring residents or other business.**

### **Vendor Solicitation**

All business dealings on behalf of WCL must be the result of usual and proper business considerations. Business dealings must never be the result of undue influence exerted by, or special favors bestowed by, any vendor. You may never solicit from vendors any monies, contributions without prior approval, or other property or favors.

No services or supplies shall be accepted for free or purchased at less than fair market value as an inducement to obtain contracts for any other services, including, but not limited to, X-ray, laboratory, ambulance, pharmacy, therapy and dietary services.

If any gift or payment cannot withstand public scrutiny under these rules, it should not be made, accepted or solicited on WCL's behalf.

### **Free Products or Services**

WCL may not accept free or substantially discounted goods or services unless the Compliance Officer has specifically approved a request.

### **Preferential Treatment and Discounts**

Employees shall not accept personal discounts or other preferential treatment offered by vendors or potential vendors because of the employee's position in the organization. Use of WCL's vendor contracts, name or influence to receive personal discounts from vendors is specifically prohibited.

## **RESPONDING TO REQUESTS FOR INFORMATION**

### **Government Requests for Information**

It is WCL's policy to cooperate with every reasonable request of federal, state and local authorities seeking information concerning organizational operations.

At the same time, WCL is entitled to the safeguards provided by law, including the representation of legal counsel. WCL may be asked for resident information that is protected by privacy laws and may be obliged to ensure privacy in responding to such requests.

### **Responding to Governmental Inquiries**

If a representative of a governmental agency requests an interview with personnel or seeks data, copies of documents or access to files, he or she should be told that the organization intends to cooperate but that the matter must first be discussed with WCL's

legal counsel. **All such requests, written or oral, must be reported to WCL's CEO.** Our legal counsel will advise as to further action.

### **Other Requests for Information**

Requests from our fiscal intermediary, quality improvement organization and/or other Centers for Medicare and Medicaid Services (CMS) contractors should be reviewed with the Compliance Officer prior to response.

### **Information for Surveyors**

Surveyors conducting licensure and certification surveys should have access to all routine information. If any questions arise during a survey as to the propriety of the surveyor's requests for information, WCL's Vice President of Health Services should be contacted immediately. Requests by surveyors that must be reviewed by the Vice President of Health Services include:

- Requests for information not routinely reviewed.
- Requests for interviews not routinely sought.
- Requests for written statements.
- Any other non-routine requests.

## **CONFIDENTIAL INFORMATION**

### **Examples of Confidential Information**

Resident information is protected by state and federal privacy laws and must be kept confidential. In addition, information concerning the management and operation of our business is generally not known to the public or our competitors and should be kept confidential. Examples of confidential information are:

- Resident information (medical and financial).
- Future/pending sales, acquisitions and mergers.
- Pricing and marketing information.
- Customer and vendor lists.
- Employee information (names, addresses, home phone numbers, salary or wages, medical data and personnel documents).
- The company's strategic business plans.
- Data developed or purchased by the company or entrusted to us by customers or suppliers if identified as confidential.

### **Guidelines for Protecting Confidentiality**

It is important that we diligently protect the confidentiality of both resident information and WCL information. The following guidelines have been developed for this purpose:

- Confidential information should be shared only with those inside our organization whose jobs require them to have access to the information. At the direction of our legal counsel, confidential information may be released or protected in accordance with the law.
- Employees should not disclose non-public and/or sensitive information to anyone, inside or outside of WCL, who does not have a business need for and

entitlement to this information. Doing so could jeopardize WCL initiatives, or could be a violation of healthcare laws and regulations.

- Employees should refrain from discussing confidential, sensitive or non-public information in a public place. Conversations among peers, via the telephone or even transmitted on a computer screen, can be overheard or seen by individuals who do not have a right to that information.
- When a business relationship requires the disclosure of information, only the minimum amount of information necessary to accomplish the function should be disclosed. There must be an understanding and agreement that the information will be kept in strict confidence and used only for the intended purpose.
- Documents containing sensitive information—including information stored on computer systems—should be handled carefully during working hours and must be properly secured at the end of the day.
- Discussions between WCL and its lawyers are usually privileged and should be kept confidential. Any disclosure of those discussions to a third party may result in a waiver of the attorney-client privilege and possible harm to WCL's interests.

### **Resident Information**

Original or copies of medical records should never leave the facility unless authorized by the CEO.

A resident or the resident's legally authorized representative may request a copy of his or her own medical records in writing. Additionally, other entities may receive a copy of the medical records if the proper consent is obtained from the resident or resident's legally authorized representative. If a question arises as to whether a resident has the capacity to consent to the release of records, or whether the individual requesting the medical records is entitled to have them, the CEO should be contacted prior to providing the requested copies.

Under no circumstances should employees take originals or photocopies of medical records from the facility without the approval of the CEO.

## **INFORMATION SECURITY**

Information contained in WCL's computer systems, as well as information contained in WCL's manual information systems, is confidential and proprietary. "Information security" refers to safeguarding this confidential information from damage, loss, unauthorized access and/or unauthorized modification. The company uses industry-approved measures to help guard against unauthorized access to information contained within our computer systems.

### **Computer System Security**

Employees are granted access to our organization's computer systems based on the requirements of their duties. Your responsibilities that accompany this access include:

- Keeping your computer access password(s) confidential.

- Installing only company-provided software onto company computers.
- Never removing software from company computers (e.g., removal of anti-virus software creates security vulnerability).
- Informing your supervisor whenever the employee password protects an office computer or data files contained within the computer.
- Locking your computer when it is unattended to protect it from use by unauthorized persons. The method of “locking” will depend on the particular system and location (e.g., a password-protected Screensaver). Consult your supervisor for the details that apply to your location.
- Taking care to protect confidential information from being viewed by onlookers during data entry or review.
- Logging off and powering off your workstation when you leave for the day. Supervisors may designate exceptions for shift-change or shift-transition purposes.

### **Security of Records**

Documents containing sensitive information should be kept in their designated storage locations when not in use. Information regarding the length of time for record retention can be found in WCL’s record-retention policies.

Documents containing sensitive information must be disposed of properly. Normally this means they must be shredded or deposited in a designated location for removal and destruction. Documents should be retrieved from printers, fax machines and copy machines in a timely manner.

### **Violations and Penalties**

Employees who violate information security policies are subject to disciplinary action, up to and including termination. WCL also retains the right to seek civil relief and to refer incidents for criminal prosecution.

Violations that result in disruption of service (e.g., disabling anti-virus software) may result in the employee being immediately disconnected from the system, pending investigation into the circumstances.

## **ORGANIZATION ASSETS AND RECORDS**

WCL prohibits the recording, or causing the recording, of false or misleading information in any organizational record regardless of the perceived justification to make the entry. Current policies and monitoring systems have been adopted to provide assurance that all organization-related documents and records reflect accurately the results of operations and clinical care. It is imperative that information being provided can be relied upon to be accurate as the records provide the basis for business, operational or clinical decisions to be made. An entry that is false or tends to mislead has the potential for adversely impacting the ability to make sound business, operational or clinical decisions.

No unrecorded fund or asset of the organization shall be established for any purpose. No payment on behalf of WCL or any subsidiary shall be approved or made with the intention, understanding or agreement that any part of such payment will be used for any purpose other than that described by the documents supporting the payment.

Violation of this Code section will result in disciplinary action up to and including termination.

### **Rules for Using Company Assets**

Assets include anything that was acquired using WCL funds or the skills of our employees to develop. These rules should be followed concerning the use of organizational assets:

- WCL funds, assets and purchasing cards shall be used only for approved organizational expenses and shall not be used for any improper or unlawful purpose.
- Employees shall not take organizational property or other assets (e.g., office or facility supplies) for personal use.
- Employees shall not use organizational assets for non-organizational purposes or use the personal services of other employees working on company time.  
*Exceptions:* Supervisors may approve occasional exceptions to this rule if the exception is reasonable and is in WCL's best interest.
- Each employee shall create, retain and dispose of records in accordance with WCL's record-retention policies.
- Upon an employee's termination of employment, electronic and paper copies of organizational information, reports, manuals and other items developed while an employee of this company will be turned over to the employee's supervisor and shall not be modified from their original format or content.
- WCL values the expertise of our employees. Any material developed while a person is employed by our organization is considered to be an organizational asset and may not be used for personal gain.
- Copying and distributing materials that are licensed or copyrighted by our organization is prohibited unless specifically authorized by the Compliance Officer.
- Any information obtained about an organizational initiative or residents in our care may not be shared, sold, or placed electronically or otherwise outside of WCL reports, records, manuals and computer systems. In certain situations, the Compliance Officer may direct the release of information when it is related to the best interests of the company or the resident and when it is within appropriate legal boundaries.

If you have or know of someone who has information or knowledge of any unrecorded fund or asset—or any act involving fraud or the falsification of organization or resident records—you must immediately report such matter to your supervisor and the Compliance Officer, even if the knowledge was acquired or the act occurred before receipt of this policy statement.

## **COPYRIGHT LAWS**

### **Printed and Online Publications**

WCL purchases and/or subscribes to a variety of printed and online publications. These publications are protected by copyright laws, which, with some limited exceptions, prohibit the reproduction or copying of the material without the specific authorization of the publisher.

Employees who make, acquire or use unauthorized copies of printed or online publications will be subject to disciplinary action up to and including termination. In addition, federal copyright law makes the illegal copying of printed or online publications subject to substantial civil damages.

### **Computer Software and Documentation**

WCL purchases and licenses a variety of computer software. In most instances, we do not own the copyright to the software or its related documentation. Further, unless specifically authorized by the software developer, we do not have the right to reproduce it. Employees who make, acquire or use unauthorized copies of computer software will be subject to disciplinary action up to and including termination. In addition, federal copyright law makes the illegal reproduction of software subject to substantial civil damages and even criminal penalties.

## **FAIR COMPETITION RULES**

### **Marketing and Recruiting**

WCL's competitive appeal must be based on the quality and value of our services and the employment opportunities and benefits we offer, and must never be on questionable marketing or recruiting practices. Our organization's—and each employee's—reputation for integrity, quality services and fair employment practices is a priceless asset and the result of the continuous effort of each employee.

The following guidelines govern our marketing practices:

- WCL's advertising shall always be truthful.
- No employee shall label or market WCL's services in any way that may intentionally cause confusion between organization's services and those of any of its competitors.
- All employees should be alert to and never enter into any business arrangement or contract in which WCL or employee pays or receives any compensation, or gives or receives any gift, in return for referral of business that may be subject to payment by a federal or state reimbursement program.
- The Compliance Officer, in consultation with legal counsel, must approve in advance any arrangement that involves compensation for referring privately funded business.
- Any attempt by a competitor to mislead potential customers or employees about the identity of a service provider should be reported to your supervisor.

- Employees shall never pay any bribe, gratuity, kickback, excessive entertainment or any similar payment to anyone—including agents of our residents and/or members of their families—in connection with the availability and/or sale of its services. Should any such payment be requested, you should immediately notify the Compliance Officer. Our organization will forego any business that can only be obtained by improper or illegal payments or compensation.
- Employees shall never speak negatively about the facilities, services or employees of any of WCL's competitors. If a comparison of our organization's services is conducted against those of a competitor, such comparison shall be fair and accurate. Comparative advertising shall not be conducted, unless legal counsel has approved the advertising copy in advance.
- Employees shall only use WCL's trademarks, trade names and service marks in accordance with guidelines provided by the Marketing and Public Relations Department manager. This shall include the use of trademark or service mark designations where appropriate.

Employees shall not use gifts of greater than nominal value, excessive entertainment, improper bonuses, finder fees or any other means of improperly influencing our residents, potential residents or employees. All employees shall at all times market WCL's retirement business—and recruit employees—on the basis of the organization's benefits, quality and services.

#### **Promotional Items of Nominal Value**

Unsolicited promotional items of nominal value are permissible under the following conditions.

- Promotional items may be offered or received only in an effort to build awareness regarding an organizational product or service and should not be intended to invite any form of reciprocation.
- Promotional items may never be accepted or offered with the expectation of referral or expectation of a business agreement.
- Promotional items must have been developed by the Sales and Marketing department.

### **CONTACT WITH GOVERNMENTAL OFFICIALS AND POLITICAL CONTRIBUTIONS**

WCL believes strongly in the right of employees to participate in the political process. Employees are encouraged to be politically active as individual citizens on their own time and at their own expense in their communities. The following guidelines are intended to prevent our employees from inadvertently violating the complex federal and state laws that govern the political activities of businesses and their employees.

## **Federal Elections**

Federal law prohibits the organization from contributing directly or indirectly in support of federal political candidates, parties or committees. Thus, while officers and employees may spend their own time and funds supporting political candidates and issues, WCL shall not reimburse or otherwise compensate such officers or employees in any way for their time or for their financial contributions to political candidates, parties or committees. Furthermore, WCL's assets, services, facilities and resources (including telephones, computers, and fax or copy machines) may not be used for political purposes by employees or in the name of the organization. In addition, no employee may represent that he or she is making political contributions or providing support on behalf of WCL.

## **State and Local Elections**

Whereby political contributions by businesses and companies are prohibited under applicable state and local law, our organization's policy is the same as that for federal elections.

## **ANTITRUST LAWS**

### **Anti-Competitive Agreements**

Agreements that unreasonably lessen business competition are the core concern of the antitrust laws and may result in severe penalties, both civil and criminal, to the organization and the individuals who act on WCL's behalf.

In general, federal and state antitrust laws prohibit competitors from entering into any agreement or understanding that restricts competition. It is important to note how easily such an agreement can be established. For example, the courts have found illegal agreements to exist where there is no written contract or even an oral contract. An agreement may be inferred where the facts indicate that the parties understood what they would do without any direct communication between them.

### **Anti-Competitive Activities**

Employees must never have discussions with the representatives of any competitor that might be considered an anti-competitive activity. Examples of these prohibited activities are:

- *Price fixing*—Agreement among competitors to raise, lower or stabilize prices. No employee may have any discussion with a competitor in which price information is shared, whether directly or indirectly; however, surveys can be performed.
- *Division of markets*—Agreement among competitors to allocate trade territories.
- *Group boycott and refusal to deal*—Agreement among competitors to refuse to deal with certain customers or other competitors.
- *Tie-in*—The sale of one product or service on the condition that the buyer purchase a separate product or service, if the seller has a substantial share of the market for either product or service.

- *Favoritism*—Treating similarly situated customers differently or otherwise showing favoritism in sales or purchasing practices.

Most violations of antitrust laws arise from contacts with competitors. If prices are discussed with a competitor, that action alone may be considered an unlawful understanding or agreement. No such discussion should ever occur.

### **Penalties**

Penalties for engaging in anti-competitive activities may be severe for the organization and the participating individuals. These penalties may include:

- Imprisonment.
- Substantial fines.
- Monetary damages, including punitive damages in some instances.
- Attorney fees and court costs to the injured party or the government.
- Injunctions or consent decrees prohibiting certain activities in the future.

### **Trade Association Meetings**

Trade association meetings present special problems because they may involve meetings of competitors.

If you attend a trade association meeting and someone attempts to have the group discuss any anti-competitive practices, you should immediately attempt to stop the discussion. If that fails, you should leave the meeting and report the incident to WCL's Compliance Officer so that an account of the incident may be prepared. Your behavior in objecting to and leaving the meeting should be such that others in attendance will remember it. This can protect both you and WCL from antitrust violations.

## **LEGAL ACTION AND COMPLIANCE**

### **Legal Action**

WCL's CEO and Compliance Officer are the only employees who may seek out or retain outside legal counsel, unless specific approval is granted by the CEO. The CEO should be notified immediately when any notice of a legal action against WCL is received or when there is an unusual occurrence that could result in legal action against our organization.

### **Legal Compliance**

WCL will comply with all laws that apply to its business. The healthcare industry is subject to many laws and regulations that address business practices and the delivery of services. In some instances, these laws and regulations may be difficult to understand.

When any question exists as to WCL's legal rights and obligations, legal counsel should be consulted for advice to assure compliance with all applicable laws and regulations.

## THE MEDIA

### Media Relations

If you are contacted by a member of the media regarding our facilities or our organization—whether television, radio or newspaper—you should follow these guidelines:

- Do not engage in an interview with the reporter or answer his or her questions.
- Tell the reporter that a company representative will return his or her call.
- Find out more information about what the reporter wants. Obtain the reporter's name, telephone number, station or publication, purpose of the call and deadline.
- Immediately notify the Vice President of Marketing and Development, CEO and/or the CFO.
- The Vice President of Marketing and Development, CEO and/or CFO will determine how the media inquiry should be handled and who will respond.
  - In most cases, the Vice President of Marketing and Development will conduct the media interview.

## COMPLIANCE WITH THE CODE OF CONDUCT

As a condition of continued employment with WCL, employees are expected to comply with WCL's *Code of Conduct* as well as any related policies and procedures.

Supervisors are responsible for understanding and enforcing this Code, as well as company policies and procedures. Violation of any part of the *Code of Conduct* is grounds for disciplinary action up to and including termination.

Vendors are responsible for ensuring that their employees adhere to moral and ethical business practices during any business dealings with our organization and our employees. Violations by a vendor or its employees must be reported immediately, and may lead to termination of our business agreement with that vendor.

### Reporting Violations

It is the duty of any employee who discovers a violation of the *Code of Conduct* to report the violation. WCL has a specific communication and reporting process for compliance issues called the Compliance Communication Process, which is explained earlier in this Code.

**Note that failure to report a violation is itself a violation of this *Code of Conduct* and could be grounds for disciplinary action up to and including termination.**

### Retaliation is Prohibited

Employees will not be subject to discipline or otherwise retaliated against with respect to employment for reporting in good faith a possible violation of this *Code of Conduct*. Any employee who violates this prohibition on retaliation against another employee will be subject to disciplinary action up to and including termination.



## COMPLIANCE AND DISCLOSURE FORM

### Agreement

I have received the *Code of Conduct, Business Ethics and Corporate Compliance Handbook*. I will read and direct any questions I may have to my supervisor and will keep this handbook for future reference. I understand that I am expected to abide by the principles of this Code and will be held accountable for all information contained within. I will also report any potential violation of this Code of which I become aware, utilizing the Compliance Communications Process.

I agree to inform my supervisor or contract manager within five days of receipt if, during my employment or association with WCL, I receive a notice of exclusion or sanction or if I am convicted of a crime.

I am aware of no possible or actual conflicts of interest between WCL and me, as defined in the section titled "Conflicts of Interest," except as shown on this form.

#### Conflicts of Interest

Are you aware of any interest(s) or position(s) involving or held by you or a close family member that would likely constitute a conflict of interest with the organization?

No       Yes

If yes, explain:

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#### Certification

I hereby certify that the information supplied on this form is true, correct and complete to the best of my knowledge and belief.

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**EMPLOYEE NAME (PRINTED)**

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**EMPLOYEE SIGNATURE**

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**DATE SIGNED**

**INSTRUCTIONS:** Complete this form promptly and give it to your supervisor. It will be included in your personnel records. You must submit a new form each time a situation arises that would be a potential conflict of interest.

**Resolution of Conflict of Interest Situations**

Your supervisor, your facility administrator, and the Compliance Officer will review potential conflict of interest situations. The resolution of the situation will be documented and included in your personnel file.

REVIEWED AND APPROVED (BY SUPERVISOR)

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DATE APPROVED (BY SUPERVISOR)

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DATE APPROVED (BY ADMINISTRATOR)

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REVIEWED AND APPROVED (BY COMPLIANCE OFFICER)

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DATE APPROVED (BY COMPLIANCE OFFICER)

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