



VENDOR CODE OF CONDUCT

VALUES STATEMENT OF MEMORIAL HEALTHCARE

Memorial Healthcare (“Memorial”) believes that dedication to high ethical standards and compliance with all applicable laws and regulations is essential to its mission. Our Vendor Code of Conduct provided guidance to our vendors and business partners and assists us in carrying out our daily business activities within appropriate ethical and legal standards. These obligations apply to our relationship with our vendors who include but are not limited to, affiliated physicians, third-party payors, subcontractors, independent contractors, business partners, and suppliers.

The Vendor Code of Conduct is a critical component of our overall Compliance Program. We have developed this Code to communicate our minimum standards by which our vendors are expected to conduct themselves while providing goods or services to Memorial.

RESPECTFUL WORK ENVIRONMENT

Memorial expects all vendors and business associates to treat all of its employees and Memorial’s employees with dignity and respect. Vendors are also expected to cooperate with Memorial in maintaining a work environment free of possession, use, or distribution of alcohol or illegal drugs, and are expected to adhere to all OSHA laws. While working on Memorial’s premises, the vendor employees shall abide by Memorial’s rule pertaining to safety and security. Memorial prohibits all vendors, contractors, visitors, and those on its premises from carrying any firearm or weapon, with the exception of on-duty Public Safety Officers, Law Enforcement, or Correctional Officers.

CONFLICTS OF INTEREST

Memorial recognizes that conflicts of interest often arise in the course of normal business activities. To maintain the integrity of Memorial’s business, any individual associated with Memorial who can potentially benefit from a contract or other arrangement shall not participate in Memorial’s decision-making process relative to that contract or arrangement. If a vendor or business associate has a family member or other personal relationship with Memorial personnel, the vendor or business associate must disclose this fact to Memorial and discuss whether there might be a conflict of interest to resolve. It is not possible to list every type of conflict of interest; however, when in doubt, the vendor or business associate should timely notify Memorial with the facts of the situation so that Memorial may attempt to mitigate or resolve the conflict.

GIFTS, ENTERTAINMENT, MEALS

Acceptance of gifts, gratuities, or other benefits from persons, vendors, or entities that do business with Memorial or to whom Memorial or its physicians make referrals shall not be permitted. Solicitation of such gifts or other benefits, regardless of value, shall also be prohibited. However, the acceptance of common business hospitality such as occasional meals, entertainment, or nominal gifts to an individual would be permissible.

COMPLIANCE WITH LAWS

Vendors are required to conduct their business activities in compliance with all applicable federal, state, and local laws and regulations, including laws and regulations that are applicable to individuals and entities that receive Medicare, Medicaid and other federal funds.

SAFE WORK ENVIRONMENT

Vendor representatives whose activities require access to direct patient care areas are required to adhere to all Memorial workplace health and safety requirements, infection control policies, and health screening requirements that are applicable to its facilities.

GOVERNMENT PROGRAM PARTICIPATION

Vendors, including its officers and directors and employees, must be in good standing with federal or state health care programs, such as Medicare and Medicaid, in order to conduct business with Memorial. Memorial will not conduct business with any vendor that has been excluded, debarred, or otherwise ineligible to participate in federal healthcare programs as defined in 42 U.S.C. §1320a-7b(f), nor any other federal or state government payment program. Vendors are responsible for ensuring that any of its staff providing services to Memorial are eligible to participate in the foregoing programs.

PRIVACY AND SECURITY

Memorial expects vendors or business associates to maintain and protect the privacy and security of patient's protected health information ("PHI") by complying with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996, as amended and applicable state laws (the "HIPAA Rules"). Vendors and its employees shall be aware of and understand the HIPAA Rules in the course of performing its services at Memorial. Vendors and business associates should recognize that unauthorized use or disclosure of such information may have personal, legal, reputational, and financial consequences for the vendor or business associate. In addition, vendors and business associates must comply with all applicable privacy/data protection and information security laws and regulations. If the business relationship with Memorial requires access to or usage of PHI, you will be required to sign a Memorial Business Associate Agreement ("BAA") to comply with these laws and regulations.

Information security vendors or business associates have a responsibility to manage risk and implement reasonable and appropriate security measures. In the event that a security incident does occur, we expect the vendor or business associate to cooperate fully with Memorial in any investigation, needed notifications, mitigation, and corrective action, and any other relevant requirements contained within the Business Associate Agreement (BAA) between the vendor or business associate and Memorial. Because cybersecurity threat is a critical consideration, we expect our vendors and business associates will be:

- ❖ Continuously analyzing cyber threats and vulnerabilities;
- ❖ Exercising due diligence to monitor their environment for any impacts;
- ❖ Educating their workforce so everyone understands the importance of security controls and notifications, and
- ❖ Implementing effective administrative, technical, and physical controls and assessing the effectiveness of those controls.

UNDERSTANDING FRAUD, WASTE AND ABUSE

Memorial, along with the entire health care industry, is subject to numerous federal and state laws regulating practices and relationships within the health care industry. These laws are designed to prevent fraud in the Medicare and Medicaid programs and abuse of the public funds supporting the programs, to regulate patient referrals, and to prohibit false statements to the government. Memorial is committed to compliance with the Medicare and Medicaid laws and rules. All business partners should be aware of these laws and rules and notify the Chief Compliance Officer of any potential or actual violations within Memorial.

Fraud is knowingly and willfully executing, a scheme or artifice to defraud any health care benefit program, or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program.

Waste includes overusing services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare Program. Waste is generally not considered to be caused by criminally negligent actions but rather by the misuse of resources.

Abuse includes actions that may, directly or indirectly, result in unnecessary costs to the Medicare Program. Abuse involves payment for items or services when there is not legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse happens when good medical practices are not followed or there is a lack of attention to requirements.

FEDERAL FALSE CLAIMS ACT (FCA) AND MICHIGAN FALSE CLAIMS ACT

The Federal False Claims Act and the Michigan False Claims Act, make it a crime to present a false claim to the government for payment. Persons bringing these claims (“relators” or “whistleblowers”) are granted protection under these laws. Memorial Healthcare’s policies prohibit retaliation of any kind against persons exercising their rights under these laws.

ANTI-KICKBACK STATUTE (AKS)

The Anti-Kickback Statute prohibits knowingly and willfully soliciting, receiving, offering, or paying remuneration (including any kickback, bribe, or rebate) for referrals for services that are paid, in whole or in part, under a Federal health care program (including the Medicare Program). There are statutory exceptions and safe harbors that may apply.

STARK STATUTE (PHYSICIAN SELF-REFERRAL LAW)

The Stark Statute prohibits a physician from making referrals for certain designated health services payable by Medicare to an entity when the physician (or member of his or her family) has:

- ❖ An ownership/investment interest; or
- ❖ A compensation arrangement (exceptions apply).

The law is a strict liability statute and does not require intent. So even if a physician or entity does not intend to violate, but does so unknowingly or by innocent error, they can be held liable.

EXCLUSIONS AUTHORITIES – ELIGIBILITY TO PARTICIPATE IN FEDERAL AND STATE HEALTHCARE PROGRAMS

No Federal health care program payment may be made for any item or service furnished, ordered, or prescribed by an individual or entity excluded by the OIG. The OIG has authority to exclude individuals and entities from federally funded healthcare programs and maintains the List of Excluded Individuals and Entities (LEIE). Hospitals are required to conduct regular exclusion reviews on individuals and entities to ensure that they have not been sanctioned or excluded from participation in any Federal healthcare program.

CIVIL MONETARY PENALTIES LAW (CMPL)

The Criminal Health Care Fraud Statute states that, “Whoever knowingly and willfully executes, or attempts to execute, a scheme to... defraud any healthcare program... shall be fined... or imprisoned not more than 10 years, or both.” Persons who knowingly make a false claim may be subject to:

- Criminal fines up to \$250,000;
- Imprisonment up to 20 years; or
- Both.

If the violations resulted in death, the individual may be imprisoned for any term of years or for life.

LEGAL COMPLIANCE

Memorial will promptly investigate any reports of alleged violations of law, regulations or Memorial policies involving a Vendor or a Vendor's staff and agents, including allegations of fraud, waste and abuse involving federal or state health care programs. Vendors are expected to fully cooperate in such investigations and, where appropriate, in taking corrective actions in response to confirmed violations, as well as reporting any violations to the Corporate Compliance Officer. The Federal False Claims Act and similar state laws make it a crime to present a false claim to the government for payment. These laws also protect "whistleblowers" – people who report noncompliance or fraud, or who assist in investigations - from retaliation. Memorial's policy prohibits retaliation of any kind against individuals exercising their rights under the Federal False Claims Act or similar state laws. Under the Deficit Reduction Act of 2005 (DRA) Memorial is required to provide detailed information to its staff, contractors and agents regarding the Federal False Claims Act and applicable state false claims laws.

Examples of compliance issues include:

- ❖ Perpetrating theft, fraud, waste, and abuse
- ❖ Violating health, safety, and environmental regulations
- ❖ Conflicts of interest
- ❖ Accepting or offering inappropriate gifts and gratuities
- ❖ Using Memorial property and systems improperly
- ❖ Falsifying documents
- ❖ Submitting inaccurate or incomplete documentation and coding
- ❖ Ignoring regulatory requirements
- ❖ Disclosing confidential information

REPORTING COMPLIANCE CONCERNS

Memorial encourages its vendors to ask questions or report compliance concerns using the various options available:

- ❖ Call the Compliance Hotline at **989-729-6397**.
- ❖ Call the Compliance Officer at **989-729-4579**.
- ❖ Email concerns to kchhokar@memorialhealthcare.org

All issues are thoroughly investigated in a prompt and timely manner and appropriate corrective action may be taken. Concerns regarding information privacy security can be directed to Kulwinder Chhokar at the above contact information.