

THE PHILADELPHIA PROTESTANT HOME

Code of Corporate Integrity

MISSION AND VALUES STATEMENT

Above all else, The Philadelphia Protestant Home is committed to the care and improvement of human life. In recognizing this commitment, we strive to deliver the highest quality service and most cost-effective healthcare to the residents and the communities that we serve.

In pursuit of our mission, we believe the following value statements are essential and timeless.

- We recognize and affirm the unique and intrinsic worth of each individual.
- We treat all those we serve with compassion and kindness.
- We act with absolute honesty, integrity and fairness in the way we conduct our business and the way we live our lives.
- We trust our colleagues as valuable members of our healthcare team and pledge to treat one another with loyalty, respect and dignity.

PURPOSE OF OUR CODE OF CORPORATE INTEGRITY

Our Code of Corporate Integrity provides guidance to all The Philadelphia Protestant Home colleagues and assists us in carrying out our daily activities within appropriate ethical and legal obligations. These obligations apply to our relationships with residents, affiliated physicians, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.¹

The Code is a critical component of our overall Corporate Compliance and Ethics Program. We developed the Code to ensure that we meet our ethical standards and comply with applicable laws and regulations.

¹ See 42 CFR Section 483.85(c)(1)

The Code has been reasonably designed, implemented and enforced so that it is likely to be effective in preventing and detecting criminal, civil and administrative violations, including but not limited to, violations of the Affordable Care Act, and in promoting quality of care.²

The Code is intended to be comprehensive and easily understood. In some instances, the Code provides all necessary guidance to an ethical issue. In many cases, however, the issue is so complex and or poses a degree of risk that additional guidance is needed. In these cases, you are encouraged to seek guidance from your supervisor, another member of management, or the Corporate Compliance Officer.

Though we promote the concept of management autonomy at the departmental level, the policies set forth in this Code are both universal and mandatory for all The Philadelphia Protestant Home departments.

LEADERSHIP RESPONSIBILITIES

All colleagues of the Home are obligated to follow its Code of Corporate Integrity. However, we expect our leaders to set the example. Managers must be positive role models in every respect. They must ensure that those under their supervision have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical dilemmas. Managers must help to create a culture within The Philadelphia Protestant Home that promotes the highest standards of ethics and compliance. Everyone in the organization must feel free to raise concerns, when and as they arise. We must never sacrifice our commitment to ethics and compliance in the pursuit of business objectives.

The President/CEO is charged with the overall responsibility to oversee compliance with the Corporate Compliance and Ethics Program, including the appointment of the Corporate Compliance Officer.³ The Corporate Compliance Officer reports directly to the Home's Board of Directors and is not subordinate to the general counsel, the chief financial officer (CFO) or the President/Chief Executive Officer (CEO).⁴

The Home's Corporate Compliance Officer is responsible for investigating and resolving reported complaints and reasonable allegations concerning alleged violations and, at his or her discretion, may advise the President/Chief Executive Officer, the Corporate Compliance Committee and/or the Executive Committee of the Board of Directors, as well as any standing Committee of the Board of Directors which may be impacted by the matter. The Corporate Compliance Officer has direct access to the Executive Committee and all standing Committees.

² See 42 CFR Section 483.85(a)(1)

³ See 42 CFR Section 483.85(c)(2)

⁴ See 42 CFR Section 483.85(d)(2)

The Quality Assurance/Performance Improvement Committee of the Home's Board of Directors shall, when necessary, act as the Corporate Compliance Committee. The Chair of the Quality Assurance/Performance Improvement Committee shall serve as the Chair of the Corporate Compliance Committee and shall adhere to the Corporate Compliance Committee Guidelines.

Due care shall be taken not to delegate substantial discretionary authority to individuals who the Home either knew, or should have known through the reasonable exercise of due diligence, had a propensity to engage in criminal, civil and administrative violations under the Social Security Act.⁵

OUR FUNDAMENTAL COMMITMENT TO STAKEHOLDERS

We affirm the following commitments to The Philadelphia Protestant Home stakeholders:

To our residents: We are committed to providing quality service and care that is sensitive, compassionate, prompt and cost effective.

To our colleagues: We are committed to a work environment that treats all colleagues with fairness, dignity, and respect. All employees are afforded an opportunity to grow and develop professionally, and to work in a team environment in which the free exchange of ideas is encouraged.

To our affiliated physicians: We are committed to providing our affiliated physicians with excellent facilities, modern equipment, and outstanding professional support.

To our third-party payers: We are committed that our dealings with our third-party payers will demonstrate our commitment to our contractual obligations and our shared concern for bringing quality and cost-effective healthcare services to our residents. We encourage our third-party payers to adopt their own set of comparable ethical principles to explicitly recognize their obligations to residents, as well as the need for fairness in dealing with providers.

To our regulators: We are committed to creating an environment where compliance with rules, regulations, and sound business practices is woven into our corporate culture. We accept the responsibility to aggressively self-govern and monitor our adherence to the law and this Code of Corporate Integrity.

To the communities we serve: We are committed to understanding the particular needs of the communities we serve, and to providing these communities quality, cost-effective services and

⁵ See 42 CFR Section 483.85(c)(4)

healthcare. We realize that as a healthcare organization, we have a responsibility to assist those in need where we can. In an effort to promote goodwill and support worthy causes, we proudly support charitable contributions and events in the communities we serve.

To our suppliers: We are committed to fair competition among prospective suppliers and to our responsibilities as a good customer.

To our volunteers: The concept of voluntary assistance to the needs of residents and their families is an integral part of the healthcare industry. We are committed in our efforts that our volunteers experience a sense of meaning from their volunteer work and receive full and appropriate recognition for their volunteer efforts.

RELATIONSHIPS WITH OUR HEALTHCARE PARTNERS

Residents:

Resident Care and Rights

Our mission is to provide quality healthcare to all of our residents. We treat all residents with respect and dignity, and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of residents, or in the care we provide, based on race, color, national origin, religion, sex, gender identity, disability or genetic information, method of payment or any other illegal criteria. Clinical care is based on identified resident healthcare needs, not on resident or organization economics.

Upon admission to the Home, each resident is provided with a written statement of Resident Rights. This statement includes the rights of the resident to make decisions regarding medical care and conforms to all applicable state and federal laws.

We assure each resident's involvement in all aspects of their care, and always obtain appropriate consent prior to treatment. Each resident or resident representative is provided with a clear explanation of care including, but not limited to, diagnosis, treatment plan, right to refuse or accept care, care decision dilemmas, advance directive options, estimates of treatment costs, and an explanation of the risks and benefits associated with available treatment options. Residents have the right to request transfers to other facilities. In such cases, the resident will be given an explanation of the benefits, risks, and alternatives associated with the transfer.

Residents are informed of their right to make advance directives. Resident advance directives will be honored by the Home within the limits of the law and the Home's mission, philosophy, policies and capabilities.

Residents and their representatives will be accorded appropriate confidentiality, privacy, security and protective services, opportunity for resolution of complaints, and pastoral counseling. Any restrictions on a resident's visitors, mail, telephone, or other communications must be evaluated for their therapeutic effectiveness and fully explained to and agreed upon by the resident or resident representative. During stays in the Home, residents have the right to refuse to perform tasks in or for the Home.

Residents are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. The Philadelphia Protestant Home colleagues receive training about resident rights in order to clearly understand their role in supporting them.

Compassion and care are part of our commitment to the residents and the communities that we serve. The Philadelphia Protestant Home strives to provide health education, health promotion, and illness prevention programs as part of our efforts to improve the quality of life of our residents and our communities.

Treatment

Resident's care is of utmost importance to the Home. On this basis, a resident will only be transferred to another facility upon the resident's request, if the resident's medical needs cannot be met at the Home, or if appropriate care is available elsewhere and circumstances dictate a transfer. Residents may only be transferred after they have been stabilized.

Resident Information

We collect information about the resident's medical condition, history, medication, and family illnesses to provide the best possible care. We recognize the sensitive nature of this information and are committed to maintaining its confidentiality. We do not release or discuss resident-specific information with others unless it is necessary to serve the resident or required by law.

The Home's colleagues must never disclose confidential information of our residents. No colleague of the Home, affiliated physician, or other healthcare partner has a right to any resident information other than that necessary to perform his or her job.

Residents can expect that their privacy will be protected and that resident specific information will be released only to persons authorized by law or by the resident's written consent. The

resident's consent is not required in an emergency situation, when such information is requested by an institution or by the physician currently treating the resident. In all cases, however, the name of the institution and the person requesting the information must be verified. This should be done as a call back process.

Affiliated Physicians:

All business arrangements with physicians must be structured to ensure precise compliance with all legal requirements.

To meet all ethical and legal standards regarding referrals and admissions, we adhere strictly to two primary rules:

1. We do not pay for referrals. We accept resident referrals and admissions based solely on the residents' clinical needs and our ability to render the needed services. We do not pay or offer to pay remuneration of any type to anyone – colleagues, physicians, or other persons – for referral of residents. Any violation of this policy may have grave consequences for the organization and the individuals involved, both civil and criminal penalties, including possible exclusion from participation in federally funded healthcare programs.
2. We do not accept payments for referrals that we make. No colleague of the Home or any other person acting on behalf of the Home is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of residents. Similarly, when making resident referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

Third-Party Payers:

Coding and Billing

We take great care to assure that all billings to government and to private insurance payers are true, accurate and conform to all pertinent federal and state laws and regulations. The Philadelphia Protestant Home prohibits its colleagues and agents from knowingly presenting or causing to be presented claims for payment or approval that are false, fictitious, or fraudulent.

We operate oversight systems designed to verify that claims are submitted only for services actually provided, and that services are billed as provided. These systems will emphasize the critical nature of complete and accurate documentation of services provided. As part of our documentation effort, we will maintain current and accurate medical records.

Any subcontractors engaged to perform billing or coding services must have the necessary skills, quality assurance processes, systems, and appropriate procedures to ensure that all billings for government and commercial insurance programs are accurate and complete. The Home prefers to contract with entities that share the Home's ethical values and culture, and that have adopted their own ethics and compliance programs. Third-party billing entities, contractors, and preferred vendors that we consider must be approved consistent with the corporate policy on this subject.

Cost Reports

Some of the Home's business involves reimbursement under government programs that require us to submit reports of our costs of operation. We will comply with federal and state laws relating to all cost reports. These laws and regulations define allowable costs and outline the appropriate methodologies to claim reimbursement for the cost of services provided to program beneficiaries. Because of their complexity, the Home requires that all issues related to the completion and settlement of cost reports must be communicated through or coordinated with our Finance Department.

REGULATORY COMPLIANCE

The Philadelphia Protestant Home provides a variety of healthcare services to its residents. Generally speaking, these services may be provided only pursuant to appropriate federal, state, and local laws and regulations. These laws and regulations govern subjects such as licenses, permits, accreditation, access to treatment, consent to treatment, medical record keeping, access to medical records and confidentiality, resident's rights, terminal care decision-making, medical staff membership and clinical privileges, as well as Medicare and Medicaid regulations. The Home is subject to numerous other laws and regulations as well.

We will comply with all applicable laws and regulations. All colleagues, medical staff members, privileged practitioners, and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations, and should immediately report violations or suspected violations to a supervisor or member of management, or the Corporate Compliance Officer.

The Home will be forthright in dealing with any billing inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with and be courteous to all government inspectors and provide them with the information to which they are entitled during an inspection.

During a government investigation, we must never conceal, destroy, or alter any documents, lie, or make misleading statements to government representatives. We should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

To ensure that we fully meet all regulatory obligations, the Home colleagues must be informed about areas of potential compliance concern. The Department of Health and Human Services, and particularly its Inspector General, have routinely notified healthcare providers of areas in which these government representatives believe that insufficient attention is being accorded to government regulations. We should be diligent in the face of such guidance about reviewing these elements of our system to ensure their correctness.

The Philadelphia Protestant Home will provide its colleagues with the information and education they need to comply fully with all applicable laws and regulations.

MEDICAL MARIJUANA

The Philadelphia Protestant Home recognizes that while Pennsylvania permits the use of medical marijuana for patients registered with the Department of Health with a qualifying medical condition, marijuana use remains illegal under federal law. Because the Home is accredited through the Center for Medicare and Medicaid Services, medical marijuana will not be provided as a method of treatment for residents at The Philadelphia Protestant Home at any level of care. Neither residents nor their families will be permitted to use, supply or bring medical marijuana on the premises of the Home.

While the Home will not discharge, threaten, refuse to hire, or otherwise discriminate or retaliate against an employee solely on the basis of such employee's status as an individual who is certified to use medical marijuana, employee use of medical marijuana on the premises of the Home is also prohibited. Employees are required to report the use of medical marijuana to their departmental supervisor if they feel that their ability to perform their job may be impaired. The Vice President of Human Resources will make a determination as to whether the employee's job assignment may be temporarily restricted or changed during the period of treatment. The Home has a duty of care to protect its residents and employees from the dangers imposed by the use of any substance and will follow the guidelines established in its employee handbook.

INTERACTING WITH LICENSING AND ACCREDITING BODIES

The Philadelphia Protestant Home will interact with all licensing and accrediting bodies in a direct, open and honest manner. The Home's colleagues and agents are prohibited from taking any action that would mislead an accrediting body, their survey teams, or their agents, either directly or indirectly.

The scope of matters related to licensing and accreditation are critical to our operation and often broader than the scope of this Code. The Philadelphia Protestant Home colleagues and agents are to be prepared at all times to address the interests of a licensing or accreditation body.

BUSINESS INFORMATION AND INFORMATION SYSTEMS

Accuracy, Retention, and Disposal of Documents and Records

Each Philadelphia Protestant Home colleague is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure that records are available to defend our business practices and actions. No one may alter or falsify information on any record or document.

Medical and business documents and records are retained in accordance with the law and our record retention policy. Medical and business documents include paper documentation such as letters and memos, information stored through electronic or magnetic means, such as e-mail or computer files, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records appropriately according to our policy. You must not tamper with records, nor remove or destroy them prior to the specified date.

Confidential Information

Confidential information about our organization's strategies and operations is a valuable asset. Although you may use confidential information to perform your job, it must not be shared with others outside of the Home or your department unless the individuals involved have a legitimate need to know the information and have agreed to maintain the confidentiality of the information. Confidential information includes personnel data maintained by the organization, resident lists and clinical information, pricing and cost data, information pertaining to acquisitions, divestitures, affiliations and mergers, financial data, research data, strategic plans, marketing strategies, techniques, employees lists and data maintained by the organization, supplier and subcontractor information, and proprietary computer software.

This provision does not restrict the right of a colleague to disclose, if he or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment.

Electronic Media and Information Systems

All communications systems, electronic mail, Internet access, or voice mail are the property of the Home and are to be used for business purposes. Limited personal use of the Home's communications systems is permitted only for emergency or urgent personal purposes. However, it should be assumed that these communications are not private. Resident and other confidential information should not be sent through the internet until such time that its confidentiality can be assured.

The Home reserves the right to periodically access, monitor, and disclose the contents of e-mail and voice mail messages.

Colleagues may not use internal communication channels or access to the Internet at work to post, store, transmit, download, or distribute any threatening, knowingly, recklessly, or maliciously false or obscene materials, including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction. Nor are they to be used to conduct a job search or to open mis-addressed mail. It should be remembered that no use of the Home's communications systems should be contrary to, or reflect negatively on, the Home's culture of integrity in all of its dealings.

Colleagues who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Financial Reporting and Records

We have established and maintain a high standard of accuracy and completeness in the documentation and reporting of all financial records. These records serve as a basis for managing our business, and are important in meeting our obligations to residents, colleagues, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions which are properly recorded and conform to generally accepted accounting principles. No undisclosed or unrecorded fund or assets may be established. The Home maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets in a manner properly reflecting the Home's mission and culture as set forth in this Code.

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Training

All employees of the Home will be trained on and familiarized with this Code. Part of a new employee's orientation process will include effectively communicating the standards, policies and procedures contained in this Code. Annually, all employees will be required to participate in ROCK (Required Onsite Continuing Knowledge) training which will include a session dedicated to this Code.⁶

Conflicts of Interest

Conflicts of Interest may occur if outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. Conflicts of Interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job, or cause you to use the Home's resources for other than the Home's purposes. It is your obligation to ensure that you remain free of conflicts of interest in

⁶ See 42 CFR 483.85(c)(5)

the performance of your responsibilities at the Home. If you have any questions about whether an outside activity might constitute a conflict of interest, you must obtain the approval of your supervisor before pursuing the activity.

Both the Home's By-laws as well as its Statement of Ethical Standards, a copy of which is attached to this Code, provide importance guidance when dealing with a possible conflict interest.

Controlled Substances

Some of our colleagues routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are governed and monitored by specific regulatory organizations and must be administered by physician's order only. It is extremely important that these items be handled properly and only by authorized individuals to minimize risks to our residents and ourselves. If you become aware of the diversion of drugs from the organization you should report it immediately to your Department Supervisor.

Copyrights and Intellectual Property

The Home respects the development and protection of intellectual property. For instance, photocopying copyrighted materials is not permitted.

Diversity and Equal Employment Opportunity

Our colleagues provide us with a wide complement of talents that contribute greatly to our success. We are committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity, and respect. We will comply with all laws, regulations, and policies related to non-discrimination in all of our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline, and promotions.

No one shall discriminate against any individual with a disability with respect to any offer, term or condition of employment. We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

Harassment and Workplace Violence

Each colleague of the Home has the right to work in an environment free of harassment. We will not tolerate harassment by anyone based on the diverse characteristics of cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation, or other harassing conduct is not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment has no place at the Home.

Harassment also includes incidents of workplace violence. Workplace violence includes robbery, stalking, violence, terrorism, and crimes committed by current or former colleagues. As part of our commitment to a safe workplace for our colleagues, we prohibit colleagues from possessing firearms, other weapons, explosive devices, or other dangerous materials on the Home's premises. Colleagues who observe or experience any form of harassment or violence should report the incident to their supervisor, the Human Resources Department, a member of management, or the Corporate Compliance Officer.

Part of a new employee's orientation process as well as during annual training thereafter as part of ROCK training will include training on preventing harassment and workplace violence.

Health and Safety

The Home must comply with all government regulations and rules, and with our own policies or required facility practices that promote the protection of workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. You should become familiar with and understand how these policies apply to your specific job responsibilities and seek advice from your supervisor whenever you have a question or concern. It is important for you to advise your supervisor of all workplace injuries or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

Hiring of Former and Current Government Employees

The recruitment and employment of former or current United States Government employees is subject to complex rules which change frequently and vary by employee. Similar rules may also apply to current or former state or local government employees or legislators and members of

their immediate families.

If a former government employee or consultant wishes to become employed by, or a consultant to, the Home, care should be exercised to ensure that conflict of interest laws are not violated. Each situation should be considered on an individual basis and you should consult with the Human Resources Department on issues related to recruitment and hiring of former or current government employees.

License and Certification Renewals

Colleagues and individuals retained as employees or independent contractors in positions that require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and must comply at all times with federal and state requirements applicable to their respective disciplines. To assure compliance, The Philadelphia Protestant Home may require proof of license, certification or credentials.

The Home will not allow any colleague or independent contractor to work without valid, current licenses or credentials.

Personal Use of The Philadelphia Protestant Home Resources

It is the responsibility of each of the Home's colleagues to preserve our organization's assets, including time, materials, supplies, equipment, and information. Organization assets are to be maintained for business related purposes. As a general rule, the personal use of any Home asset without the prior approval of your supervisor is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to the Home is negligible, is permissible when it is reasonable and not frequent, or in urgent or emergency circumstances. Any community or charitable use of organization resources for personal financial gain unrelated to the Home's business is prohibited.

Relationships Among The Philadelphia Protestant Home Colleagues

In the normal day-to-day functions of an organization like The Philadelphia Protestant Home, there are issues that arise which relate to how people in the organization deal with one another. It is impossible to foresee all of these, and many do not require explicit treatment in a document such as this. A few issues commonly arise, however, that should be directly addressed. One involves gift giving among colleagues. While we wish to avoid any strict rules, no one should

ever feel compelled to give a gift to anyone. Colleagues should use discretion in gift giving; any gifts offered or received should be appropriate under the circumstances. A lavish gift to anyone in a supervisory role is an example of a gift that would clearly violate organization policy. Another situation that routinely arises is a fund-raising or similar effort for charitable purposes. No one is ever required to participate in a fund-raising activity, nor should anyone ever be made to feel compelled to participate.

Relationships with Subcontractors, Suppliers and Educational Institutions

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers, consultants and vendors will be made on the basis of objective criteria including quality, technical excellence, price, delivery, adherence to schedules, services and maintenance of adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs, and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. We will not communicate to a third-party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties or others who do not have a need to know in the ordinary course of business.

Furthermore, this Code shall be available on the Home's website to all parties, including our contractors, subcontractors, suppliers, consultants and vendors, where they will be encouraged to familiarize themselves with the Home's mission and values.⁷

Substance Abuse and Mental Acuity

To protect the interests of our colleagues and residents, we are committed to an alcohol and drug-free work environment. All colleagues must report for work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in your system, or using, possessing, or selling illegal drugs while on the Home's work time or property may result in immediate termination. It is also recognized that individuals may be taking prescription drugs, which could impair judgment or other skills required in job performance. Excessive or improper use of prescription drugs may also result in termination. If you have any questions about the effect of such medication on your performance, consult your supervisor as well as your healthcare provider.

⁷ See 42 CFR Section 483.85(c)(5)

MARKETING PRACTICES

Antitrust

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing the Home's business with a competitor. Discussions about how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier are some examples of conduct which can violate the law. Our competitors are other health systems and organizations in markets where we operate.

Be alert to potential situations where it may not be appropriate for you to participate in discussions regarding prohibited subjects with our competitors. Prohibited subjects include any aspect of pricing our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, either end the conversation immediately or refuse to participate in it. If engaged in a trade association meeting or other meeting where minutes are kept, document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes. Then notify the Corporate Compliance Officer of the incident.

In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice of the Board of Directors. You must also avoid providing any information in response to oral or written inquiry concerning an antitrust matter without first consulting the Board of Directors.

Gathering Information about Competitors

It is not unusual to obtain information about other organizations, including our competitors. Through ethical and legal means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, it is not acceptable for you to obtain proprietary or confidential information about a competitor through unethical or illegal means. It is also not acceptable to seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

Marketing and Advertising

We may use marketing and advertising activities to educate the public, provide information to the community, increase awareness of our services, and to recruit colleagues. We will present only truthful, fully informative, and non-deceptive information in these materials and announcements. All marketing materials will reflect services available, as well as the level of licensure and certification.

ENVIRONMENTAL COMPLIANCE

It is our policy to comply with all environmental laws and regulations as they relate to our organization's operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate each of our facilities with the necessary permits, approvals, and controls. We will diligently employ the proper procedures with respect to handling and disposal of hazardous and bio-hazardous waste, including, but not limited to, medical waste.

In helping the Home comply with these laws and regulations, we must understand how job duties may impact the environment. We must adhere to all requirements for the proper handling of hazardous materials, and immediately alert your supervisor to any situation regarding the discharge of a hazardous substance, improper disposal of medical waste, or any situation which may be potentially damaging to the environment.

BUSINESS COURTESIES

General

Nothing in this part of the Code should be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. For clarity purposes, please note that these limitations govern activities with those outside of the Home. This section does not pertain to actions between the organization and its colleagues, nor activity among the Home's colleagues themselves.

Receiving Business Courtesies

We recognize that there will be times when you may wish to accept from a current or potential business associate an invitation to attend a social event in order to further develop your business relationship. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host company) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$250.00 per person.

Sometimes a business associate will extend training and educational opportunities that include travel and overnight accommodations to you at no cost to you or the Home. Similarly, there are some circumstances where you are invited to an event at a vendor's expense to receive information about new products or services. Prior to accepting any such invitation, you must receive approval from your Department Supervisor.

You may accept gifts with a modest value, generally less than \$100.00 in any one year from any individual or organization who has a business relationship with the Home. For purposes of this paragraph, physicians practicing in the Home are considered to have such a relationship. Perishable or consumer gifts given to a department or group are not subject to any specific limitation. You may never accept cash or cash equivalents, such as gift certificates. Under no circumstances may you solicit a gift.

Extending Business Courtesies to Non-referral Sources

No portion of this section, "Extending Business Courtesies to Non-referral Sources," applies to any individual who makes, or is in a position to make, referrals to the Home.

There may be times when you may wish to extend to a current or potential business associate (other than someone who may be in a position to make a resident referral) an invitation to attend a social event in order to further or develop your business relationship. The purpose of the entertainment must never be to induce any specific favorable business action. During these events, topics of a business nature must be discussed and the host must be present. These events must not include expenses paid for any travel costs (other than in a vehicle owned privately or by the host entity) or overnight lodging. The cost associated with such an event must be reasonable and appropriate. As a general rule, this will mean that the cost will not exceed \$250.00 per

person. Moreover, such business entertainment with respect to any particular individual must be infrequent, which, as a general rule, means not more than quarterly, and preferably less often.

With regard to the \$250.00 guideline, if circumstances arise where an entertainment event was contemplated to meet the guideline, but unforeseeably exceeded it, the circumstances should be disclosed to your supervisor. If you anticipate an event will exceed the \$250.00 guideline, you must obtain advance approval to participate. There must be a showing as to the business necessity and appropriateness of the proposed entertainment. Under no circumstances will the Home sanction participation in any business entertainment that might be considered lavish. Departures from the \$250.00 guideline are highly discouraged.

Also, the Home may routinely sponsor events with a legitimate business purpose. Provided that such events are for business purposes, reasonable and appropriate meals and entertainment may be offered. In addition, transportation and lodging can be paid. However, all elements of such events, including these courtesy elements, must be consistent with the corporate policy on such events.

It is critical to avoid even the appearance of impropriety when giving gifts to individuals who do business or are seeking to do business with the Home. We will never use gifts or other incentives to improperly influence relationships or business outcomes. Gifts to business associates who are not government employees must not exceed \$100.00 per year per recipient. You may never give cash or cash equivalents, such as gift certificates. The corporate policy on business courtesies may from time to time provide modest flexibility in order to permit appropriate recognition of the efforts of those who have spent meaningful amounts of volunteer time on behalf of the Home.

The United States Government and the state governments have strict rules and laws regarding gifts, meals, and other business courtesies for their employees. The Home's policy is to not provide any gifts, entertainment, meals, or anything else of value to any employee of the executive branch of the federal government, except for refreshments in connection with business discussions or promotional items with the Home's logo valued at no more than \$25.00. With regard to gifts, meals, and other business courtesies involving any other category of government official or employee, you must determine the particular rules applying to any such person and carefully follow them.

Extending Business Courtesies to Possible Referral Sources

Any entertainment or gift involving physicians or other persons who are in a position to refer residents to our healthcare facilities must be undertaken in accordance with corporate policies. We will comply with all federal laws, regulations, and rules regarding these practices.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

The organization's political participation is limited by law. The Home's resources are not to be used to contribute to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. The organization's resources include financial and non-financial donations such as use of work time and telephones to solicit for a political cause or candidate, or the loaning of the Home's property for use in the political campaign.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempts to influence government officials. You may, of course, participate in the political process on personal time and at your own expense. While you are doing so, it is important not to give the impression that you are speaking on behalf of or representing the Home in these activities. You cannot seek to be reimbursed by the Home for any personal contributions for such purposes.

At times, the Home may ask colleagues to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is a part of the role of some of the Home's management to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain that you are familiar with any regulatory constraints and observe them. Guidance is always available from the Corporate Compliance Officer as necessary.

THE CORPORATE ETHICS AND COMPLIANCE PROGRAM

Program Structure

The President/Chief Executive Officer of the Home has overall responsibility to oversee compliance with the Corporate Ethics and Compliance Program.

The Corporate Ethics and Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance as well as the promotion of the highest quality of care. That commitment permeates all levels of the organization. There is a Corporate Compliance Officer that is prepared to support you in meeting the standards set forth in this Code.

The President/Chief Executive Officer has been charged with appointing the Corporate Compliance Officer who will assume the responsibilities of that office in addition to others in the administration of the Home. The Corporate Compliance Officer serves as the main contact person to whom individuals may report suspected violations. Posted in various spots throughout the Home's campus are Notices setting forth the identity and contact telephone number for the Corporate Compliance Officer. In the event that an individual wants to contact the Corporate Compliance Officer about a possible violation but wishes to remain anonymous, the Notices set forth that the reporter should put his or her concern in writing, unsigned, and placed in an envelope addressed to the Corporate Compliance Officer.⁸

When the Quality Assurance/Performance Improvement Committee is acting as the Corporate Compliance Committee, the Chair, in his or her discretion, may limit participation in any meeting of the Corporate Compliance Committee to those members who also serve as Directors on the Home's Board of Directors in the following circumstances: when the alleged violation being addressed is of a sensitive or confidential nature; or when it involves a matter of a significant and material nature; or when the alleged violation requires a comprehensive investigation; or when the alleged violation involves the possible commitment of a crime.

Resources for Guidance and Reporting Violations

The Home will provide sufficient resources and authority to the specific individuals responsible to oversee the various elements of and the compliance with the Corporate Ethics and Compliance Program to reasonably ensure compliance with such standards, policies and procedures.⁹

To obtain guidance on an ethics or compliance issue, or to report a suspected violation, you may choose from several options. We encourage the resolution of issues at a local level whenever possible. It is a good practice, when you are comfortable and think it appropriate under the circumstances, to raise concerns first with your supervisor. If this is uncomfortable or inappropriate, another option is to discuss the situation with another member of management in your department. Additionally, you may contact the Corporate Compliance Officer.

The Home will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports a possible violation or misconduct. There will be no retribution or discipline for anyone who reports a possible violation in good faith. The Home has what is referred to as a Whistleblower Policy which provides that no employee who in good faith reports a violation of this Code shall suffer harassment, retaliation or adverse employment consequences even if the violation or misconduct is not reported anonymously. However, any colleague who deliberately makes a false accusation for the purpose of harming or retaliating against another colleague will be subject to discipline, up to and including termination.

⁸ See 42 CFR Section 483.85(c)(1)

⁹ See 42 CFR Section 483.85(c)(3)

Personal Obligation to Report

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations, and to correcting wrongdoing wherever it may occur in the organization. Each colleague has an individual responsibility for reporting any activity by any colleague, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this Code.

Internal Investigations of Reports

We are committed to investigating all reported concerns promptly and confidentially to the extent possible. The Corporate Compliance Officer will coordinate any investigations, and any findings from the investigations, and immediately recommend corrective action or changes that need to be made. We expect all colleagues to cooperate with investigation efforts.

After a violation is detected, the Home will ensure that all reasonable steps identified in its Corporate Ethics and Compliance Program are taken to respond appropriately to the violation or misconduct and to prevent further similar violations or misconduct, including any necessary modification to the Program itself to prevent and detect criminal, civil and administrative violations and misconduct.¹⁰

Corrective Action

Where an internal investigation substantiates a reported violation or misconduct, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agencies, instituting whatever disciplinary action is necessary, and implementing systemic changes to prevent similar violations from occurring in the future at the Home.

¹⁰ See 42 CFR Section 483.85(c)(8)

Discipline

All violations of this Code will be subject to disciplinary action. The precise discipline utilized will depend on the nature, severity, and frequency of the violation, and may result in any of the following disciplinary actions:¹¹

- Verbal Warning
- Written Warning
- Written Reprimand
- Suspension
- Termination of Employment
- Restitution
- Termination of Contractual Arrangement with Non-employee
- Modification or Termination of Volunteer Services for Volunteers

Internal Monitoring and Auditing

The Home is committed to the aggressive monitoring of compliance with its policies. Much of this monitoring effort is accomplished through routinely conducting internal audits of issues that have regulatory or compliance implications. The organization also routinely seeks other means of ensuring and demonstrating compliance with laws and regulations as well as this Code.

The Home's Corporate Ethics and Compliance Program and its Statement of Ethical Standards will be reviewed at least annually and revised as needed to reflect changes in all applicable laws or regulations and to improve its performance in deterring, reducing and detecting violations of the law, misconduct, and in promoting the highest possible quality of care.¹²

Acknowledgment Process

The Home requires all colleagues to be aware of this Code and abide by it. It is posted for easy access over the internet and copies are distributed and otherwise made available from other personnel.

Adherence to and support of the Home's Code and participation in related activities and training will be considered in decisions regarding hiring, promotion, and compensation for all candidates and colleagues.

¹¹ See 42 CFR Section 483.85(c)(1)

¹² See 42 CFR Section 483.85(e)

ANSWERS TO COMMON QUESTIONS

This Code of Corporate Integrity is not intended to provide answers to every question that you may have about The Philadelphia Protestant Home's policies, laws, or regulations. The following questions and answers are intended to increase your understanding of how the specific guidelines must be applied.

The Compliance Program

If I have a question about workplace conduct, or saw something that I thought was wrong, who should I contact?

We have provided several resources for you to turn to with such concerns. We encourage you to talk to your supervisor first. However, if for any reason you do not feel comfortable talking to your supervisor, or if your supervisor did not answer the question or address the problem to your satisfaction, you have other options. You may wish to try to speak with someone else in management or call the Corporate Compliance Officer. We encourage our colleagues to try to resolve matters locally when possible and appropriate.

If I report something suspicious, will I get in trouble if my suspicion turns out to be wrong?

As long as you honestly have a concern, our policy prohibits reprimand or discipline. As a Philadelphia Protestant Home colleague, you have a responsibility to report suspected problems. In fact, colleagues may be subject to discipline if they witness something but do not report it. The only time someone will be disciplined for reporting misconduct is if he or she knowingly and intentionally reports something that he or she knows to be false or misleading in order to harm someone else.

What should I do if my supervisor asks me to do something that I think violates the Code, The Philadelphia Protestant Home policy, or is illegal?

Don't do it. No matter who asks you to do something, if you know it is wrong, you must refuse to do it. You must also immediately report the request to a level of management above your supervisor, or to the Corporate Compliance Officer.

Ethical Behavior Generally

How do I know if I am on ethical “thin ice?”

If you are worried about whether your actions will be discovered, if you feel a sense of uneasiness about what you are doing, or if you are rationalizing your activities on any basis (such as perhaps the belief that “everyone does it”), you are probably on ethical “thin ice.” Stop, step back, consider what you are doing, get advice, and redirect your actions to where you know you are doing the right thing.

Accuracy, Retention, and Disposal

In preparation for an accreditation visit, my supervisor has asked me to review medical records and to fill in any missing signatures. May I do this?

No. It is absolutely wrong to sign another healthcare provider name in the medical record. It is part of our basic integrity obligation to provide only complete and accurate information to accrediting groups.

Business Courtesies

A resident with a chronic health condition is frequently admitted to our facility for treatment. He routinely tips his primary nurse around \$100.00. May the nurse accept it?

No. Cash gifts must never be accepted from anyone with whom we have a business relationship.

May I accept a basket of fruit or flowers that a resident sent to my department?

Yes. Gifts to an entire department may be accepted if they are consumable or perishable.

Conflicts of Interest

I am planning a dinner meeting at our facility. My daughter owns a catering service in town. May I pick her catering service if the prices are comparable to other restaurants?

No. This may seem unfair, but you must avoid even the appearance of favoritism.

Do the Conflict of Interest policies apply to distant relatives, such as cousins, in-laws or friends?

The Conflict of Interest policies generally apply to members of your immediate family. However, if any relationship could influence your subjectivity, or create the appearance of impropriety, you must apply the policies.

Resident Information

There is a physician who sometimes requests medical records, whether he is taking care of the resident or not. Is he allowed to do this?

No. Only attending, covering, or consulting physicians may have access to resident medical records. We are responsible for protecting the confidentiality of resident information from interested third parties as well as our staff. Residents are entitled to expect confidentiality, the protection of their privacy, and the release of information only to authorized parties.

Personal Use of Organization Resources

Can I type my spouse's resume on my computer?

Possibly. If you use the computer during non-working hours, you may be permitted to type personal information documents. Check with your supervisor.

I volunteer for Big Brothers. May I copy a fundraising leaflet?

The Philadelphia Protestant Home encourages all colleagues to participate in volunteer activities. Organization equipment, however, must not be used for charitable or other non-business purposes without prior approval from your supervisor.

Political Activities and Contributions

I do volunteer work for a local candidate for office. May I use the copy machine to make flyers?

No. You may not use The Philadelphia Protestant Home's time or resources to support political activities that are undertaken on a personal basis, as is the case here.