

# CODE OF CONDUCT



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## MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

As an organization, we are committed to honest and ethical behavior, and to conducting our business with integrity. The practice of behaving honestly, ethically and with integrity is an individual responsibility. We make decisions about how to conduct ourselves every day as we go about our work. Each of us is accountable for the actions that we decide to take.

The Stanford Children's Health and Stanford Health Care *Code of Conduct* is the keystone of its corporate integrity philosophy and communicates its ethical business standards. The *Code of Conduct* serves as a cultural compass for staff, management, vendors, volunteers and others who interact with the hospitals. It is an essential element of our Compliance Integrity Program. The Compliance Department was created to oversee our Compliance Integrity Program and to demonstrate our commitment to conducting our business with integrity. The Compliance Integrity Program is a partnership among all of us to make the right business choices.

The *Code of Conduct* is a vital part of how we achieve our mission and vision. It provides guidance to ensure that our work is accomplished in an ethical and legal manner. It emphasizes our common culture of integrity and our responsibility to operate with the highest principles and ethical business standards as we strive to care for our patients and each other with respect, honesty, compassion, teamwork and excellence.

At Stanford Health Care and Stanford Children's Health, we are each guardians of our reputation for ethical business practices and our standing as a leader in the academic medical center community. We are committed to delivering the highest quality patient care in compliance with our *Code of Conduct*.

*Dr. Dennis Lund*  
*Interim President and Chief Executive Officer*  
*Stanford Children's Health*

*David Entwistle*  
*President and Chief Executive Officer*  
*Stanford Health Care*

# OUR COMPLIANCE INTEGRITY PROGRAM

The *Code of Conduct* is a vital part of how we achieve our mission and vision

- *The mission of Stanford Children's Health is to serve our communities as an internationally-recognized pediatric and obstetric hospital that advances family-centered care, fosters innovation, translates discoveries, educates health care providers and leaders, and advocates on behalf of children and expectant mothers. Our vision is to drive innovation in the most challenging areas of pediatrics and obstetrics to improve the quality of life for children and expectant mothers and those who love and care for them.*
- *The mission of Stanford Health Care is to care, to educate and to discover. Our vision is healing humanity through science and compassion, one patient at a time.*

Stanford Children's Health and Stanford Health Care are committed to compliance with all applicable laws, rules and regulations. This commitment permeates all levels of the organization. Our Compliance Integrity Program was created to ensure that we conduct our business with integrity and in accordance with applicable laws and our policies, as well as to provide a safe environment for raising compliance concerns and questions. The Compliance Department oversees the Compliance Integrity Program and ensures compliance with our *Code of Conduct*. Our Compliance Integrity Program outlines what we do as an organization to comply with legal and ethical requirements, including the following:

- Setting integrity standards through written policies, procedures and our *Code of Conduct*;
- Communicating standards through awareness, education and training programs;
- Providing a process for reporting potential violations of laws, policies or our *Code of Conduct*;
- Conducting ongoing auditing and monitoring activities;
- Identifying, investigating and responding to potential compliance problems;
- Performing routine sanctions checking to ensure we are not conducting our business with individuals and entities ineligible to participate in federal healthcare programs;
- Enforcing integrity standards and disciplining non-compliant actions;
- Maintaining an organizational structure that supports the furtherance of the Compliance Integrity Program, including establishment of appropriate Compliance Committees and appointment of a Chief Compliance Officer who has an independent reporting relationship to the Audit and Compliance Committees of the hospitals' Boards of Directors.

The standards set forth in our *Code of Conduct* apply to Stanford Children's Health and Stanford Hospital and Clinic staff, faculty, health care professionals with hospital privileges, trainees, agents, officers, directors, volunteers, representatives, contractors, vendors and any other person or organization engaged to provide products or services. The *Code of Conduct* standards require us to follow all applicable laws, rules, regulations and hospital policies as related to the scope of our duties and responsibilities for Stanford Children's Health and Stanford Health Care, and to maintain an educational, health care and business environment that is committed to integrity and ethical conduct.

Our *Code of Conduct* is the keystone of our Compliance Integrity Program and guides us in carrying out our daily activities within appropriate ethical and legal standards. Our *Code of Conduct* standards are mandatory and must be followed. Anyone who violates laws, policies or our *Code of Conduct* may be disciplined, up to and including termination. Our *Code of Conduct* is an evolving document that will be updated periodically to respond to changing conditions and to reflect changes in law.

Our *Code of Conduct* is not intended to cover every situation that may be encountered. We must comply with all applicable laws, regulations and our policies whether or not specifically addressed in our *Code of Conduct*. In some cases, a subject discussed in our *Code of Conduct* involves such complexity that additional guidance may be needed. In these cases, you should consult with your manager or the Compliance Department for additional guidance.

## OUR DUTY TO REPORT AND COOPERATE WITH INVESTIGATIONS

Our *Code of Conduct* is to be used as a guide if you are confronted with a situation that raises questions about ethical business conduct. If you think a law, policy or our *Code of Conduct* is not being followed, you must report it to our Compliance Department. You should also report it to your supervisor. If you feel uneasy talking to your supervisor, voice your concern to the next supervisory level, up to and including the highest level of management. Stanford Children's Health and Stanford Health Care encourage open and honest discussion of issues with management. We are committed to providing an environment that allows reporting in good faith without fear of retaliation.

It is very important, as well as required, that you immediately report perceived violation of compliance law, policy or our *Code of Conduct* to the Compliance Department. Failure to report to the Compliance Department may result in disciplinary action, up to and including termination. Our Compliance Department will evaluate all reports promptly, completely and fairly.

You can report compliance concerns to the Compliance Department in one of the following ways:

- Contact the Compliance Department directly by calling 650-724-2572;
- Email your concern to [ComplianceOfficer@stanfordhealthcare.org](mailto:ComplianceOfficer@stanfordhealthcare.org), or [PrivacyOfficer@stanfordhealthcare.org](mailto:PrivacyOfficer@stanfordhealthcare.org);
- Fax your concern to 650-723-3628; or
- Call the Compliance and Privacy 24 hour Hotline at 800-216-1784, including making anonymous reports.

If you report a compliance concern, be sure to include information that our Compliance Department will need to follow up, such as the location where your concern occurred or is occurring (for example, the hospital name and department), the date or dates of any incident, the names and job roles of individuals involved in the concern, a description of your concern and your name if you are comfortable letting us know. If you are not comfortable leaving your name, you may make an anonymous report by calling the Hotline number above.

Anyone making such a report is assured that it will be treated as confidential and will be shared with others only on a need-to-know basis. The findings of a compliance investigation are confidential to protect all involved in the investigation process. As a result, details and specific findings of a compliance investigation will be shared only on a need-to-know basis. The Chief Compliance Officer ensures that all reports will be thoroughly and fairly investigated and that appropriate action will be taken.

No adverse actions will be taken against someone for making a report in good faith or for cooperating with a compliance investigation in good faith. Stanford Children's Health and Stanford Health Care have a policy that protects against retaliation or retribution for reporting a compliance concern in good faith or cooperating with a compliance investigation with good intentions. The non-retaliation policy ensures that no one is penalized for reporting what is honestly believed to be a compliance problem or for honestly participating in a compliance investigation. However, if someone purposely falsifies or misrepresents a report or makes false statements during an investigation, that person will not be protected under the non-retaliation policy. False accusations or statements made in a report or during an investigation, including those made with the intent of harming or retaliating against another person, may result in disciplinary action, up to and including termination. Although we have a policy that does not permit retaliation for reporting or cooperating in good faith, it is important to understand that no policy can protect you from applicable consequences if you have

broken the law or violated our policies. Breaking the law or violating our policies may result in disciplinary action, up to and including termination, as well as possible state and federal actions and penalties.

Sometimes the hospitals are required by law to report certain compliance issues to state or federal agencies. When this is the case, the Compliance Department will conduct an evaluation of the issue in terms of state or federal reporting requirements and will notify the appropriate state or federal agencies on behalf of the hospitals when applicable.

Stanford Children's Health and Stanford Health Care are committed to correcting wrongdoing, whether intentional or inadvertent, wherever it may occur in the organization, and to cooperating fully with government investigations.

# INTEGRITY IN PATIENT CARE

## **Quality Care**

At Stanford Children's Health and Stanford Health Care, we strive to ensure that the patient care we provide is

- *Safe* – avoiding injuries to patients from the care that is intended to help them;
- *Effective* - providing services based on scientific knowledge, best practice and cost-effectiveness;
- *Patient-centered and family-centered*– providing care that is respectful of and responsive to individual patient and family preferences, needs and values, ensuring that patients' values guide all clinical decisions;
- *Timely* – Reducing waits and sometimes harmful delays for both those who receive and provide care;
- *Efficient* – Avoiding waste, including waste of equipment, supplies, ideas and energy;
- *Equitable* – Providing care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, socio-economic status, sexual orientation or perceived disability.

Everything we do should advance our commitment to deliver the highest quality of care to our patients. We make every effort to provide each patient with the best possible care to reach optimal recovery from a condition or procedure. We treat all patients with dignity, respect and courtesy.

We are committed to providing clear, accurate, honest and transparent information about the quality of care we offer to all our patients so that they can make informed health care decisions. As health care providers, it is important for us to note errors or deficiencies, even those that seem small or insignificant, in order to improve future care. Promptly report such matters to your supervisor, as well as submit an entry into the electronic incident reporting system.

## **Patient Rights and Patient Choice**

We encourage patient and family involvement in all aspects of care. Patients and families are given a statement of patient rights and responsibilities upon admission, including information about the right to make decisions regarding medical care. We involve patients and families in decisions regarding care to the extent that this is practical and possible. We inform patients about therapeutic alternatives and the risks associated with the care they are seeking.

We provide coordinated discharge planning to all patients as an integral part of the treatment plan in order to support the level of medical, psychological, occupational, rehabilitative and social services needed post-discharge. Our health care teams develop discharge plans in a collaborative manner, individualizing each plan to each patient's and family's needs. Patients, families and caregivers are participants in the care and discharge processes and their preferences and choices are given priority whenever possible. We address the wishes of patients related to advance directives and end of life decisions

## **Emergency Treatment**

We adhere to the requirements of the Emergency Medical Treatment and Labor Act (EMTALA) in providing a medical screening examination and stabilizing treatment to all patients who come to the hospital for emergency treatment or who are in labor, regardless of the patient's ability to pay or lack of insurance. Patients with emergency medical conditions are only transferred to another facility at the patient's request, or if we do not have the capacity or capability to meet the patient's medical needs and appropriate care is



available at another facility. Such transfers must be in compliance with state and federal EMTALA requirements.

### ***Charity Care and Discounts***

Financial assistance is available to patients in the form of financial need discounts or charity care and is provided in a manner that addresses the patient's individual financial situation, supports the hospital's not-for-profit mission, and complies with application and eligibility criteria as set forth in our *Financial Assistance and Charity Care Policy* and our *Uninsured Patient Discount Policy*.

### ***Privacy of Patient Information***

Patients and their families trust us with highly personal and sensitive information regarding their medical conditions. If patients or families do not feel confident that we will keep such information private, they may hesitate to discuss some health concerns with us, which can affect our medical decision making and hinder their medical care.

We collect information about a patient's medical condition, history, medication and family illnesses in order to provide quality care. We realize the sensitive nature of this information and are committed to protecting patient privacy. We do not access patient information, internally use patient information, or disclose patient information outside the organization except as necessary to perform our jobs. We are committed to complying with state and federal privacy laws, and to assisting patients with exercising their patient privacy rights.

Strong federal and state laws govern the privacy of our patients and their health information. This includes patient information that is spoken, written or in electronic systems. The laws apply to past, present or future health of a patient, as well as deceased patients. These laws apply to the organization, as well as to you as an individual, even after you are no longer working here. Patient privacy laws include serious consequences for failing to protect patient privacy, including potential fines, imprisonment, loss of your professional license and patients' right to sue both the organization and you personally. Additionally, violating our privacy policies can lead to disciplinary actions, up to and including termination. Our Compliance Department monitors electronic patient records to determine who is accessing the record and whether the access is consistent with job functions.

Complying with our privacy policies includes the following:

- We access, use and disclose only the minimum amount of patient information needed to perform our jobs;
- We do not discuss patient information with others who do not have a job-related need to know, including co-workers, colleagues, family and friends;
- We do not share our user IDs or passwords to our electronic systems and we log-off when we step away from our computers; what is done under your ID/password is your responsibility;
- We assess our surroundings when speaking with or about patients and speak quietly, always asking the patient for permission to speak to them about their care when family or friends are present;
- We do not mention or make reference to any patients whatsoever on personal social networking sites or blogs;
- We verify written patient information to ensure that we do not mix one patient's information with another's, that fax numbers are accurate and entered correctly before sending, and that patient labels are correct;
- We dispose of written patient information in confidential disposal bins and we contact IT for proper disposal of electronic patient information;
- We type "secure:" in the beginning of the subject line of all emails that contain patient information so that the email is encrypted and we do not put patient information in the subject line;

- We only use hospital-approved personal devices, flash drives or cameras to store, download or capture patient information, including photographs;
- We report all privacy concerns or potential privacy policy violations immediately to our Compliance Department.

# INTEGRITY IN BILLING AND FINANCIAL MATTERS

## ***Coding and Billing for Patient Care Services***

Stanford Children's Health and Stanford Health Care take great care to ensure that billings to the government, third-party payors and patients are accurate and conform to all applicable federal and state laws and regulations. Coding is how we identify and classify health information, such as diseases and procedures, based on the care provided and documented in the patient's medical record. Using these codes in the billing process is how we identify charges for services we have provided.

We are committed to timely, complete and accurate coding and billing, including the following principles:

- We bill only for services that we actually provide, document, are medically necessary and ordered by a physician or other appropriately licensed individual;
- We assign billing codes that we believe in good faith accurately represent the services that we provide and that are supported by documentation in the medical record according to regulatory requirements and guidelines;
- We implement good faith controls to prevent unbundling, upcoding, duplicate billing for the same service, billing for resident services without documented teaching physician presence and other government-published billing errors;
- We do not routinely charge government payors in excess of our usual charges;
- We respond to billing and coding inquiries and timely resolve inaccuracies in previously submitted claims that are discovered and confirmed;
- We make every effort to ensure that employees and subcontractors who perform billing or coding services have the necessary skills, quality assurance processes and appropriate procedures to ensure that billings are accurate and complete; and
- We do not knowingly present, or cause to be presented, claims for payment that are false, fictitious or fraudulent.

## ***False Claims Act and Deficit Reduction Act***

The State and Federal False Claims Acts and the Federal Deficit Reduction Act protect government programs such as Medicare, Medicaid and Tricare from fraud and abuse. It is a violation of the False Claims Act to knowingly submit, or cause another person or entity to submit, false claims for payment of government funds. Additionally, the State and Federal False Claims Acts contain provisions that allow individuals with actual knowledge of alleged false claims to sue on behalf of the government, as well as provide protections against retaliation for individuals taking a false claims action.

It is illegal to submit claims for payment to government programs that we know or should know are false or fraudulent. No specific intent to defraud the government is required for a claim to qualify as a false claim. The False Claims Act defines "knowing" to include not only actual knowledge, but also instances of deliberate ignorance or reckless disregard of the truth or falsity of a claim. Filing false claims may result in damages of up to three times the amount of the government program's loss, fines, imprisonment, entering into a Corporate Integrity Agreement and exclusion from participation in federal and state health care programs.

We are committed to submitting claims that are accurate and truthful. If you know of a false claim, contact our Compliance Department immediately, or call the Compliance Hotline to notify the Compliance

Department anonymously. Failure to notify the Compliance Department may lead to disciplinary action, up to and including termination.

### ***Financial Reporting***

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

Our financial information fairly represents actual business transactions and conforms to generally accepted accounting principles or other applicable rules and regulations. We maintain a system of internal controls to ensure accuracy and completeness in documenting, maintaining and reporting financial information. We cooperate fully with internal and external auditors and any regulatory agencies that examine our books and records.

We treat credit balances and bad debt in compliance with applicable state and federal law. In some instances, a credit balance will exist in a patient account after payment by both the patient and a federal or state healthcare program. We endeavor to accurately track, report and refund credit balances.

State and federal laws require us to submit reports of our operating costs and statistics, known as cost reports. These laws define what costs are allowable and outline the appropriate methodologies to claim reimbursement for the cost of services provided to government program beneficiaries. We are committed to the preparation, submission and settlement of accurate, timely and complete cost reports.

# INTEGRITY IN BUSINESS CONDUCT

## ***Not-For-Profit Tax Exempt Organization***

We are not-for-profit tax exempt organizations under the Internal Revenue Code. Therefore, we are not organized or operated for the benefit of private interests. No organizational earnings may financially benefit any private individual.

This status makes Stanford Children's Health and Stanford Health Care eligible to receive tax-deductible contributions. Please contact the Lucile Packard Foundation for Children's Health or the Stanford Health Care Office of Hospital Development for additional guidance regarding monetary or in-kind donations.

## ***Use of Resources and Assets***

Our organizational assets and resources are to be used for the purpose of our not-for-profit missions. Physical assets including space, furniture, vehicles, equipment, machinery and supplies may only be used by private individuals and for-profit organizations on a restricted basis with hospital approval in compliance with all federal and state laws and hospital policies. These restrictions include your personal use of organizational assets. Contact the Compliance Department for additional guidance regarding appropriate use of our not-for-profit facilities and assets.

## ***Political Contributions and Activities***

As not-for-profit organizations, Stanford Children's Health and Stanford Health Care are restricted in the amount of political lobbying activities that they may conduct. The organizations are not permitted to influence legislation that is not directly related to our missions. In addition, they may not endorse or intervene on behalf of any candidate for public office, and they may not solicit funds or endorsements in support of political issues or causes.

As individuals, we may exercise our civil liberties by participating, advocating or supporting the political candidates and causes of our choice outside of the workplace. We never engage in or promote the following activities while at Stanford Children's Health or Stanford Health Care or while representing either organization at off-site events and activities, unless those activities are directly related to our missions and consistent with the *Political Activities Policy*:

- We do not use company time or assets to perform political activities;
- We do not speak on behalf of our organizations supporting political candidates or causes;
- We do not use either organization's name or logo on letters or other written materials supporting political candidates or causes;
- We do not distribute political literature; and
- We do not wear political campaign clothing, buttons or symbols representing a political candidate or cause, excluding health initiatives or those defined as "protected activities" by the National Labor Relations Board.

Contact the Stanford Children's Health Government Relations Department or the Stanford Health Care Government and Community Relations Department for additional guidance.

## ***Anti-Trust Laws***

Stanford Children's Health and Stanford Health Care compete fairly and comply with Anti-Trust Laws. We do not engage in activities or negotiate agreements that restrain or obstruct competition or illegally share proprietary information with competitors. The illegal obtainment or use of proprietary information from competitors is also strictly prohibited.

Antitrust violations may subject our organization to severe civil and criminal monetary fines, civil liability for treble damages, and injunctions that could impair our ability to compete effectively. Anti-Trust violations may also subject us individually to imprisonment, personal liability, and substantial monetary fines.

We are required not only to comply with the law but also to avoid activities which, though not illegal, may pose unnecessary risks of litigation, government investigation, or injury to our reputation. The following limitations on information exchanges with competitors are designed to aid compliance with Anti-Trust laws and protect our competitive, financial, ethical and reputational interests.

Except with legal advice from the Office of General Counsel, we do not communicate with a competitor, either directly or indirectly, about the following:

- We do not communicate about prices charged for goods or services, including physician services;
- We do not communicate about costs of goods, supplies, equipment, or services, including physician services;
- We do not communicate employee salaries, wages, or benefits, compensation policies, staffing policies or terms of collective bargaining agreements, employment contracts or severance agreements;
- We do not communicate terms of managed care contracts;
- We do not communicate terms of equipment, supply or service contracts;
- We do not communicate allocation of customers, services or territories among competitors;
- We do not communicate exclusion of any existing or potential competitor or supplier from the market; and
- We do not communicate joint bidding or joint venture arrangements.

## ***Conflict-of-Interest***

A conflict-of-interest involves any circumstance where your personal activities or interests are advanced at the expense of Stanford Children's Health or Stanford Health Care. These circumstances may be financial or involve some other type of personal interest that conflicts with your professional responsibilities. Since our patients and community expect us to make decisions that are not biased by personal interests, actual or perceived conflicts-of-interest may compromise our ability, and the ability of our organizations, to provide patient care, transact business or make purchasing decisions. They may also pose a risk to the operations and reputation of the hospitals.

Conflicts-of-interest can often be avoided or mitigated when Stanford Children's Health or Stanford Health Care is aware of potential conflicts. We are required to follow the *Conflict-of-Interest and Commitment Policy* and disclose at the time of hire, promotion or transfer, and no less than annually thereafter, all information about any actual or perceived conflict-of-interest using our Conflict-of-Interest Disclosure Statement form.

We are also required to submit an updated Conflict-of-Interest Disclosure form within ten business days of a material change in our situations that may create an actual or perceived conflict-of-interest. All reported

actual or perceived conflicts-of-interest are reviewed on a case-by-case basis. Failure to disclose a conflict-of-interest may result in disciplinary action, up to and including termination. The following information provides general guidance on several common potential and actual conflicts-of-interest.

*Consulting and Speaking Conflicts-of-Interest:* We must follow the Consulting/Speaker Guidelines set forth in the *Conflict-of-Interest and Commitment Policy* before accepting or engaging in compensated or uncompensated consulting and/or speaking activities for outside companies, organizations and vendors.

*Purchasing Conflicts-of-Interest:* We must follow the *Purchasing Conflicts-of-Interest Policy* and disclose any actual or perceived conflicts-of-interest involving the purchases of goods, equipment and services. We must avoid situations where we have actual or perceived conflicts-of-interest between our purchasing decisions and our personal interests.

*Industry Interactions:* We must follow the *Stanford Industry Interactions Policy* and the *Vendor Management Policy* when engaging in business activities with pharmaceutical, biotech, medical device, equipment or supply companies and organizations. These manufacturers and suppliers are known as “Industry” vendors. It is a conflict-of-interest to accept travel or entertainment from any “Industry” vendor. Additionally, there are significant limitations regarding our acceptance of complimentary onsite and offsite education from “Industry” vendors. Meals or other types of food directly funded by “Industry” vendors may not be provided at Stanford Children’s Health or Stanford Health Care. Contact the Compliance Department for additional guidance.

*Business Courtesies and Entertainment from Non-Industry Vendors:* We must follow the *Vendor Management Policy* and the *Purchasing Conflicts-of-Interest Policy* when engaging in business activities with non-“Industry” vendors. It is a potential conflict-of-interest to accept travel, entertainment or complimentary education from a non-“Industry” vendor or organization that does, or is seeking to do, business with Stanford Children’s Health or Stanford Health Care when you can influence the decision to purchase such items or services. Contact the Compliance Department for additional guidance.

## **Gifts**

We maintain high ethical standards regarding the offering and acceptance of gifts. Offering or accepting personal gifts may influence our decisions or the decisions of others and may constitute a conflict-of-interest. The appropriateness of offering or accepting gifts depends on the specific circumstances of the gift and who is offering and receiving it. The following information provides general guidance on this topic. Consult with the Compliance Department for specific advice if you are offered a gift or are considering giving a gift.

*Gifts from Patients/Family Members to Our Organization:* Stanford Children’s Health and Stanford Health Care may accept grateful giving or charitable contributions from our patients and their family members. Please refer patients and their family members who wish to make grateful giving or charitable contributions to either the Lucile Packard Foundation for Children’s Health or the Stanford Health Care Office of Hospital Development.

*Gifts from Patients/Family Members to Us Personally:* There are significant ethical limitations regarding the acceptance of personal gifts from patients or their family members. We do not accept personal gifts of cash, cash equivalents, gift cards or merchandise from patients or their family members. Additionally, we never solicit personal gifts from patients or their family members. We may accept perishable items of modest value, such as food or flowers, provided that it is shared with our entire department or unit.

*Gifts from Our Organization to Patients/Family Members:* Stanford Children's Health and Stanford Health Care may not induce Medicare, Medi-Cal or other federal or state health care beneficiaries to use our services by offering gifts that would likely influence these beneficiaries to obtain services from our organization. Inexpensive gifts of nominal value that are not cash or cash-equivalents are permitted. Federal guidelines define "inexpensive" as having a retail value of no more than \$10 per item or \$50 in aggregate per patient annually.

*Gifts from Our Organization to Us Personally:* Stanford Children's Health and Stanford Health Care may offer reasonable gifts purchased with organizational budget funds to us personally. Gifts given by Stanford Children's Health or Stanford Health Care that exceed a total value of \$75 per year become personal taxable income for the recipient of the gift and must be reported to the Payroll Department by the individual or department giving the gift. Contact the Payroll Department for additional guidance.

*Gifts from Our Organization to Physicians and Other Referral Sources:* Stanford Children's Health and Stanford Health Care never offer gifts to physicians or other referral sources in exchange for patient referrals or any other business. Limited gifts to physicians and other referral sources that are not cash or cash equivalents must be given in compliance with federal and state laws, as well as organizational policies. All applicable provisions of the *Physician Referrals Stark Law Compliance Policy*, *Business Courtesies to Physicians and Immediate Family Members Policy*, and *Anti-Kickback Compliance Policy* must be met before offering gifts to physicians or other referral sources. Contact the Compliance Department for additional guidance.

*Gifts from Physicians and Other Referral Sources to Our Organization:* Stanford Children's Health and Stanford Health Care never accept gifts from physicians or other referral sources in exchange for patient referrals or any other business. All gifts and other donations from physicians and other referral sources should be referred to the Lucile Packard Foundation for Children's Health or the Stanford Health Care Office of Hospital Development. The Foundation and Hospital Development will process gifts as donations in compliance with applicable laws and policies.

*Gifts from "Industry" and Other Vendors to Us Personally:* There are significant ethical limitations regarding the acceptance of personal gifts from "Industry" and other vendors. "Industry" vendors are pharmaceutical, biotech, medical device, equipment or supply companies or organizations. We do not accept personal gifts of any kind from "Industry" vendors. For non-"Industry" vendors, we do not accept cash, cash equivalents or gift cards offered to us personally. We may accept items of modest value from non-"Industry" vendors, such as food or flowers, provided that the gift is shared with our entire department or unit. All applicable provisions of the *Stanford Industry Interactions Policy*, the *Conflict of Interest and Commitment Policy* and the *Purchasing Conflicts-of-Interest Policy* must be met before accepting gifts from "Industry" or other vendors. Contact the Compliance Department for additional guidance.

*Gifts from "Industry" and Other Vendors to Our Organization:* Stanford Children's Health and Stanford Health Care may accept donations or other charitable contributions from "Industry" or other vendors. The organization never accepts gifts from "Industry" or other vendors in exchange for any business. All gifts and other donations from "Industry" and other vendors should be referred to the Lucile Packard Foundation for Children's Health or the Stanford Health Care Office of Hospital Development. The Foundation and Hospital Development will process gifts as donations in compliance with applicable laws and policies.

### ***Excluded Parties***

Stanford Children's Health and Stanford Health Care do not hire employees, accept volunteers, contract with or bill for services rendered by individuals or organizations excluded from participating in federal or state healthcare programs. This includes exclusion from those programs administered by the U.S.



Department of Health and Human Services, U.S. General Services Administration and the California Department of Health Care Services.

We conduct initial excluded parties checks on potential employees, medical staff, vendors and volunteers, as well as periodic excluded parties checks after the commencement of the relationship to ensure continued eligibility to participate in federal and state healthcare programs. You have a duty to immediately report any change in your eligibility status to the Compliance Department.

### ***Visiting Observers***

Stanford Children's Health and Stanford Health Care permit approved individuals to observe patient care and administrative functions outside of our formal training programs. Our *Visiting Observer Policy* outlines the requirements that allow such activities to occur within our organization.

- Visiting Observers are not allowed to participate in any patient care activities;
- Visiting Observers must be accompanied and supervised by a hospital or School of Medicine employee and/or a physician with current Medical Staff privileges at all times;
- Visiting Observers must be at least eighteen years old or in a hospital approved structured program;
- Visiting Observers must complete the Observer Attestation Statement and obtain a visitor badge from security prior to the observation and are required to follow all applicable policies during their observation. For Visiting Observer activities that occur in the OR or Cath Lab, additional requirements and approvals apply;
- Patient authorization is required when the observation is not for official training purposes of Stanford Children's Health or Stanford Health Care; and
- Visiting Observer forms must be submitted to the Compliance Department for approval.

Common examples of Visiting Observer interactions include:

- Visiting professors and/or medical personnel who are not involved in hospital research or volunteer activities;
- Individuals who are interested in a medical or residency/fellowship program at the hospitals; and
- Individuals observing clinical or administrative operations who are not enrolled in an official training program.

Contact the Compliance Department for additional guidance.

### ***Contact with the Media***

We must contact the Stanford Children's Health News and Communications Department or the Stanford Health Care Office of Communications before responding to any media inquiries or initiating contact with the media. Additionally, communications with media involving patient information must comply with federal and state privacy laws in order to fulfill our legal and ethical duty to protect patient privacy.

### ***Contracting***

Stanford Children's Health and Stanford Health Care negotiate and enter into fair and equitable contractual arrangements with reputable vendors and individuals that meet the needs of our organizations. All arrangements must comply with applicable federal and state laws. Prior to executing arrangements for items and services, we verify that all contracted parties are eligible to participate in federal and state-funded

healthcare programs. All contracts with patient referral sources must be in-writing, as well as reviewed and approved by the Office of General Counsel. The *Contract Administration Policy* provides additional guidance on the contracting process.

### ***Accuracy of Records/Document Retention and Destruction***

It is our duty to create and maintain accurate and complete records, as well as only destroy organizational records, in compliance with federal and state laws and applicable policies. Stanford Children's Health and Stanford Health Care policies provide guidance on the proper creation, amendment, maintenance, retention and destruction of organizational records and documents. Contact the Compliance Department for additional guidance.

### ***Confidential Business Information***

Confidential information about our organization's strategy and operations is a valuable asset. Although you may use confidential business information as necessary to perform your job, it must not be shared with others outside the organization or internally with those who do not need to know about the information to perform their jobs. Confidential and proprietary business information covers anything related to our business or operations that is not publicly known, such as personnel files, wage and salary information, financial information, billing and pricing information, cost data, strategic plans, marketing strategies, projected earnings, techniques, employee lists, information related to investigations, disciplinary actions, supplier and contractor information, information related to acquisitions or joint ventures, policies and procedures, clinical and patient information, computer and system login IDs and passwords, emails, and proprietary computer software.

Even when you are no longer working here, you are still bound to maintain the confidentiality of information viewed, received or used during the course of your relationship with the organization. Copies or electronic files of any confidential or proprietary information in your possession when you leave the organization must be returned at the end of your employment or relationship with the organization.

In addition to proprietary and confidential information, it is our duty to abide by all laws, regulations and our policies related to intellectual property. Intellectual property includes patents, trademarks, copyrights and trade secrets. Stanford University's intellectual property must be protected from unauthorized use.

If you are provided with an email account to facilitate business communications within and outside the organization, all your emails are the property of Stanford Health Care or Stanford Children's Health. Management has the right to review your emails and to terminate your email account. You are responsible for the appropriate use of your email account.

Some tips on complying with our confidential business information policies include:

- Make sure you have the right to copy and distribute copyright material before you do so;
- Consult the relevant policies or contact the Compliance Department before you use the hospitals' or University's logo on any printed materials;
- Consult with the Compliance Department before you share any of our policies and procedures outside the organization; and
- Make sure you have authorization to download any software onto your workstation before doing so.

Use common sense to help prevent accidental disclosure of confidential information. Remember that you can be overheard in public places such as elevators, hallways, cafeterias and restaurants. Do not discuss confidential or proprietary information with family or friends, as they may not understand its significance or its confidential nature. You could be held responsible for the inadvertent disclosure of such information by a family member, friend or acquaintance.

If you are in doubt about whether information you are being asked to share is confidential or proprietary, or if you know it is confidential and proprietary but are not sure about whether the request is legitimate, contact your supervisor or the Compliance Department before you act.

### ***Requests for Information Pursuant to an Investigation or Legal Proceeding***

We promptly and appropriately respond to requests for information pursuant to a government investigation or legal proceeding. These requests may come in the form of a subpoena, summons, warrant, letter or verbal request. Only certain people are authorized to accept them on behalf of the organization. Accepting or acting on these requests may expose the organization, and sometimes you as an individual, to significant fines or other types of criminal, civil or administrative penalties. If you are asked to accept a legal document or to share information of any kind for any reason, immediately consult with your supervisor, the Compliance Department, the Risk Management Department, or the Office of General Counsel.

# INTEGRITY WITH REFERRAL SOURCES

## ***Anti-Kickback Laws***

The federal Anti-Kickback Law prohibits individuals and organizations, like Stanford Children's Health and Stanford Health Care, from knowingly or willfully offering or paying, directly or indirectly, any form of remuneration in return for, or to induce, the referral of any patient or business that is covered by Medicare, Medi-Cal or any other federal or state health care financing program. Remuneration includes kickbacks, bribes or rebates.

Similarly, the California Anti-Kickback law prohibits individuals and organizations from offering or paying, directly or indirectly, any form of remuneration as compensation or inducement for referring patients, clients or customers to our facilities regardless of the payor.

If one purpose or reason for a financial transaction or arrangement with an individual or organization is to induce that individual or organization to refer patients or business to Stanford Children's Health or Stanford Health Care, or to recommend the services of either organization, then such transaction or arrangement constitutes a violation of the anti-kickback laws.

All agreements involving patient referral sources, including physicians, hospitals, ambulance services, managed care organizations and other health care organizations and service providers, must be reviewed and approved by the Office of General Counsel prior to execution. The *Contracts Administration Policy* provides additional guidance.

## ***Physician Self-Referral Law***

We conduct all of our business practices with physicians in conformity with the federal Physician Self-Referral or "Stark" Law. The Stark Law prohibits referrals for certain Medicare items and services furnished by an organization with which the referring physician, or his or her immediate family member, has a financial relationship, unless a specific legal exception applies.

It is a violation of our *Physician Referral Stark Law Compliance Policy* and other organizational policies for us to enter into arrangements with or accept referrals from physicians that would violate the Stark Law. We are required to immediately report all known or suspected violations of any of these policies to the Compliance Department.

In addition to services provided by faculty physicians and fellows under the hospitals' contract for services with the School of Medicine, the hospitals may directly engage faculty physicians, fellows, and community physicians to provide certain services, such as on-call coverage, moonlighting, training, consulting or administrative services, and pay these physicians directly for such services. In such arrangements, there is a direct compensation relationship between the hospital and the physician and we must consult with the Office of General Counsel to execute a personal services agreement with the physician. We must strictly follow the *Contract Administration Policy* any time we enter into any business arrangement with physicians or their immediate family members, including services agreements, lease agreements and equipment agreements.

We must also strictly follow our organizations' *Business Courtesies to Physicians and Immediate Family Members* policies when offering non-monetary compensation or incidental benefits to physicians or their immediate family members. These policies discuss the guidelines that apply to all business courtesies,

such as meals, tickets, gifts, seminars, and events, offered to medical staff and outside physicians or their immediate family members. Contact the Compliance Department for additional guidance.

# INTEGRITY IN THE WORKPLACE

## ***Diversity and Equal Employment Opportunity***

We promote diversity in our workforce at all levels of the organization. We are committed to providing an inclusive work environment where everyone is treated with fairness, dignity and respect. We make ourselves accountable to one another for the manner in which we treat one another and for the manner in which people around us are treated. We strive to create and maintain a setting in which we celebrate cultural and other differences and consider them strengths of the organization.

Stanford Children's Health and Stanford Health Care is an equal opportunity workforce and no one shall discriminate against any individual with regard to race, color, religion, sex, national origin, age, disability, sexual orientation, veteran status or any other classification protected by law, with respect to any offer, term or condition, of employment. We make reasonable accommodations to the known physical and mental limitations of qualified individuals with disabilities. In all of our personnel actions, we comply with applicable laws and regulations related to nondiscrimination.

## ***Workplace Harassment***

As an organization, we are committed to maintaining an environment that is free of unlawful harassment and intimidation. Harassment includes any behavior or conduct that is based on a protected characteristic and that unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

Some examples of harassment are:

- Disparaging or abusive words or phrases;
- Persisting in the use of any name or term which you know may be offensive to that individual; or
- Sabotaging someone's work.

Harassment includes sexual harassment. The determination of what constitutes sexual harassment may vary with the particular circumstances. In general, unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature may constitute sexual harassment when:

- Submission to such behavior is made a term or condition of employment;
- Submission to or rejection of such behavior is used as a basis for making employment decisions; or
- Such conduct unreasonably interferes with someone's work performance or creates an intimidating, hostile, or offensive work environment.

Some examples of sexual harassment may be:

- Making sexual comments about a person's body;
- Repeatedly asking for a date after that person has said no;
- Discussing someone's sex life, including your own;
- Staring at someone;
- Making facial expressions, like winking, throwing kisses, licking lips; or
- Looking a person up and down.

The organization will take appropriate action to prevent unlawful harassment, including sexual harassment. People who engage in such behavior will be subject to corrective action, up to and including termination. If you believe you are being harassed, or witness behavior you feel is harassment, you should contact one of the following:

- Your immediate supervisor or, in cases involving behavior of your immediate supervisor, the next-level supervisor or manager;
- Employee and Labor Relations in the Human Resources Department; or
- The Compliance Hotline, including reporting concerns anonymously.

### ***Workplace Violence and Workplace Safety***

Stanford Children's Health and Stanford Health Care have zero tolerance for threats or acts of violence in the workplace. Workplace violence includes physical assaults or actions or statements that give us reasonable cause to believe that our personal safety or the safety of others may be at risk. Employees or medical staff who engage in physically abusive and/or violent behavior (even those made in jest) shall be subject to disciplinary action up to and including removal from SHC facilities, termination of employment and/or referral to appropriate law enforcement agencies. If you perceive a certain behavior as physically threatening or intimidating, you should immediately report it to

- Your immediate supervisor or, in cases involving behavior of your immediate supervisor, the next-level supervisor or manager;
- Employee and Labor Relations in the Human Resources Department; or
- The Compliance Hotline, including reporting concerns anonymously.

In the event of an emergency situation, you should pull a 'Panic Alarm' if one is available and accessible. In cases of imminent danger of bodily harm, call the Security Department at 211 and then call a second person to assist, as needed. Reported events will be investigated and, if warranted, appropriate support will be provided to the victim(s). The hospitals will track these reports and evaluate trends to develop and implement precautionary measures.

As part of our overall commitment to maintain a healthy and safe environment for our patients, employees and others, we strive to keep our facilities physically secure. We are issued photo ID badges that must be worn above the waist at all times. It is your responsibility to keep your badge in your possession and not let any other person borrow it. If it is lost or stolen, notify the Security Office immediately. In addition, be aware of your surroundings and report any suspicious person or activity to your supervisor or the Security Office.

### ***Workplace Health and Safety***

In our continuing commitment to an environment of healing and good health, both hospital campuses are smoke free. As leaders in healthcare, we have an obligation to assert strongly the demonstrable risks of smoking. Smoking is not permitted anywhere inside the hospital buildings and outside anywhere within the geographic area bounded by Welch Road, Quarry Road and Campus Drive West.

The use of illegal drugs and abuse of controlled substances in the workplace is prohibited. As a condition of employment, any involvement in the unlawful use, sale, manufacture, distribution or possession of controlled substances, illicit drugs and/or unauthorized use of alcohol in the workplace or working under the influence of such substances is prohibited. We encourage employees with alcohol or drug

dependencies to seek treatment and/or rehabilitation. For further details, please contact your supervisor or consult the *Substance Abuse-Free Workplace Policy* in the Human Resources Manual.

We have an extensive safety program to reduce the risk of injury for patients, staff and visitors and to assure compliance with applicable federal, state and local codes and regulations, as applied to the buildings we inhabit and services we provide. It includes making sure that our department heads and managers have appropriate information and training to develop safe working conditions and safe work practices within their areas of expertise; using knowledge or safety principles to educate staff, design appropriate work environments, purchase appropriate equipment and supplies and monitor the implementation of the processes and policies; and regularly evaluating the environment for work practices and hazards to respond to identified risks, hazards and regulatory compliance issues. Our individual role in this endeavor is to learn and follow job and task specific procedures for safe operations. If you have questions about specific policies that apply to your job or task, please speak with your supervisor.

### ***Hiring of Current and Former Government Employees***

Complex legal and ethical limitations exist in the recruitment and employment of current or former federal government employees. If we hire former Fiscal Intermediary, Carrier, or Medicare Administrative Contractor personnel, we are required in certain instances to notify the U.S. Department of Health and Human Services within 30 days of the first day of employment. Each situation should be evaluated on an individual basis to ensure that we comply with this and other U.S. Government Conflict-of-Interest laws. Human Resources should be consulted before any discussions of employment with these individuals may occur.



# INTEGRITY IN DECISION MAKING

Our *Code of Conduct* helps us to make ethical business decisions. However, it is not designed to address every issue. You may face a situation where the right course of action is unclear. Ask yourself the following questions when you are unsure of what to do:

- Is it inconsistent with our mission and values?
- Is it illegal?
- Is it unethical?
- Could it harm patients?
- Could it harm our co-workers, colleagues, or physicians?
- Could it harm government programs?
- Could it harm our financial health?
- Would our organization be compromised or embarrassed if it became public knowledge?
- Would we be uncomfortable reading about it in the newspaper?
- Is it unfair or inappropriate?
- Could it adversely impact our organization if everyone did it?
- Is it inconsistent with our policies or our *Code of Conduct*?

If you are still unsure what decision to make or what action to take, talk to your supervisor or consult with the Compliance Department.

It is critical that our Compliance Integrity Program is effectively communicated throughout all levels of the organization. Compliance is the responsibility of each of us. The Compliance Department welcomes constructive input regarding its Compliance Integrity Program and our *Code of Conduct*. If you have comments, suggestions or questions, please submit them to the Compliance Department.

*Compliance Department*

*650-724-2572*

*ComplianceOfficer@stanfordhealthcare.org*

*PrivacyOfficer@stanfordhealthcare.org*

*24 Hour Hotline, including making anonymous calls 800-216-1784*