



## CODE OF CONDUCT

**Purpose:** The purpose of the Employee Code of Conduct policy is to strengthen the ethical environment of Mid-Atlantic Health Care and its managed facilities by providing guidance on the principles, standards, and responsibilities of conduct for all employees in the performance of their duties. All employees, as well as those professionals who enjoy professional staff privileges, must carry out their duties for Mid-Atlantic Health Care and its managed facilities in accordance with this code of conduct.

Conduct that does not comply with these standards is not authorized by Mid-Atlantic Health Care and is outside the scope of employment or professional staff membership. Any violation of applicable law or deviation from appropriate ethical standards, will subject an employee or independent professional to disciplinary action, which may include oral or written warning, disciplinary probation, suspension, and demotion, dismissal from employment or revocation of privileges. These disciplinary actions also may apply to an employee's supervisor who directs or approves the employee's improper actions, or is aware of those actions but does not act appropriately to correct them or who otherwise fails to exercise appropriate supervision.

If, at any time, an employee or professional staff member becomes aware of any apparent violation of Mid-Atlantic Health Care's policies, he or she must report it. All persons making such reports are assured that such reports will be treated as confidential to the extent permissible and that such reports will be shared only on a bona fide "need to know" basis. Mid-Atlantic Health Care will take no adverse action against persons making such reports in good faith and without malicious intent whether or not the report ultimately proves to be well founded. In addition, Mid-Atlantic Health Care will not tolerate retaliation of an employee that reports a violation by another employee. If an employee or professional staff member does not report conduct violating Mid-Atlantic Health Care's policies, the employee or professional staff member may be subject to disciplinary action up to and including termination of employment or revocation of privileges.

The laws affecting the operation of Mid-Atlantic Health Care's activities are complex and many. It is not expected that each employee will be fully versed in all laws of permissible activities involved in their work. Therefore, if an employee has a question regarding the legality or propriety of a course of action, the employee should seek guidance from his or her supervisor or from the Chief Compliance Officer (410) 308-2300, Ext 227, before taking any action. These behavioral expectations are directly derived from core values, which are:

- \*Respect towards our residents, their families and each other, \*Honesty,
- \*Integrity, \*Ethics, \*Compassion, \*Commitment to Excellence, \*Compliance to all laws, \*Respect for clinical practice guidelines and professional standards,

\*Provide safe care to our residents and dignity.

\* Concern for their personal

**Scope:** Mid-Atlantic Health Care Employee Code of Conduct applies to all employees and independent contractors at Mid-Atlantic Health Care and its managed facilities regardless of employment status. This Employee Code of Conduct represents guiding principles only – it cannot anticipate all circumstances and situations that employees may encounter. The exercise of good judgment is still expected from employees at all times. If in doubt in regards to appropriate behavior or course of action, Mid-Atlantic Health Care strongly encourages employees to seek out guidance from others in the organization including supervisors, the Human Resources Department, the Finance Department, and/or the Chief Compliance Officer.

**Responsibility and Authority:** All members of management are responsible for implementing and enforcing the Employee Code of Conduct in consultation with the Compliance Department. On an annual basis, employees are required to sign an acknowledgement that they have read, understand, and agree to comply with the Employee Code of Conduct. If an employee becomes aware of a serious breach of this Employee Code of Conduct, the employee has a responsibility to report that breach to the Chief Compliance Officer, or utilize the Mid-Atlantic Health Care's Hotline at 1-866-432-0577. Any employee who reports a breach in good faith is protected from reprisal for doing so, even if the reported breach is not confirmed through investigation. Any questions regarding the scope, interpretation, or application of the Employee Code of Conduct should be referred to your Nursing Home Administrator or to the Chief Compliance Officer.

**Employee Ethics:** The ethical behavior of Mid-Atlantic Health Care employees and its managed facilities is essential to maintaining the public's confidence and trust. This code emphasizes that Mid-Atlantic Health Care and its managed facilities employees are professionals who are resolved to uphold Mid-Atlantic Health Care and its managed facilities' legal obligations and ethical ideals. While employees must always be guided by their own professional judgment, Mid-Atlantic Health Care hopes that consideration of this code will help when difficulties arise.

**Rights:** Mid Atlantic Health Care and its managed facilities believes its residents deserve care with concern for personal dignity and independence. Mid Atlantic Health Care sees these as important factors in the healing process. It is the responsibility of the staff at the various facilities sites managed by Mid Atlantic Health Care to respect and preserve these rights for those who come to our managed facilities for care. Employees have a right to be respected and should be respectful to their co-workers, supervisors and residents. If an employee feels as though he or she has been treated badly, the employee may present it to their immediate supervisor, Human Resources, or Compliance (if appropriate).

**Compliance with Laws and Regulations:** Employees must comply with the laws and regulations that impact Mid-Atlantic Health Care and its managed facilities and how they do their jobs. All efforts should be made by employees to ensure their co-workers do the same. In an effort to integrate healthcare law updates and its impact on long term care facilities, tutorials via

teleconference, web training, or in person training will be implemented to teach and educate in a dynamic process to facilitate employee compliance and resultant top quality care.

Mid-Atlantic Health Care and its facilities are working to meet the challenging goals through successful implementation of both the HIPAA and HITECH Acts. As the country moves towards its goal of a National Health Information Infrastructure (NHII), protecting the confidentiality, integrity, and availability of health information becomes even more critical. In compliance with two primary purposes of HIPAA and HITECH, Mid-Atlantic Health Care strives to implement appropriate security safeguards to protect certain electronic health care information that may be at risk, specifically:

- (1) Protecting an individual's health information, while permitting the appropriate access that ultimately promotes the use of electronic health information in the industry.
- (2) Commitment to maintaining or surpassing industry standards for protection of client information.

Employees may come into contact with privileged information. The employee has the duty to the Residents to protect the confidentiality of all such information. Mid-Atlantic Health Care employees will strive to maintain the standards for ensuring that only those who should have access to health information will actually have access. Any private information obtained by the employee must be kept confidential. It is important for employees to note that the HIPAA/Privacy Rule applies to all forms of residents' protected health information, whether electronic, written, or oral. Employees all have a duty to secure resident's personal health information.

**Employees Respect for Others:** Mid-Atlantic Health Care and its managed facilities values courtesy, honesty, diversity, tolerance, equity and dignity. All employees have the right to feel safe and comfortable in their place of work. Employees must behave respectfully and professionally in all interactions with colleagues, suppliers, customers, or the public at large. Discriminatory, offensive, intimidating, humiliating and otherwise disrespectful behavior will not be tolerated. Cursing, use of threatening tones and/or use of offensive language may be grounds for immediate termination.

Dealing with residents and their families, vendors, consultants, upper management requires the utmost care and patience to ensure that the highest level of respect is maintained. Actions that enhance the positive image of each nursing home are highly encouraged. Employees will refrain from discussing work related issues with family members and will cooperate with and support their fellow professionals in a team effort to build a positive work environment conducive to top quality care.

**Protection of Supplies, Equipment and other Assets:** Employees are provided access to Mid-Atlantic Health Care and its managed facilities' equipment, supplies and tools and other assets for the purpose of performing work-related activities. Mid-Atlantic Health Care and its managed facilities' assets will not be used for anything other than legitimate business. Employees are expected to take good care of equipment, supplies, and other skilled nursing home equipment in

their possession and will take reasonable actions to protect these assets from damage, loss, misuse or theft. All unlawful acts, including theft of materials will be reported to the local authorities.

**Health and Safety:** Leadership at Mid-Atlantic Health Care and its managed facilities is committed to providing a clean, safe and healthy workplace for all employees. Employees must comply with all safety policies and directives and must take reasonable precautions to ensure not only their own safety and health, but also that of others. Employees are obligated to report any unsafe conditions to the Nursing Home Administrator (NHA), Director of Human Resources and /or the Regional Director of Operations (RDO).

**Conflict of Interest:** A conflict of interest exists if an employee engages in activities or has any personal interests which might conflict with, or even have the appearance of conflicting with, the interests, obligations or duties of Mid-Atlantic Health Care and its managed facilities or one of our customers. A conflict of interest may arise due to the following circumstances: access to information, community activities, and dealings with competitors, consulting, endorsements, and financial interest in another company, giving or receiving of gifts or hospitality, and other employment. If a conflict of interest exists or an employee knows of a conflict of interest existing with another employee, this information must be disclosed immediately to their immediate supervisor, LTC Administrator, and the Chief Compliance Officer.

**Media Relations:** All inquiries from the media must be directed to Chief Executive Officer. Mid-Atlantic Health Care and its managed facilities' confidentiality, privacy, and security policies must be taken into consideration before any information is publically disclosed.

**Social Media Policy:** Employees are required to maintain and expand their understanding of the social issues that arise in relation to their work environment and communicate that understanding to others where appropriate. Employees are to refrain from discriminatory slurs, innuendos, or humor in bad taste which is offensive to others. Employees will not act with, nor tolerate from others, discrimination against other employees in the performance of their work duties. Employees will not exercise their authority other than is necessary for their role, and then only to a degree that is necessary to perform that role, while remaining within established policies.

The employees of Mid-Atlantic Health Care and it managed facilities shall follow and abide by the following social media policies:

1. We prohibit the use of employer related information, such as name with place of employment, in any kind of posting which promotes unprofessional or illegal, or unethical conduct.
2. We prohibit the disclosure/use of any sensitive, propriety, confidential or financial information about Mid-Atlantic Health Care or its managed facilities.
3. We prohibit an employee from implying the endorsement of Mid-Atlantic Health Care or one of its designated facilities in any statement or posting.

4. We prohibit an employee of Mid-Atlantic Health Care or its managed facilities from engaging in conduct that would violate the policies of anti-harassment and anti-discrimination.

Mid-Atlantic Health Care and its managed facilities have the right to monitor employee internet, email, and other technology while employee uses employer-owned equipment and software with or without prior notice to employee. Employees of Mid-Atlantic Health Care and its managed facilities should have no expectation of privacy in their use of employer owned computer equipment, e-mail, internet, software and all company telephones. Any employee of Mid-Atlantic Health Care or its managed facilities that violates social media workplace policies may be subject to discipline up to and including termination of employment. At no time are employees of Mid-Atlantic Health Care or its managed facilities allowed to utilize their company e-mail for non-work related activities.

**Work Ethic:** A top-quality work ethic will be required to maintain high levels of quality resident care. Employees are expected to perform their appropriate duties in a timely fashion. Employees are placed in such a position of impact upon the lives of residents in each of their respective facilities and require a level of trust that can only be maintained by outstanding performance and moral conduct. Enforcement: Any employee who is found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

**Resident Care and Rights:** It is the policy of Mid-Atlantic Health Care and its managed facilities to provide the highest quality of care to its residents. Mid-Atlantic Health Care and its managed facilities believes that state and federal regulations governing operations provide a minimum baseline of care standards which Mid-Atlantic Health Care and its managed facilities strives to exceed in the provision of care and services to our residents. Each resident will receive services in accordance with a comprehensive plan of care developed by an interdisciplinary care team based on periodic comprehensive assessments of the resident's condition as stated by federal law, CFR 483.20 (k)(1). Each plan of care is designed to ensure that Mid-Atlantic Health Care and its managed facilities provides care and services to its residents that optimize physical and psychosocial functioning in a supportive and caring environment. Each resident is entitled to a dignified existence, self determination and the provision of care and services in a manner and in an environment that promotes the maintenance or enhancement of a resident's quality of life. It is Mid-Atlantic Health Care and its managed facilities' policy to protect, promote and foster for each resident his/her rights as a resident of one of our skilled nursing homes.

**QAPI, Kryterium Room, and Avoiding Unnecessary Re-Hospitalizations:** Mid-Atlantic Health Care and its managed facilities have developed a Quality Assurance Program Improvement (QAPI) which is data driven, proactive approach to improving the quality of life and, care, and services in our nursing homes. The activities of QAPI involve members at all levels of Mid-Atlantic Health Care's Quality Assurance Committee which,

at a minimum, is composed of the Administrator, Director of Nursing, Medical Director, Dietician, Geriatric Nursing Assistant/ Certified Nursing Assistant and Social Worker. The QA Committee is designed to objectively and systematically monitor and evaluate the quality of all aspects of the policies and procedures to ensure quality of care and the protection and promotion of resident rights which are to be adhered to by Mid-Atlantic Health Care and its managed facilities' staff. It is not the intent of this Manual to set forth all such policies and procedures but to identify several of the more significant ones which are:

1. Assure that care and services are provided in compliance with the standards and regulations, including monitoring of resident outcomes through identifying areas that do not meet set thresholds on a Monthly Outcome Reports. A Threshold and Trends Report is forwarded to the Chief Medical Director for review and input.
2. All resident plans of care will be developed by an interdisciplinary care team based upon the periodic comprehensive assessment of the resident's condition which shall include measurable objectives and timetables to meet the resident's medical, nursing, mental and psychosocial needs.
3. Monitoring of the Kryterium Room which is an ongoing, interdisciplinary care and quality management system used to identify and resolve areas of immediate risk. Kryterium Room meets twice daily Monday through Friday. The morning meeting is for risk identification and the afternoon meeting is for risk resolution.
4. Residents are free from verbal, mental, sexual or physical abuse, corporal punishment or involuntary seclusion.
5. Provide top quality care to avoid unnecessary re-hospitalizations and emergency room visits. Mid-Atlantic Health Care's policies and procedures with regard to resident rights and resident care are available from the Administrator's office, the Director of Social Services or the Director of Nursing.

## **DETECTING FRAUD AND ABUSE**

**Detection and Prevention of Fraud, Waste and Abuse:** Each employee is expected and is able to raise concerns and make reports without fear of reprisal or retaliation. Should an employee suspect any fraudulent, wasteful, or abusive activity or want additional information about this policy, he or she should immediately call the Mid-Atlantic Health Care Hotline Line at [1-866-453-0577](tel:1-866-453-0577), or call 410-308-2300 Ext. 227 to speak confidentially to the Chief Compliance Officer. Mid-Atlantic Health Care's ("MAHC") policy to evaluate and respond to all reports of possible violations of the federal or state of (MD, PA, ) MAHC encourages staff and employees of MAHC and its managed facilities to report known or reasonably suspected serious fiscal irregularities, violations of law and regulation, serious departures from MAHC policy. Uncertainty about the best means to make a report of a serious concern should not delay or prevent use of the MAHC Hotline to bring the concern to MAHC's attention. A report should provide information and, when possible and lawful, documents or data to support the

allegations in the report. We believe that we amply demonstrate our commitment to employees by responding directly to employee concerns and employees while remaining anonymous. Any employee that presents or causes to be presented a claim or written statement that the employee knows or has reason to know is false, fictitious or fraudulent due to an assertion or omission will result in disciplinary action up to and including discharge.

**Fraud and Abuse, Anti-Kickback and Referrals:** Staff will never offer, pay, solicit or receive any money, gifts, premiums or services in return for the referral of consumers or to induce the purchase of items or services. Any Staff member who receives any monies, gifts, premium or services from facility residents will be disciplined, including immediate termination. Financial exploitation of the elder is a serious crime, and all employees who engage in allegations of such crime will be reported to the police and their respective professional certifying/licensing agency.

The following are policies and procedures of Mid-Atlantic Health Care and its managed facilities with respect to compliance with Federal and State anti-kickback statutes, Maryland Whistleblower Law, Maryland Self-Referral law, as well as the Stark Physician Self-referral Law.

- a. All of Mid-Atlantic Health Care and its managed facilities' contracts and arrangements with referral sources shall comply with all applicable statutes and regulations.
- b. Mid-Atlantic Health Care and its managed facilities does not submit or cause to be submitted to the Federal Health Care Programs claims for residents who were referred to our managed facilities pursuant to contracts and financial arrangements that were designed to induce such referrals in violation of the Anti-Kickback Statute, Stark physician self-referral law, or similar Federal or State statute or regulation.
- c. Mid-Atlantic Health Care and its managed facilities does not enter into financial arrangements with physicians that are designed to provide inappropriate remuneration to Mid-Atlantic Health Care in return for the physician's ability to provide services to Federal health care program beneficiaries at that skilled nursing home.
- d. This Code reflects the requirements of laws and policies that relate to ethical conduct, including the Maryland Public Ethics Law, the Maryland Whistleblower Law and the Pennsylvania Whistleblower Act. The Mid- Atlantic Health Care ("MAHC") Compliance Hotline will be broadly publicized through appropriate communications with MAHC Personnel and by postings on appropriate MAHC websites accessible to MAHC and its managed facilities personnel and to the public. MAHC has posted Hotline numbers throughout each facility ("Report Procedures") that will be followed for making reports to the MAHC Hotline, investigating reports that fall under the Maryland Whistleblower

Law, and the Pennsylvania Whistleblower Act protecting reporters from reprisals, and making appropriate referrals of issues for investigation (for example, the OIG, DOJ or other federal agencies, and law enforcement agencies).

- a. The following specific activities are prohibited by law and are not to be engaged in by any Party of the Mid-Atlantic Health Care and its managed facilities employees. No Party shall:

- i. Make any statement of any kind in any claim or application for benefits which are known or should have been known to be false;
- ii. Retain funds from any program for services not eligible or appropriately provided;
- iii. Submit any claims for a health care services based on false qualifications;
- iv. Submit any claim for services that he/she has reason to believe were not medically necessary;
- v. Pay or offer to pay for referrals of individuals for services;
- vi. Receive any payment for referrals of individuals for services; Federal and state law prohibit Mid-Atlantic Health Care and its managed facilities employees from soliciting or accepting or offering or paying remuneration in exchange for referrals of patients eligible for Medicare, Medicaid or another federal health care program. Federal and state law also prohibit (1) the offering or payment or (2) the soliciting or receipt of remuneration in return for directly purchasing, leasing, ordering, or recommending the purchase, lease or ordering of any goods, facilities, services or items covered under the benefits of Medicare, Medicaid or other federal health programs. The term “remuneration” broadly covers the transferring of anything of value in any form or manner whatsoever. Remuneration is not limited to bribes, kickbacks and rebates. These federal and state laws are broadly written to prohibit Mid-Atlantic Health Care employees and it managed facilities from knowingly and willfully offering, paying, asking or receiving any money or other benefit, directly or indirectly, overtly or covertly, in cash or in kind.
- vii. Make any false representations regarding service delivery or coverage of any consumer services;
- viii. Conspire to defraud a health care entitlement program, governmental agency or any other responsible employee or contractor;
- ix. Steal any funds or other assets;

- x. In any way prevent or delay the communication of information or records related to a health care offense to the Chief Compliance Officer, and/or your immediate supervisor.

**Secret Commissions:** Regarding Mid-Atlantic Health Care and its skilled nursing facilities business activities, employees may not receive payment or compensation of any kind, except as authorized under Mid-Atlantic Health Care and its managed facilities' remuneration policies. In particular, Mid-Atlantic Health Care and its managed facilities' strictly prohibit the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law. There are many transactions that may violate these laws. It is impossible to list each and every potential violation of these laws. The following examples are illustrative of prohibitive activity under these laws:

1. Receiving free goods or services from a vendor in exchange for the purchase of other goods and services;
2. The offering or making of gifts, loans, rebates, services or payments of any kind to an individual or entity that is an actual or prospective referral source;
3. Entering into a professional service, management service or consulting service agreement where payment is based on other than fair market value or is based on the volume of referrals, i.e., percentage of revenue generated.

Federal regulations known as the "Safe Harbor" regulations provide that certain payment practices will not violate these laws if the regulatory requirements for such payment practices are adhered to. The "Safe Harbor" regulations are intended to help providers protect against abusive payment practices while permitting legitimate ones. If an arrangement fits within a "Safe Harbor" it will not create a risk of criminal penalties and exclusion from the Medicare, Medicaid or other federal health care programs. "Safe Harbor" protection is available for certain payment practices, including the following:

1. Investment interest;
2. Space rental;
3. Equipment rental;
4. Personal service and management contracts;
5. Sale of practice;
6. Referral services;
7. Warranties;
8. Discounts;
9. Payments to employees;
10. Group purchasing organizations;
11. Certain waivers of beneficiary co-insurance and deductible amounts by hospital;
12. Increased coverage, reduced cost sharing amounts or reduced premium amounts offered by health plans;
13. Price reductions offered to health plans.

Analysis of payment practices under these laws and the “Safe Harbor” regulations is complex and depends on the specific facts and circumstances of each transaction. Employees should not make unilateral judgments on the availability of a “Safe Harbor” for a payment practice, investment, discount or other arrangement. These situations should be brought to the attention of the Chief Compliance Officer. As a result of the foregoing, all contracts and arrangements with actual or potential referral sources and all contracts and arrangements with vendors must comply with applicable state and federal laws and regulations.

All personal service, management service and consulting service agreements must comply with applicable state and federal laws and regulations. Moreover, any other financial or other business arrangement between Mid-Atlantic Health Care and its managed facilities employees’ and other health care professionals or providers must be structured to comply with all applicable state and federal laws and regulations. If questions arise regarding whether a proposed business arrangement, financial arrangement, or contract is in compliance with federal or state law, an employee is required to seek guidance from the Chief Compliance Officer who in turn may seek appropriate guidance from legal counsel.

### **Code of Conduct Acknowledgement**

## Employee Agreement

I have read and understand the Mid-Atlantic Health Care, LLC and its managed care facilities Employee Code of Conduct. I understand that I am bound to comply with this Code of Conduct and if I violate the rules explained herein, I may face legal or disciplinary action according to applicable law or company policy.

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Employee Print Name

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Employee Signature

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Date