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St. Luke's Hospital

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Standards Of Ethical Business Practice

PURPOSE:

St. Luke's Holding Company (St. Luke's) is proud of the values that drive our success. These values shape an environment and culture that nurtures the highest standards in business ethics and personal integrity. These same ethics and values are displayed in our commitment to excellence in the services we provide. We have reached an exemplary level of corporate citizenship that is a benchmark within health care. It is imperative that as individuals we understand and adhere to these principles and values to protect St. Luke's integrity and welfare.

SCOPE & RESPONSIBILITY:

These standards apply to all business activities within St. Luke's Holding Company.

Exactly what constitutes an unethical business practice is both a moral and legal question. St. Luke's recognizes and respects the right of each person covered by this policy to engage in activities that are private in nature and do not in any way conflict with or reflect poorly on St. Luke's. St. Luke's reserves the right, however, to determine when any activity represents a conflict with St. Luke's interests and to take whatever action is necessary to resolve the situation. All persons covered by this policy are required to disclose any activities, associations or interests that may conflict with this policy in an effort to resolve the situation(s) in an effective, timely manner, that is in the best interests of St. Luke's. All persons covered by this policy must also promptly report a violation or suspected violation of law or the Compliance Program. Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited.

PROCEDURE:

In order to achieve the above objectives, St. Luke's has developed Standards of Ethical Business Practice. These standards apply to all St. Luke's Board members, associated physicians, and employees. The Standards of Ethical Business Practice and certification statements are described in each of four groups: Board members, employed physicians, non-employed physicians, and employees. Members of each of these categories are expected to certify their compliance with the applicable standards (frequency and method defined in each section below).

Responsibility for administration of this policy is shared by the St. Luke's Administration Office, Human Resources (HR), the Office of the General Counsel, the Compliance Department, and all St. Luke's leadership. Specific responsibilities are defined by certifying groups below:

Board Members:

The procedures for compliance by Board members (including the committees/councils) include:

- A. Prior to a prospective new Board member's election/appointment, the Board shall determine whether the prospective new Board member has potential and/or actual conflicts of interest, lacks the willingness to serve the company and not third parties or represented constituencies, and/or lacks the willingness to perform his/her fiduciary duties to the company, such that the candidate's service in such position would be precluded.
- B. Once the Board has finalized its slate of candidates for Board office, the Board Member Standards of Ethical Business Practice and the Board Member Certification Statement will be shared, for informational purposes, with candidates who are not currently Board members to avoid any potential issues.
- C. Within 30 days of the St. Luke's annual Board meeting, the St. Luke's Administration Office will distribute the Board Member Standards of Ethical Business Practice and the Board Member Certification Statement to all Board members. All Board members are required to complete and return the Board Member Certification Statement within 30 days of dissemination. NOTE: Board members who are employees will receive the Employee Standards of Ethical Business Practice; however, employee-Board members will only be required to complete the Board Member Certification Statement, if they check the box at the bottom specifying that it will serve dual purpose for their employee form. The St. Luke's Administration Office will send a list of employee-Board members to the Human Resources Administrative Director to prevent duplication in the employee process.
- D. If a Board Member's Certification Statement is not received within 30 days of dissemination, a second request letter will be sent.
- E. Certification Statements not received within 45 days of dissemination will result in personal phone calls by the St. Luke's Administration Office requesting compliance. The St. Luke's Administration Office will also notify the St. Luke's President regarding non-compliance by trustees assigned to their Board/committee. It is the ultimate responsibility of the President to ensure all trustee certifications are received in a timely manner.
- F. If a Board member does not submit a Certification Statement within 60 days of the date of the initial request, the St. Luke's Administration Office shall advise the Compliance Officer (CO), who will advise the Compliance Committee. The Compliance Committee shall recommend appropriate action to the St. Luke's Board of Trustees. The St. Luke's Board of Trustees may take such action as it deems appropriate up to and including removal from the Board/committee/council.
- G. To ensure their accuracy and completeness, the Board Member Certification Statements will be reviewed by the St. Luke's Administration Office, who will compile spreadsheets of all disclosures. The spreadsheets will list all the Board members for that Board/committee, their current and prior year disclosures and allow space for comments.

The above spreadsheets will be reviewed as follows. Each reviewer will provide a response to the St. Luke's Administration Office regarding any undisclosed potential conflicts in a timely manner.

1. Chief Financial Officer, Legal Counsel, and St. Luke's President will review the master list.
 2. Vice President of Medical Affairs (VPMA) or designee will review disclosures for all the physician Board members.
- H. The St. Luke's Administration Office may provide the Board member with additional information that the

reviewers believe needs to be added to the Certification Statement to make it accurate and complete if the reviewers believe that an inaccurate or incomplete disclosure by the Board member was inadvertent and the non-disclosed information is of minor significance. The St. Luke's Administration Office shall advise the CO, who will advise the Compliance Committee of all other cases where the Certification Statement appears to be significantly inaccurate or incomplete.

- I. The St. Luke's Administration Office will conduct an audit of all Board Member Certification Statements, addressing the following objectives:
 1. All statements were received.
 2. All Conflicts of Interest were identified based on the disclosures listed by the members and any additions identified through the above described process. Procedures to determine conflicts include:
 - a. Generating a list of all disclosed companies/agencies/organizations and comparing the list to accounts payable activity. For those companies/agencies/organizations that received payments from St. Luke's totaling greater than \$50,000 in the preceding year, supporting documentation will be reviewed on a sample basis and leadership interviewed as appropriate to determine the nature of the relationship and ensure that transactions were conducted at fair market value.
 - b. For individuals who received payments from St. Luke's totaling greater than \$20,000 in the preceding year, supporting documentation will be reviewed on a sample basis and leadership interviewed as appropriate to determine the nature of the relationship and ensure that transactions were conducted at fair market value.
- J. Significant potential Conflicts of Interest will be reviewed with General Counsel for recommendations to the Compliance Committee for corrective action.
- K. The Board Member Certification Statements are maintained for a minimum of ten (10) years.
- L. All Board members are required to disclose immediately to the Board Chairperson, the President, or Legal Counsel, any new potential conflicts of interest or conflicts with the standards that may arise. Corrective action will be taken by the Board of Trustees as warranted.
- M. Failure to file the Certification Statement, or the filing of a false or incomplete Certification Statement, or failure to disclose immediately any new conflicts of interest that may arise, or failure to cooperate without condition, honestly and completely with any investigation or review of the Board member's Certification Statement or his/her actions or circumstances shall be grounds for sanction by the Board of Trustees up to and including removal from the Board/committee/council.
- N. 61 days after dissemination of the Statements, the Administration Office will forward the CO a report of Board members who have signed and returned the annual Board Member Certification Statement, significant potential conflicts disclosed and the resolution of such conflicts.
- O. The CO will issue a report to the Compliance Committee regarding the findings under #14.

Physicians:

This policy, the Physician Standards of Ethical Business Practice and the Physician Certification Statement are designed to address business activities and associations. They are in no way intended to interfere with the physician/patient relationship. Physicians are expected to act in the best interest of their patients in providing medical care.

The *core* procedures for physician compliance include:

- A. Upon initial appointment to the St. Luke's Medical Staff and at each re-credentialing cycle, the Medical

Staff Office will distribute the Physician Standards of Ethical Business and the Physician Certification Statement to all non-employed, contracted physicians. However, the VPMA may waive this requirement on a case-by-case analysis if a business need requires a contract and we cannot hold the physician to our Standards, i.e. on-call coverage with otherwise non-affiliated physicians. Those physicians who are employed will be required to sign the Physician Certification Statement along with the initial employment contract. Thereafter, employed physicians will be required to complete the Employed Physician Certification Statement annually. NOTE: Physicians who are Board members must also comply with the Board Member Standards of Ethical Business Practice and complete the Board Member Certification Statement per the above process.

- B. All physicians are required to disclose immediately to the VPMA or his/her designee any new potential conflicts of interest or conflicts with the Physician Standards of Ethical Business that may arise. The physician may do this by completing a Certification Form or contacting the VPMA directly. The VPMA may seek guidance from Legal Counsel. Corrective action will be taken by the VPMA or the Board of Trustees as warranted.
- C. The Office of General Counsel will review the Physician Certification Statements on a sample basis as part of a physician contract review.
- D. Failure to comply with the Physician Standards of Ethical Business, or failure to disclose immediately any new conflicts of interest that may arise, or failure to cooperate without condition, honestly and completely with any investigation or review of the physician's actions or circumstances relative to the Standards shall be grounds for sanction by the VPMA or the Board of Trustees up to and including termination of the physician's association/contract with St. Luke's.

Employed physicians will be required to certify annually per the following process:

- A. The employed physician will certify annually via a Health Stream assignment. This certification will be in conjunction with completion of the required annual Compliance education.
- B. The HR Director or assignee will review and maintain all Certification Statements noting any items that either require disclosure per the transparency requirements and/or any items that may represent a conflict of interest as defined in the Employed Physician Standards of Ethical Business.
- C. Any items that meet criteria for public disclosure per the transparency requirements will be communicated to the appropriate physician, in advance of the posting, by the Administrator with primary responsibility for that physician's employment agreement. The assigned Administrator will then coordinate the posting of these items to the website.
- D. Any items identified that may represent a Conflict of Interest will be brought to the Compliance Committee for recommendations as to appropriate action as needed. Any issues the Committee determines are actionable, will have recommended sanctions pursued by the assigned Administrator and/or Board of Trustees as noted above.
- E. 31 days after the due date for completion of the Certification Statement, the HR department will forward the following to the CO:
 - 1. A report summarizing the number of annual Employed Physician Certification Statements sent and completed.
 - 2. Copies of any Employed Physician Certification Statements containing disclosures that warrant further review.
- F. Physician Certification Statements will be maintained for seven (7) years.

- G. Failure by a contracted physician to comply with the completion of the Certification Statement in the timeframes specified will preclude the physician from holding a leadership or governance position effective the due date of the Certification Statement and until a properly completed form is received by the assigned Administrator.
- H. The CO will issue an annual report to the Compliance Committee of physicians who have signed and returned the annual Physician Certification Statement, significant potential conflicts disclosed and the resolution of such conflicts.

Employees:

The procedure for employee compliance include:

- A. All new employees, including mid-level providers, in every department will be given a paper copy of the Employee Standards of Ethical Business and the Employee Certification Statement for new hires by HR and will be required to sign the Employee Certification Statement for New Hires prior to beginning their employment with St. Luke's.
- B. All Employee Certification Statements will be reviewed by the HR department. Any concerns will be addressed immediately and recommendations may be sought from the CO.
- C. Annually, all salaried employees and specifically identified hourly employees (other than employed physicians and Board members) will be required to sign an Employee Certification Statement, which will be assigned via Health Stream by Human Resources, in conjunction with the required annual Compliance education.
- D. 31 days after the due date for completion of the Certification Statement, the HR department will forward the following to the CO:
 - 1. A report summarizing the number of annual Employee Certification Statements sent and completed.
 - 2. Copies of any Employee Certification Statements containing disclosures that warrant further review.
- E. Employee Certification Statements will be maintained for seven (7) years.
- F. Employees unable to complete an Employee Certification Statement in the above timeframe will be tracked and their statement obtained at the earliest opportunity (i.e., return from a leave of absence) by the HR department. Corrective action will be taken with employees who are unwilling to complete an Employee Certification Statement, up to and including termination (see below).
- G. EXCEPTIONS: HR department will not assign the Employee Certification Standards or Statement to any employed physician (physicians will receive documents via the Physician procedures above) or to executives who serve on Boards per the list provided by the Office of the CEO (they will receive documents via the Board Member procedures above and will receive the Employee Standards of Ethical Business Practice in addition to the Board Member documents).
- H. Failure to file the Certification Statement, or the filing of a false or incomplete Certification Statement, or failure to disclose immediately any new conflicts of interest that may arise, or failure to cooperate without condition, honestly and completely with any investigation or review of the employee's Certification Statement or his/her actions or circumstances shall be grounds for sanction up to and including termination of employment.
- I. If the Human Resource Administrative Director identifies an employee who has failed to comply with the Standards by not completing or falsifying a Certification or otherwise not reporting a new conflict, he/she will bring the concerns to the Compliance Committee for review/ recommendation. Corrective action will

be taken by the appropriate parties based on the Committee's recommendation after considering the significance of the conflict, ease of resolution, exposure to St. Luke's, etc. If there is a conflict identified that is considered a significant exposure/risk for the system, a recommendation will be prepared for final approval of the St. Luke's President.

Attachments:

Standards of Ethical Business Practice - Attachment A - Board Member .docx
Standards of Ethical Business Practice - Attachment B - Board Member Certification.docx
Standards of Ethical Business Practice - Attachment C - Physician (Non-Employed).docx
Standards of Ethical Business Practice - Attachment E - Physician (Employed).docx
Standards of Ethical Business Practice - Attachment F - Physician (Employed) Certification .docx
Standards of Ethical Business Practice - Attachment G - Employee .docx
Standards of Ethical Business Practice - Attachment H - Employee (Annual) Certification .docx
Standards of Ethical Business Practice - Attachment I - Employee (New Hire) Certification.docx
Standards of Ethical Business Practice- Attachment D - Physician (Non-Employed) Certification .docx

Approval Signatures

Approver	Date
Laura Price: Quality Data Abstractor	12/2017
Rebecca Stevenson: Risk Manager	12/2017