



**Penn
Highlands
Healthcare**

PENN HIGHLANDS HEALTHCARE
204 Hospital Avenue
DuBois, PA 15801-0447

Welcome to Penn Highlands! Whether you are new to our team or an experienced member of our organization, we are delighted to have you with us.

The document you are about to read, our Code of Conduct, articulates our values and commitment to ethical conduct throughout our organization, and it is imperative that team members understand and appreciate these standards.

While we have grown considerably in recent years, we remain focused on what is important - patients and families.

Upholding our mission, vision, and values is essential in providing and improving care in the communities we serve, and the Penn Highlands Healthcare Code of Conduct ensures that we remain vigilant and continue to deliver on our commitment to our patients while striving to do what is right.

This Code of Conduct is part of our system-wide corporate compliance program and serves as direction to making ethically grounded choices that positively impact our patients and colleagues.

All members of the Penn Highlands Healthcare Family including our trustees, senior leadership, clinicians, employees, volunteers, and ancillary staff are required to observe this Code of Conduct, abide by our compliance policies, and report any non-compliant activity.

It is incumbent on all of us to promote a culture and atmosphere in our workplace that encourages transparency, ethical business practices, integrity, and compliance with all federal, state, and local laws and regulations.

If you have any questions about the Code of Conduct, or ethical concerns regarding any situation arising at one of our facilities, please contact your Supervisor, Human Resources, or the Compliance Office. If you wish to remain anonymous, you may call the Compliance & Privacy Message Line at 1-855-737-6788 (toll free).

Retaliation towards any employee reporting a concern, will not be tolerated.

Thank you for being a member of our dedicated team.

Sincerely,

Chief Executive Officer
Penn Highlands Healthcare



CODE OF CONDUCT

Policy and Procedure

PURPOSE

The Penn Highlands Healthcare (“PHH” or “Health System”) Board of Directors have adopted this Code of Conduct to provide standards by which Directors, Trustees, Officers, Medical Staff and employees of PHH will conduct themselves in order to protect and promote system-wide integrity and to enhance PHH’s ability to achieve the system’s mission.

INTRODUCTION

As used in this Code of Conduct, the term “Penn Highlands Healthcare (PHH)” refers to any of its divisions, subsidiaries, and operating or business units. The term “covered persons” refers to any “officers,” “directors,” “trustees,” “physicians,” “employees,” “volunteers,” and “contracted services” who fill such a role or provide services on behalf of PHH.

The Code of Conduct contains Principles articulating the policy of the organization and standards that are intended to provide additional guidance to persons functioning in managerial or administrative capacities. These standards are not intended to be exclusive or complete. Covered persons are required to comply with all applicable laws, whether or not specifically addressed in these policies. If questions regarding the existence, interpretation, or application of any law arise, they should be directed to the employee’s Department manager, the Compliance Officer or the Compliance Department. The Code of Conduct shall be distributed annually to board members, medical staff leadership, PHH leadership, and periodically to all covered persons. All covered persons are responsible to ensure that their behavior and activity is consistent with the Code of Conduct.

POLICY

PRINCIPLE 1 - LEGAL COMPLIANCE

PHH will strive to ensure all activity by or on behalf of the organization complies with applicable laws.

Standard 1.1 – Antitrust – All covered persons must comply with applicable antitrust and similar laws that regulate competition. Examples of conduct prohibited by such laws include: (1) agreements to fix prices, bid rigging, collusion (including price sharing) with competitors; (2) boycotts, certain exclusive dealing and price discrimination agreements; and (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair practices. Employees are expected to seek advice from his/her Department manager, the Compliance

Officer, or a member of the Compliance Department when confronted with business decisions involving a risk of violating antitrust laws.

Standard 1.2 – Tax-Exempt Status – As a nonprofit, tax exempt entity, PHH has a legal and ethical obligation to act in compliance with applicable laws, to engage in activities in furtherance of its charitable purpose, and to ensure that its resources are used in a manner which furthers the public good rather than the private or personal interests of any individual.

Standard 1.3 - Fraud and Abuse – PHH expects all covered persons to refrain from conduct that may violate fraud and abuse laws. The Federal False Claims Act, 31 U.S. Code Chapter 38, prohibits entities from submitting claims for payment by the federal government (Medicare, Medicaid, and other federal healthcare programs), when the claims are false. Examples of false claims include, but are not limited to: billing twice for the same service, billing for services not rendered, billing for medically unnecessary services or falsifying certificates of medical necessity, unbundling or billing separately for services that should be billed as one, falsifying treatment plans or medical records to maximize payments, and failing to refund overpayments.

The penalties for false claims can include fines for each false claim, repayment of the false claim, possible exclusion from participation in federal healthcare programs, and even jail time for individuals.

The False Claims Act also contains a whistleblower or “Qui Tam” provision. This provision allows individuals with actual knowledge of allegedly false claims to file a lawsuit on behalf of the U.S. government. If the case is successful, the whistleblower may share in the recovery.

Any employee who deliberately makes a false accusation with the purpose of harming or retaliating against PHH or another employee will be subject to discipline which may include termination from employment.

Standard 1.4 - Lobbying/Political Activity – PHH expects each of its covered persons to refrain from engaging in activity that may jeopardize the tax-exempt status of the organization, including a variety of lobbying and political activities.

1. No individual may make any agreement to contribute any money, property, or services of any officer or employee at PHH's expense to any political candidate, party, organization, committee or individual in violation of any applicable law. Officers and covered persons may personally participate in and contribute to political organizations or campaigns, but they must do so as individuals, not as representatives of PHH, and they must use their own funds.

2. Where its experience may be helpful, PHH may publicly offer recommendations concerning legislation or regulations being considered. In addition, it may analyze and take public positions on issues that have a relationship to the operations of PHH when PHH's experience contributes to the understanding of such issues.

3. PHH has many contacts and dealings with governmental bodies and officials. All such contacts and transactions shall be conducted in an honest and ethical manner. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit is absolutely prohibited. Any requests or demands by a governmental representative for any improper benefit should be immediately reported to his/her Department manager, the Compliance Officer, or the Compliance Department.

Standard 1.5 – Environmental – It is the policy of PHH to manage and operate its business in a manner that respects our environment and conserves natural resources. PHH covered persons will strive to utilize resources appropriately and efficiently, to recycle where possible and otherwise dispose of all waste in accordance with applicable laws and regulations, and to work cooperatively with the appropriate authorities to remedy any environmental contamination for which PHH may be responsible.

Standard 1.6 – Discrimination – PHH believes that the fair and equitable treatment of covered persons, patients, and other persons is critical to fulfilling its mission. It is a policy of PHH to treat patients without regard to race, creed, religion, sex, sexual preference, national origin, age, disability, or any other classification prohibited by law. No form of harassment or discrimination on the basis of race, creed, religion, sex, sexual preference, national origin, age, disability or any other classification prohibited by law will be permitted. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable human resources policies.

PRINCIPLE 2 - BUSINESS ETHICS

In furtherance of PHH's commitment to the highest standards of business ethics and integrity, covered persons will accurately and honestly represent PHH and will not

engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

Standard 2.1 - Honest Communication – PHH requires candor and honesty from individuals in the performance of their responsibilities and in communication with our auditors and outside regulatory or review organizations. No employee shall make false or misleading statements to any patient, person, or entity doing business with PHH about other patients, persons, or entities doing business or competing with PHH, or about the products or services of PHH or its competitors.

Standard 2.2 - Misappropriation of Proprietary Information – PHH covered persons shall not misappropriate confidential or proprietary information belonging to another person or entity nor utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. All PHH covered persons are responsible to ensure they do not copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Covered persons shall not utilize confidential business information obtained from competitors, including customer lists, price lists, contracts or other information in violation of a covenant not to compete, prior employment agreements, or in any other manner likely to provide an unfair competitive advantage to PHH.

PRINCIPLE 3 – CONFIDENTIALITY

PHH covered persons shall maintain the confidentiality of patients and other confidential information in accordance with applicable legal and ethical standards.

PHH and its covered persons are in possession of and have access to a broad variety of confidential, sensitive, and proprietary information, the inappropriate release of which could be injurious to individuals, PHH's business partners, and PHH itself. Every PHH employee has an obligation to actively protect and safeguard confidential, sensitive, and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

Standard 3.1 - Patient/Member Information – All PHH covered persons have an obligation to conduct themselves in accordance with the principle of maintaining the confidentiality of patient and member information in accordance with all applicable laws and regulations. Covered persons shall refrain from revealing any personal or confidential information concerning patients or members unless supported by legitimate business or patient care purposes. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should seek guidance from their Department manager.

Standard 3.2 - Proprietary Information – Information,

ideas, and intellectual property assets of PHH are important to organizational success. Information pertaining to PHH's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with covered persons or third parties should be protected and shared only with covered persons having a need to know such information in order to perform their job responsibilities. Covered persons should exercise care to ensure that intellectual property rights, including patents, trademarks, copyrights, and software is carefully maintained and managed to preserve and protect its value.

Standard 3.3 - Personnel Actions/Decisions – Salary, benefit, and other personal information relating to covered persons shall be treated as confidential. Personnel files, payroll information, disciplinary matters, and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws. Covered persons will exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

PRINCIPLE 4 - CONFLICT OF INTEREST

All board members, officers, and other persons engaged in leadership of the Health System owe a duty of undivided and unqualified loyalty to the organization. Persons holding such positions may not use their position to profit personally or to assist others in profiting in any way at the expense of the organization (Please refer to the PHH Conflict of Interest Policy for further guidance).

All covered persons are expected to regulate their activities to avoid actual impropriety and/or the appearance of impropriety which might arise from the influence of those activities on business decisions of PHH, or from disclosure or private use of business affairs or plans of PHH.

Standard 4.1 - Outside Financial Interests – While not all inclusive, the following will serve as a guide to the types of activities by a covered person, or household member of such person, which might cause conflicts of interest:

1. Ownership in or employment by any outside concern which does business with PHH. This does not apply to stock or other investments held in a publicly held corporation, provided the value of the stock or other investments does not exceed 5% of the corporation's stock. PHH may, following a review of the relevant facts, permit ownership interests that exceed these amounts if leadership concludes such ownership interests will not adversely impact PHH's business interest or the judgment of the covered person.
2. Conduct of any business not on behalf of PHH, with any vendor, supplier, contractor, or agency, or any of their officers or employees.

3. Representation of PHH by a covered person in any transaction in which he, she, or a household member has a substantial personal interest.

4. Disclosure or use of confidential, special, or inside information of or about PHH, particularly for personal profit or advantage of the covered person or household member.

5. Competition with PHH by a covered person, directly or indirectly, in the purchase, sale, or ownership of property or property rights or interests, or business investment opportunities.

Standard 4.2 - Services for Competitors/Vendors – No covered person shall perform work or render services for any competitor of PHH or for any organization with which PHH does business or which seeks to do business with PHH outside of the normal course of his/her employment with PHH without the approval of their respective PHH Corporate Office member of PHH or the person's Department manager. Nor shall any such employee be a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization without the approval from PHH Corporate Office or the person's Department manager.

Standard 4.3 - Participation on Boards of Directors/ Trustees, Committees

1. A covered person must obtain approval from his/her Department manager or PHH Corporate Office member before serving as a member of the Board of Directors/ Trustees of any organization whose interests may conflict with those of PHH.

2. A covered person who is asked, or seeks to serve on the Board of Directors/Trustees of any organization whose interest would not impact PHH (for example, civic [non-governmental], charitable, fraternal and so forth) will not be required to obtain such approval.

3. A covered person must disclose a list of all businesses or other organizations of which he or she is an officer, member, owner, or employee or for which he or she acts as an agent, with which the Health System has, or might reasonably in the future enter into, a relationship or a transaction in which he or she would have conflicting interests.

4. PHH retains the right to prohibit membership on any Board of Directors/Trustees where such membership might conflict with best interest of PHH.

5. Questions regarding whether or not Board participation might present a conflict of interest should be discussed

with a covered person's Department manager or PHH Corporate Office member and shall ultimately be decided by PHH.

PRINCIPLE 5 - BUSINESS RELATIONSHIPS

Business transactions with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

The Standards set forth below are intended to guide key covered persons in determining the appropriateness of the listed activities or behaviors within the context of PHH business relationships, including relationships with vendors, providers, contractors, third party payors, and government entities. It is the intent of PHH that this policy be construed broadly to avoid the appearance of improper activity. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, you should contact your Department manager, the Compliance Officer, or the Compliance Department.

(Note: PHH defines "nominal value" as not exceeding \$50)

Standard 5.1 - Gifts and Gratuities – It is PHH's desire to at all times preserve and protect its reputation and to avoid the appearance of impropriety. Consequently,

1. Gifts from Patients or Members. Covered persons are prohibited from soliciting tips, personal gratuities or gifts from patients and members and from accepting monetary tips or gratuities. Covered persons may accept gifts of a nominal value from patients and members. If a patient or another individual wishes to present a monetary gift, he/she should be referred to the Office of Fund Development.

2. Gifts Influencing Decision-making. Covered persons shall not accept gifts, favors, services, entertainment, or other things of value to the extent that decision-making or actions affecting PHH might be influenced. Similarly, the offer or giving of money, services, or other things of value with the expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer, government official, or other person by PHH is absolutely prohibited. Any such conduct must be reported immediately to either the Compliance Officer or the Compliance Department.

3. Gifts from Existing Vendors. Covered persons may retain gifts from vendors that have a nominal value. If an employee has any concern whether a gift should be accepted, the employee should consult with his/her Department manager. To the extent possible, these gifts should be shared with the covered person's co-workers. Covered persons shall

not accept excessive gifts, meals, expensive entertainment, or other offers of goods or services that have more than a nominal value nor may they solicit gifts from vendors, suppliers, contractors or other persons.

4. Vendor Sponsored Entertainment. At a vendor's invitation, an individual may accept meals and refreshments at the vendor's expense. Occasional attendance at a local theater or sporting events, or similar entertainment at vendor expense may also be accepted. In most circumstances, a regular business representative of the vendor should be in attendance with the employee. Such events should not exceed \$150.

Nothing in this policy shall prohibit a business unit or Department manager from establishing stricter rules to the acceptance of gifts, gratuities or other things of value from vendors.

Standard 5.2 - Workshops, seminars, and training sessions – Attendance at local, vendor-sponsored workshops, seminars, and training sessions is permitted. Attendance, at vendor expense, at out of town seminars, workshops, and training sessions is permitted only with the approval of an employee's Department manager.

Standard 5.3 – Contracting – Covered persons may not utilize "insider" information for any business activity conducted by or on behalf of PHH. All business relations with contractors must be conducted at arm's length both in fact and in appearance and in compliance with PHH policies and procedures. Covered persons must disclose personal relationships and business activities with contractor personnel that may be construed by an impartial observer as influencing the covered persons' performance or duties. Covered persons have a responsibility to obtain clarification from leadership on questionable issues that may arise and to comply, where applicable, with PHH's conflicts of interest policy.

Standard 5.4 - Business Inducements – PHH covered persons shall not seek to gain any advantage through the improper use of payments, business courtesies, or other inducements. Offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited. Appropriate commissions, rebates, discounts, and allowances are customary and acceptable business inducements if PHH leadership approves them and they do not constitute illegal or unethical payments. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to whom the original agreement or invoice was made or issued. Such payments should not be made to individual covered persons or agents of business entities. In addition, covered persons may provide gifts, entertainment, and meals of nominal value to PHH customers, current

and prospective partners, and other persons when such activities have a legitimate business purpose, are reasonable, and consistent with all applicable laws.

PRINCIPLE 6 - PROTECTION OF ASSETS

All covered persons will strive to preserve and protect the corporation's assets by making prudent and effective use of PHH resources and properly and accurately reporting its financial condition.

The Standards set forth below are intended to guide key covered persons by articulating PHH's expectations as they relate to activities or behaviors which may impact PHH's financial health or which reflect a reasonable and appropriate use of the assets of a nonprofit entity.

Standard 6.1 - Internal Control – PHH has established control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. All covered persons of PHH share the responsibility for maintaining and complying with required controls.

Standard 6.2 - Financial Reporting – All financial reports, accounting records, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation, or financial reporting is contrary to the policy of PHH and may be in violation of applicable laws.

Standard 6.3 - Travel and Entertainment – Travel and entertainment expenses should be consistent with the covered person's job responsibilities and the organization's needs and resources. It is PHH's policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Covered persons are expected to exercise reasonable judgment in the use of PHH's assets and to spend the organization's assets as carefully as they would spend their own. Covered persons must also comply with PHH policies relating to travel and entertainment expense.

Standard 6.4 – Personal Use of Corporate Assets – All covered persons are expected to refrain from converting assets of the organization to personal use. All property and business of the organization shall be conducted in the manner designed to further PHH's interest rather than the personal interest of an individual employee. Covered persons are prohibited from the unauthorized use or taking of PHH's equipment, supplies, materials, or services.

ADMINISTRATION AND APPLICATION OF THIS CODE OF CONDUCT

PHH expects each person whom this Code of Conduct applies, to abide by the Principles and Standards set forth herein and to conduct the business

and affairs of PHH in a manner consistent with the general statement of principles set forth herein. Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to covered persons or other persons.

While PHH will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, PHH reserves the right to modify, amend, or alter the Code of Conduct without notice to any person or employee.

Discipline – Failure to abide by the Code of Conduct or the guidelines for behavior that the Code of Conduct represents may lead to disciplinary action. For alleged violations of the Code of Conduct, PHH will weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the Code of Conduct, the flagrancy of the behavior, the employee's history with the organization and other factors which PHH deems relevant. Discipline for failure to abide by the Code of Conduct may, in PHH's discretion, range from oral correction to termination. Discipline will be carried out in accordance with Human Resources (HR) policies and, if appropriate, a collective bargaining agreement.

Resources for Guidance and Reporting Violation – To obtain guidance on a compliance issue or to report a suspected violation, you may choose from several options. Individuals are encouraged to seek resolution of issues at the department level. Concerns should be discussed with your Department manager. If this is not appropriate, the employee may discuss the situation with another member of leadership. The employee is always free to call the PHH Compliance Officer at (814)-375-6178, any Compliance employee or call the Compliance and Privacy Message Line at 1-855-REPORTS (1-855-737-6788). PHH will make every effort to maintain, within the limits of the law, the confidentiality of the identity of any individual who reports possible misconduct. There will be no retribution or discipline for anyone who reports a possible violation in good faith. Such persons are protected under both the Federal and Commonwealth of Pennsylvania's Whistle Blower statutes. See, 31 U.S. Code §3730 (Federal False Claims Act); 43 P.S. §§ 1421-1428. Any employee who deliberately makes a false accusation with the purpose of harming or retaliating against another employee will be subject to discipline.

Personal Obligation to Report – PHH is committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each employee has a responsibility for reporting any activity by any employee,

physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, or this code.

Internal Investigations of Reports – All reported concerns will be promptly and confidentially investigated to the extent possible. The Compliance Department will coordinate any findings from the investigations and immediately recommend corrective action or changes that need to be made. All covered persons are expected to cooperate with investigation efforts.

Corrective Action – Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting the appropriate disciplinary action, and implementing systemic changes to prevent a similar violation from recurring in the future.

Acknowledgment Process – PHH requires all covered persons to sign an acknowledgment confirming they have received the Code and understand it represents mandatory policies of PHH. Violations of this policy shall result in appropriate disciplinary action up to and including termination of employment.