

ESSENT HEALTHCARE, INC.

Code of Ethical Conduct



essent

To All Essent Workforce Members:

The foundation on which Essent Healthcare, Inc. is built is its commitment to provide high quality care to our patients and to fully meet the health needs of the communities that we serve. In this respect, it is vital that we each act with absolute integrity when conducting the company's business. Our good name and reputation is being continually examined and tested.

The healthcare industry is one of the most regulated industries in the nation. Almost every healthcare activity, from dispensing drugs to billing for services rendered, is covered by rules and regulations. To further complicate matters, these rules and regulations often vary from state to state. In addition, we must adhere to standards set forth by accrediting bodies such as the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO).

This Code of Ethical Conduct provides guidance to ensure that our work is done ethically and in accordance with all applicable laws, rules and regulations. It emphasizes the shared values like honesty and integrity, which guide our actions. Please review this Code carefully; your adherence to its spirit, as well as its specific provisions, is critical to our success.

If you have questions about any part of this Code, or if you encounter any situation that you believe violates the provisions of this Code, you should immediately contact your supervisor or another member of management. You may also contact your Local Compliance Director, the Corporate Compliance Officer, or call the ***Compliance Reporting Hotline at 1-800-472-8868***. You have our personal assurances that there will be no retribution for asking questions or raising concerns about this Code or for reporting known or suspected misconduct.

While no Code of Ethical Conduct can substitute for one's own sense of fairness, honesty, and integrity; the philosophy outlined in this Code is fundamental to serving the needs of our patients, our medical staff, and our employees. With your cooperation, these standards will not only be met, they will be surpassed. Please join us in supporting this Code of Ethical Conduct, not because we must, but because it is the right thing to do!

Mike Browder
Chief Executive Officer

Charles Fletcher, CCH
Corporate Compliance Officer

Compliance Practices:

Compliance with Laws, Rules and Regulations - One of our strongest assets is our reputation of honesty and integrity. A fundamental principal on which we operate is full compliance with all laws, rules and regulations to which we are subject. In this respect, all Essent workforce members shall conduct their business ethically. Achieving business results by illegal acts or unethical conduct is simply not acceptable.

This Code of Ethical Conduct sets forth important standards that must be followed by all of our workforce members. Further guidance on our standards of conduct is provided through our *Employee Guide to Privacy and Security*, our *Employee Guide to Compliance*, and our written policies and procedures. All of these documents are available from your manager or supervisor, or online at www.essenthealthcare.com.

While all of our workforce members are obligated to follow this Code, we expect our leaders to set good examples; to be in every respect, role models. Our leaders are responsible for creating an internal culture that promotes the highest ethical standards while ensuring that their team members have enough information to comply with all applicable laws, regulations, and/or policies. Ethical and compliant behavior must never be sacrificed in the pursuit of business objectives. Ethical and compliant practices are our business objectives.

Patient Privacy – In the course of serving our patients, we collect sensitive information about our patients’ medical conditions, treatments, family history, and/or medications. Much of this information is personal in nature and therefore it must be considered highly sensitive. As members of the healthcare community, we must maintain the confidentiality of this information at all times. Patient information must never be used or disclosed without proper authorization unless it is for a legitimate business purpose, or as required by law.

All of our workforce members shall comply with the Health Insurance Portability and Accountability Act (HIPAA) in accessing, using, processing, or disclosing protected health information. Each workforce member should become familiar with our *Notice of Privacy Practices* and our *Employee Guide to Privacy and Security* because, as a member of our workforce, you are required to comply with the terms of these documents.

All patients must be notified of our privacy practices, in writing, upon admission to the hospital, or during their first service encounter. With the exception of certain emergency situations, we will not share protected health information without proper authorization except when authorized under HIPAA for treatment, payment, or healthcare operations; or as required by law. When using or disclosing protected health information, we shall limit our use or disclosure to the minimum amount necessary to fulfill our business purpose.

All of our workforce members must guard against improper disclosure of protected health information. Situations that could result in an improper disclosure include: discussing patient information in public areas of the hospital or while away from work, talking about patient information on mobile telephones, working with patient information on a laptop computer in public places, and transmitting patient information via email or fax. Special care should be taken in these situations to avoid improper disclosures.

Emergency Medical Treatment – Any patient who comes to one of our Emergency Departments requesting examination or treatment for an emergency medical condition is entitled to, and shall be provided with, an appropriate medical screening examination performed by a qualified medical practitioner regardless of the patient’s ability to pay for services. If it is determined that an emergency medical condition exists, the facility shall provide treatment to stabilize the emergency medical condition (within the capabilities of the facility), or provide an appropriate transfer to another medical facility in accordance with Emergency Department policies and procedures. Emergency medical treatment should not be delayed in order to inquire about the patient’s method of payment, or to seek authorization from the patient’s insurance carrier for screening or stabilization services.

Company Information – Many of our workforce members prepare some type of official Company information during the course of their work such as time cards, financial reports, accounting records, patient billing records, business plans, injury and accident reports, expense reports, patient records, and so on. Many people, both inside and outside the Company, depend on this information to be accurate and truthful for a variety of reasons. Therefore, it is vital that all workforce members record all information in a truthful and accurate manner. No transaction should ever be intentionally falsified or recorded inaccurately. Regardless of whether the reporting is required by law, dishonest reporting of information will not be tolerated.

All records, whether medical records or otherwise, must be maintained in accordance with our document retention policy. In addition, all non-public information must be treated as confidential and should never be shared with others unless for official Company business. All Company records are property of Essent and must be returned to the appropriate Essent facility upon termination of employment. No workforce member may disclose confidential Company information to others at any time without proper authorization. The obligation to maintain confidentiality remains with our workforce members even after they leave an Essent facility.

Conflicts of Interest – A “conflict of interest” exists when a person’s private interests interfere (or appear to interfere), in any way, with the interests of the Company as a whole. We expect and require that our workforce members act honestly and ethically at all times, and to not have conflicts of interest with any Essent facility. Since conflicts of interest can arise in many common situations despite our best efforts to avoid them, we may periodically require certain individuals to complete a conflict of interest disclosure and attestation form. Any workforce member who becomes aware of a conflict of interest (or potential conflict of interest) must report the conflict immediately to his or her

manager or supervisor, to the Compliance Officer, or via the confidential compliance reporting hotline (1-800-472-8868).

Gifts and Entertainment – Business gifts and entertainment are designed to build goodwill and foster sound working relationships among business partners. While we do not encourage the giving or accepting of gifts, workforce members are free to do so only in accordance with Company policy governing business courtesies. Gifts should never be offered or accepted in exchange for or as a reward for business or referrals to our facilities. Cash and cash equivalents must never be given or accepted. Generally, gifts should be reasonable, appropriate, consistent with normal business courtesy, and of nominal value; gifts should *never* be solicited.

Offering or accepting gifts to/from patients is discouraged because this type of activity may give patients not offering or receiving gifts the impression that the care they are receiving is less than the care given to the patient who participate in gift-giving. However, so long as the gift is not solicited, patient gifts given to employees in gratitude may be accepted if they are of nominal value. Handmade items with little or no marketable value or perishable items such as flowers or homemade cookies may be accepted. Gifts given to patient must comply with Company policy governing gifts to beneficiaries of federally funded programs.

Discrimination and Harassment – We believe that all workforce members have the right to work in an environment free from discrimination or harassment. We will not tolerate any form of harassment, sexual or otherwise, from any workforce member. Sexual harassment may include unwelcome advances, requests for sexual favors, or verbal or physical contact that creates an intimidating or offensive work environment.

Any workforce member who is actively contributing to workplace hostility will be subject to disciplinary action up to and including termination of employment. Examples of unacceptable behavior include: bullying, slandering, or embarrassing other workforce members, telling degrading or humiliating jokes, or threatening retaliation. We will not tolerate a hostile work environment under any circumstances regardless of whether the behavior takes place before, during, or after normal working hours; inside or outside of the workplace. When appropriate, such behavior will be reported to the appropriate authorities for criminal prosecution.

Arrangements with Physicians and Other Referral Sources – All Essent facilities have established policies regarding financial relationships between Essent facilities and physicians or other referral sources. All financial arrangements with physicians or other referral sources must be necessary for legitimate business purposes, set forth in writing at fair market value, and signed by all parties involved. Essent facilities will not pay for referrals, nor will they accept payment for referrals made to other entities. Essent facilities will not consider the volume or value of referrals in establishing compensation under their agreements with physicians or other referral sources. All financial arrangements involving physicians or other referral sources must comply with Company policy and be approved in writing by the Corporate Compliance Officer.

Billing for Services Rendered – Essent facilities bill patients and third-party payers for services rendered; nothing more, nothing less. The Company is committed to accurate and truthful billing and will not misrepresent charges to, or on behalf of, a patient or third-party payer. We are committed to complying with all federal and state laws and regulations. All workforce members must exercise care in any written or oral statements made to any government agency or other payer. False statements by workforce members to any government agency, insurance company, or other payer will not be tolerated.

In support of accurate billing, medical records must provide reliable documentation of all services provided. It is important that all individuals who contribute to medical record documentation provide accurate information at all times. Accurate and timely documentation also depends on the diligence and attention of the physicians who treat patients in our facilities. We expect those physicians to provide us with complete and accurate information in a timely manner.

Political Activities – Contributions to political campaigns are governed by a complex set of rules and regulations. Therefore, all political activities that are conducted on Company time must be approved in advance by the Corporate Compliance Officer.

Essent encourages participation in the political process by its workforce members. As a corporation, Essent does not make political contributions to candidates for political office because corporations are generally prohibited from making such contributions. Essent operates a Political Action Committee (PAC). All campaign contributions and PAC activities shall be conducted in accordance with federal and state laws and regulations.

Political contributions by individuals are strictly voluntary and at the discretion of the individual making the contribution. Individuals are prohibited from making donations on behalf of Essent or any of its facilities; or implying, in any way, that Essent is responsible for the donation. Individuals may make personal contributions of time or money as they see fit to the candidates or parties of their choice, as long as they do not suggest or imply Essent support. Overt, visible and partisan political activity that could cause someone to believe that a workforce member's actions reflect the views or positions of Essent or any Essent facility is prohibited. Individuals engaging in political campaign activities are expected to do so as private citizens and not as representatives of any Essent facility.

No member of our workforce shall apply any pressure, direct or implied, on any other workforce member that infringes upon that individual's right to decide whether, to whom and in what amount a personal political contribution is to be made. Political contributions are not a valid business expense and should never be submitted for reimbursement as such. Political contributions are not tax deductible.

Compliance Reporting Hotline – All of our workforce members are obligated to report known or suspected misbehavior. Reports can be made to one’s immediate supervisor, hospital administration, Local Compliance Director, Corporate Compliance Officer, or the confidential compliance reporting hotline (1-800-472-8868). The compliance reporting hotline is available 24 hours per day, seven days per week. The compliance reporting hotline is administered by an entity that is not affiliated with Essent or any of its hospitals and allows for anonymous reporting. Examples of reportable offenses include:

- Providing services that are not medically necessary for diagnosis or treatment of a documented medical condition
- Transferring patients in violation of EMTALA rules
- Offering or receiving anything of value in exchange for referrals
- Billing for services not provided
- Inaccurate recording of information in Company records
- Disclosing confidential information
- Harassing or discriminating against others
- Use of Company resources for personal gain
- Processing fraudulent transactions
- Violating patients rights
- Being asked to lie to cover another workforce member’s mistakes

Summary of Compliance Practices:

- Essent does not pay or offer to pay anyone for referrals of patients or other business.
- Essent does not solicit or accept anything of value in exchange for directing patients or business to others.
- Essent protects and upholds the confidentiality of all protected health information.
- Essent does not pay physicians or other referral sources excessive salaries, provide lavish gifts, or offer free items or services in exchange for the referral of patients.
- Essent does not knowingly or recklessly file claims that are false, misleading, or inaccurate; nor does it bill for services that were not ordered, rendered, and properly authorized.
- Essent does not turn away, for lack of health insurance coverage or other inappropriate criteria, patients who come to the emergency department requesting an examination.
- Essent does not discriminate against patients based on age, race, gender, ability to pay, sexual orientation, religion, creed, color, or medical condition.
- Essent maintains a “zero tolerance” policy toward any illegal, fraudulent or abusive conduct and will promptly and carefully address all information reported to the Compliance Officer or Compliance Reporting Hotline.
- All Essent employees and agents have an obligation to report known or suspected misconduct, inappropriate behavior and other questionable practices that are in violation of this Code and its related policies and procedures.
- Essent maintains a strict non-retaliation policy with regards to its Compliance Reporting Hotline. Retaliation against any individual who makes a report to the hotline will not be tolerated.

Key Terms That You Should Know

Honesty, the quality of being honest, is a value which can be defined in multiple ways. In the context of human communication, people are generally said to be honest when they tell the truth to the best of their knowledge and do not hide what they know or think. Apart from being truthful, honesty is also generally thought to involve abstaining from unfair behavior, such as stealing or cheating on a test. To be honest means to be truthful in everything one says and does.

Integrity results from consistent decisions to act ethically in difficult situations. To have integrity is to uphold ethical principles and do what you say you will do consistently, predictably, and reliably. Integrity involves steadfast adherence to a strict moral or ethical code.

Ethics can be defined as the study and evaluation of human conduct in light of moral principles. Moral principles may be viewed either as the standard of conduct that individuals have constructed for themselves or as the body of obligations and duties that a particular society requires of its members. In short, ethical behavior involves consistently doing the right thing.

Respect is the regard for the inherent worth of every individual. A respectful workplace is safe, free from discrimination and harassment, affords employees equal opportunity to pursue their goals and protects the privacy of personal information the Company may obtain or possess.

Fairness is the state of being just and unbiased and is often manifested as a concern for how others are treated. Fairness is a commitment to treat people ethically and to apply ethical standards and reasoning to our decisions when those decisions affect other people. Fairness also governs how we treat other businesses, including our competitors and how we manage working relationships.

Responsibility calls on us to accept the obligation to act in certain ways. Responsibility is the obligation to carry forward an assigned task to a successful conclusion. With responsibility goes authority to direct and to take necessary action to ensure success.

Compliance is the state of acting in accordance with accepted standards.

Privacy is the right of an individual to control the flow of information about oneself.

Security can be defined as the condition of being protected against danger, loss, or harm; a condition that results from the establishment and maintenance of measures to ensure protection from hostile acts and/or unfavorable outcomes.

Acknowledgement

I _____ have received and read Essent's Code of Ethical Conduct. I agree to comply fully with the standards contained in the Code of Ethical Conduct including all related policies and procedures adopted by my facility. I understand that compliance with all Company standards, policies, procedures, and principles is a condition of my continued employment or association with Essent and/or any of its affiliates. I acknowledge that this Code is only a statement of principles and does not, in any way, constitute an employment contract, an assurance of continued employment, or employment other than at-will. As a member of Essent's workforce, I will make the safety, comfort, and well-being of patients and co-workers my top priority. In addition, I shall:

- Conduct the Company's business with honesty and integrity, and in a professional manner that protects Essent's good public image and reputation.
- Build relationships with patients, vendors and fellow employees based on trust, and treat every individual with respect and dignity.
- Understand and comply with legal requirements and Company policy and procedures.
- Avoid any activities that could lead to involvement in any unlawful or unethical activities.
- Avoid actual or potential conflicts of interests.
- Record information in Company records with honesty, accuracy and completeness.
- Safeguard the Company's confidential information and respect the confidential and private information of others.
- Retain Company records in accordance with the records maintenance policy and return all Company property upon termination of my employment.
- Promptly report any known or suspected violations of law, ethical principles or Company policies.
- Maintain prudent billing processes to monitor for errors or mistakes and seeks to ensure that filed claims are accurate, complete and compliant with third party billing rules.
- Cooperate fully with any compliance audit, inquiry, review or investigation.

I acknowledge that I am aware of the Company's confidential compliance reporting hotline which can be called anonymously, and without fear of retaliation, at any time (1-800-472-8868).

Date

Signature