



# Standards of Conduct

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**MESSAGE FROM THE PRESIDENT**

As employees of SynerMed, we have a responsibility to conduct ourselves with the highest level of integrity and ethics. We created this *Standards of Conduct* document to guide our decisions and actions, which must always be honest, ethical, and consistent with all applicable laws and regulations.

Collectively, we make SynerMed a highly respected organization in our industry and community. We must always remember that to maintain that respect, our conduct must meet the highest standards.

Please remember that you have an obligation to alert management about any activity or behavior that is unethical, dishonest, or otherwise in violation of this *Standards of Conduct*. Management has an obligation to investigate and address such concerns. You have my assurance that you will never suffer retaliation for asking questions or reporting possible misconduct, regardless of the situation or the parties involved.

Thank you for your commitment to making SynerMed “THE BEST” by always pursuing excellence.

Sincerely,

James P. Mason

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### **SYNERMED'S MISSION AND VALUES**

SynerMed's mission is to deliver *THE BEST* possible service to our clients as we transform and innovate healthcare. We commit to bringing understanding and value to all our business transactions. *THE BEST* means:

- T - Teamwork
- H - Honesty
- E - Ethics
  
- B - Bravery
- E - Excellence
- S - Sincerity
- T - Trust

### **SYNERMED'S VISION**

*SynerMed innovates healthcare.*

### **DISCLAIMER**

This document is not an employment contract. Nothing in it is meant to supersede either formal terms of employment between SynerMed and any employee or any relevant federal or state law or regulation.

## INTRODUCTION

As SynerMed employees, we have a responsibility to behave with integrity in all our actions on behalf of SynerMed. Integrity is the basis for our reputations as individuals, and it is the basis of SynerMed's reputation as well.

SynerMed's *Standards of Conduct* is a guide for members of our Board of Directors, employees, contracted vendors, consultants, independent contractors and all other third parties conducting business on behalf of SynerMed. Each of us must read, understand and follow this *Standards of Conduct*; however, in our daily work, no set of standards or written rules can substitute for good judgment, common sense, and personal integrity.

This *Standards of Conduct* reflects SynerMed's basic principles, which are:

- To be honest, trustworthy, and reliable in all relationships.
- To treat all employees and the public with respect.
- To provide high-quality and cost-effective services to clients, providers, and members, and to respond to their needs and justifiable expectations.
- To lead our industry as a managed services organization.
- To offer excellent customer service.
- To pursue profit and growth.

Violation of the *Standards of Conduct* is a serious matter that may lead to disciplinary action up to and including termination.

SynerMed prohibits any employee from engaging in any type of retaliatory action against an employee who reports a concern. Any manager, supervisor or other employee who engages in retaliation or harassment is subject to disciplinary action, which may include termination of employment on the first offense.

If you have a question about these standards or about any SynerMed policies and practices, please ask your supervisor or manager, who is often closest to the situation and best able to help you.

## BASIC BUSINESS PRACTICES

In all business dealings, we SynerMed employees shall:

- Adhere to all SynerMed policies and procedures relevant to our job functions.
- Meet a high level of competency in our job duties.
- Act in a manner consistent with all relevant federal and state laws and regulations.
- Conduct appropriate monitoring, auditing, and self-assessments to be sure our actions and decisions are consistent with all relevant federal and state laws and regulations.
- Seek advice from our supervisor or manager whenever we have any doubt about the ethics in any situation.
- Pursue only those business opportunities that are consistent with our *Standards of Conduct*.
- Hold ourselves accountable to report any actions that we believe may be illegal, unethical, or otherwise violate the *Standards of Conduct*.

- Accept the consequences of our behavior through appropriate disciplinary action that is fair and equitable and follows a consistent procedure.
- Use all work time to the advantage of our clients, providers, and members.
- Maintain all company data accurately and truthfully, according to applicable retention standards.
- Never use, directly or indirectly, inside information for personal gain or the gain of others. Inside information is information about SynerMed's business not generally available to the public and gained through an individual's position at SynerMed. Information need not be confidential or proprietary to be considered inside information.
- Never conceal, destroy or alter any company document or record in anticipation of a request by an auditor, the government, an outside agency, or a court.
- Never lie or make false or misleading statements to any auditor, investigator, governmental official or other person.
- Market SynerMed's services in a truthful and accurate way. All marketing efforts shall be in compliance with all applicable laws and regulations.
- Never enter into any discussion, communication, or agreement with any representative of any organization providing the same services as SynerMed, concerning prices, policies, discounts, allowances, or other pricing terms and conditions, or wage and salary information.

### **WORK ENVIRONMENT AND HUMAN RESOURCES**

SynerMed is its workforce. We strive to create a work environment of honesty, trust, and teamwork. Therefore, we shall:

- Treat our fellow employees with respect.
- Uphold all applicable laws and regulations regarding hours and working conditions.
- Adhere to all federal and state regulations to provide a work environment that is free of discrimination. In keeping with this commitment, the company strictly prohibits all forms of unlawful harassment including sexual harassment.
- Never discriminate because of age, race, color, national origin, ancestry, sex, sexual orientation, marital status, religion, citizenship, pregnancy, or qualified disabilities in any aspect of employment.
- Recognize that workforce diversity—by race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status, or any other characteristic protected by law—is a strength in our commitment to quality.
- Strive to maintain a safe and healthy work environment.
- Uphold all health and safety laws and regulations.
- Uphold all applicable environmental laws and regulations.
- Recognize that family needs sometimes conflict with work needs. We shall strive cooperatively to overcome such conflicts in ways that meet the needs of our fellow employees without compromising our commitment to quality.
- Never tolerate false accusations or untruthful reports.

Supervisors and managers shall encourage employee input and maintain open lines of communication. Every supervisor and manager must create a work environment where we openly raise and discuss ethical concerns.

### **PROTECTED INFORMATION**

Protected information (PI) includes:

- protected health information (PHI) of members (as defined by the Health Insurance Portability and Accountability Act of 1996, as amended (45 CFR 164.514 (a)(c) and 45 CFR Parts 160 and 164), and California laws SB 541 and AB 211 (Health & Safety Code Div 110 [130300-130317] and Civil Code 1798.80-1798.84)). Protected health information includes, but is not limited to, name, address, social security number, date of birth, drivers' license number, member ID number, health plan name, and telephone number;
- protected financial information (PFI) of members, providers, employees, and other individuals; and
- proprietary information of SynerMed and any party with which SynerMed has a contract.

We shall always protect such information in accordance with applicable laws and regulations (45 CFR Parts 160, 162 and 164), as specified in SynerMed's policies and procedures. Therefore, we shall:

- Store and secure all paper and electronic PI according to legal standards.
- Limit access to PI to employees and other persons whose jobs require them to see it, and give them access only to the minimum necessary required for performance of their duties.
- Ensure the confidentiality, integrity, and availability of all electronic PI.
- Protect against any reasonable anticipated threats or hazards to the security or integrity of PI.
- Uphold procedures allowing any member access to his or her own PHI, and data about the uses and access by other parties to that PHI.
- Immediately report possible unauthorized disclosures of PI to supervisors, managers, and SynerMed's Compliance Department who will then report the disclosure to the appropriate authorities.

### **PREVENTION OF FRAUD, WASTE, AND ABUSE**

We strive to prevent all forms of fraud, waste, and abuse. Therefore, we shall:

- Uphold all relevant laws and regulations, including but not limited to:
  - Federal Anti-Kickback Statute (Health Insurance Portability and Accountability Act of 1996 section 1138B(b), as amended). This statute is extremely broad and applies to almost anything of value given to a person or entity who is in a position to refer patients (including physicians) or who is in a position to recommend or arrange for referrals to be made. This includes ordering or recommending items or services that may be covered under a federal or state health care program. SynerMed prohibits any payment or receipt of payment that may be viewed as a bribe, kickback, or inducement. A bribe or kickback is any payment, incentive, or gift offered with the intent to influence a decision on grounds not directly related to medical or business merits.
  - The Federal False Claims Act (31 U.S.C. §§ 3729 – 3733) which allows the federal government to combat fraud by making it a crime to submit a false claim to the government for payment. False

claims include, but are not limited to billing for treatment not rendered; up-coding to bill for higher reimbursement; and falsifying records to support billed amounts. The False Claims Act contains qui tam, or whistleblower, provisions. These provisions protect a whistleblower from retaliation by an employer. Actions such as threats, suspensions, harassment, or discrimination could be considered retaliatory. SynerMed will not tolerate such actions against anyone who suspected fraudulent activity and reported those suspicions in compliance with this *Standard of Conduct* and SynerMed's policies.

- Physician Self-Referral Prohibition Statute (Stark Law) (Health Insurance Portability and Accountability Act of 1996 section 1877, as amended, and 42 U.S.C. 1395nn), which:
  1. Prohibits a physician from making referrals for certain designated health services payable by Medicare to an entity with which he or she (or an immediate family member) has a financial relationship (ownership, investment, or compensation), unless an exception applies.
  2. Prohibits the entity from presenting or causing to be presented claims to Medicare (or billing another individual, entity, or third party payer) for those referred services.
  3. Establishes a number of specific exceptions and grants the Secretary the authority to create regulatory exceptions for financial relationships that do not pose a risk of program or patient abuse.
- Refrain from conduct which would violate the laws applicable to fraud, waste and abuse detection and prevention. SynerMed expects and requires that its Board members, employees and Contractors abide by those laws that prohibit direct or indirect payment in exchange for the referral of patients or services paid by federal, state, and/or other funds.
- Avoid any appearance of impropriety when dealing with clinicians and referral sources. Cash gifts to clinicians or referral sources are prohibited. Non-cash gifts to clinicians or referral sources are prohibited. Non-cash gifts to clinicians or referral sources that exceed normal business courtesy and/or have a value are prohibited. If circumstances seem to dictate a gift exceeding that limit, prior approval must be obtained and the reason for the gift documented.
- Always seek advice from SynerMed Compliance Staff about any actual or potential offer or gift that may be viewed as a kickback, regardless of whether or not you consider it an actual conflict. In some instances, consultation with legal counsel may be necessary to ensure compliance with the Anti-Kickback Statute.

### USE OF ASSETS

Our business requires the use of assets owned by SynerMed or by other parties who have entrusted them to SynerMed. Such assets include but are not limited to physical property, facilities, equipment, supplies, intellectual property, and electronic assets such as computing equipment, networks, devices, electronic data storage media, software systems, databases, and records.

We shall:

- Protect and responsibly use such assets, and
- Dispose of surplus, obsolete, or damaged assets according to SynerMed policies and procedures.

## SOCIAL MEDIA

We are the face of SynerMed and should conduct ourselves accordingly when discussing SynerMed. In keeping with applicable SynerMed policies and procedures, employees may use social media for personal or work use from time to time. When doing so, we must always be clear that any opinions expressed on the Internet are our own, and not the opinion of SynerMed. Posting details about individual job activities, patients, SynerMed or the like could violate SynerMed's confidentiality policies and procedures, and privacy laws. We must protect all confidential information; failure to do so may subject employees to appropriate corrective action, up to and including termination, to the extent permitted by law.

## CONFLICTS OF INTEREST

SynerMed's best interests—guided by these *Standards of Conduct*—should always motivate our business actions and decisions. Therefore, we should avoid conflicts of interest.

A conflict of interest exists when our sense of loyalty or value is divided between our responsibilities to SynerMed and to an outside interest. A good rule of thumb is that there might be a conflict of interest any time an objective observer of our actions might wonder if those actions are motivated solely by our responsibilities to SynerMed.

If you believe a conflict of interest exists, treat the situation as if a conflict definitely exists until you have disclosed and resolved the potential conflict with your supervisor or manager.

No set of principles can cover every type of conflict of interest that may arise. The following standards address some important types of conflict that may arise. We shall:

- Avoid placing business with any firm in which we, our families, or our close business and personal associates have a direct or indirect interest.
- Avoid direct responsibility for the hiring or supervision of a family member.
- Avoid entering into an employment or financial relationship with a competitor of SynerMed or its parent company, Pacific Alliance Medical Center (PAMC).
- Avoid soliciting, offering, accepting or providing any consideration that might be construed as conflicting with SynerMed's business interests, such as meals, gifts, transportation or entertainment.
- Avoid accepting gifts exceeding \$100 in value. Gifts exceeding \$100 in value must be documented and reported to our supervisor or manager, who will decide how such gifts should be handled. Meals and entertainment associated with legitimate business activities and of modest value are not prohibited, but must comply with SynerMed policy.
- Guard the protected information of clients, members, providers, or other parties with which SynerMed does business, against improper access or use by unauthorized individuals, such as individuals seeking financial gain from unauthorized access to this information.
- Maintain impartial relationships with actual and potential vendors and contractors. We shall avoid exerting or appearing to exert influence on behalf of those with whom SynerMed does business or may do business with whom we have a friendship or any other relationship.

## CLAIMS PROCESSING

In the submission of claims to health plans, we adhere to all relevant laws and regulations. Therefore, we shall:

- Submit claims for payment and cost reports to Medicare, Medi-Cal and other federal health programs only in accordance with current reimbursement rules, policies, and procedures of the Centers for Medicare and Medicaid Services (CMS), the California Department of Health Care Services (DHCS), and the California Department of Managed Health Care (DMHC). (Health Insurance Portability and Accountability Act of 1996 section 1138B(b), as amended, 31 U.S.C. 3729 et. Seq., and 42 CFR 422.504(h)(I))

## CONTRACTS

We uphold the highest ethical and legal standards in our dealings with clients, providers, and other entities with which SynerMed engages in contracts. Therefore, we shall:

- Always fulfill contractual obligations.
- Accurately specify the services to be provided, realistic time commitments, reasonable compensation rate(s), and all benefits and obligations, in all contracts.
- Seek review of all contracts prior to their execution. Many factors determine the required level of review, and some contracts may require review by approved legal counsel.
- Make payments to and confer benefits upon clinicians and referral sources only under the terms of SynerMed's contract with them.
- Refrain from doing business with any third party that is or becomes excluded by, debarred from, or ineligible to participate in any federal or state health care program, or is convicted of a criminal offense in relation to the provision of health care.

## DISSEMINATION, EDUCATION, AND TRAINING

For these standards to be effective, we must all be aware of them. Therefore, SynerMed shall:

- Give a copy of the *Standards of Conduct* to all newly hired employees.
- Maintain a current copy of the *Standards of Conduct* on SynerMed's intranet.
- Provide training to all employees concerning these *Standards of Conduct* and adherence to all relevant laws and regulations governing our industry. The training will be given to all employees of all employment types (full-time, part-time, temporary, contract, or intern) within 90 days of hire and once per calendar year after that.

## REPORTING

Each of us has a responsibility to report any action or decision we think may violate these *Standards of Conduct*, laws, regulations, or ethics. Every employee can report suspected violations, problems, or departures from the *Standards of Conduct* to a supervisor or manager, and every supervisor or manager shall be open to receiving such reports.

No SynerMed employee will suffer retaliation or any form of negative consequence for such reporting.

## ANONYMOUS REPORTING

In accordance with federal law (42 CFR §§ 422.503(b)(4)(vi)(D), 423.504(b)(4)(vi)(D)), SynerMed has established tools for employees to anonymously report serious concerns. Using the tools, any employee can report a serious concern, without revealing his or her name.

You can use the anonymous reporting tool to report any serious concern regarding:

- potential fraud, waste, or abuse;
- violations of our Standards of Conduct and/or policies and procedures
- potential HIPAA privacy violations;
- other unethical or illegal activity; or
- any workplace harassment or discrimination based on race, color, religion, sex or gender, sexual orientation, marital status, national origin, ancestry, disability (mental or physical, including HIV or AIDS), medical condition (including cancer or genetic characteristics), age, pregnancy, or family medical leave.

You should **NOT** use the tool for other complaints that you would normally report to your supervisor or to Human Resources. Examples of complaints for which anonymous reporting would *not* be appropriate would be dress code violations, food policy violations, facilities problems, or disagreements between coworkers.

**DO NOT USE THESE TOOLS FOR EMERGENCIES. THEY ARE NOT A SUBSTITUTE FOR “911”.**

After making a report, you will be able to submit more information later, while retaining your anonymity.

SynerMed’s anonymous reporting uses the services of a company called EthicsPoint™. The anonymous reporting process is simple:

- **Internet:** [www.synermed.ethicspoint.com](http://www.synermed.ethicspoint.com)
- **Telephone:** 844-302-0432

SynerMed’s anonymous hotline is available 24 hours, 7 days a week. Reports concerning suspected or actual violations related to the Medicare program shall be reported to the applicable Health Plan. SynerMed prohibits retaliation or retribution for reports made in good faith regarding suspected activities.

A detailed guide is in SynerMed’s intranet at **SharePoint > Tools tab > Anonymous Reporting**.

## ENFORCEMENT

We all, as SynerMed employees, are responsible for enforcing these *Standards of Conduct*. Therefore, we shall:

- Avoid activities that violate these *Standards of Conduct*, legal or ethical standards, or SynerMed policies and procedures.
- Read all posted SynerMed policies and procedures related to our specific job functions.
- Question our supervisors or managers about any practices we think might violate these standards.
- Use established SynerMed reporting processes to report questionable activities or possible violations of these standards.

SynerMed managers and supervisors shall remain receptive to the questions and reports of other employees, and shall establish policies, procedures, and processes to enable and facilitate questioning and reporting of possible deviations from these standards, and shall ensure that reporting employees have no fear of retaliation.

SynerMed’s Chief Compliance Officer shall investigate any report from any employee concerning possible violations of these *Standards of Conduct* or of laws or regulations. Investigations must include all relevant facts and must continue to resolution. Depending on the situation, supervisors and managers must consult with SynerMed Compliance Department or with Human Resources. Supervisors and managers must maintain records of all investigations.

**DOWNSTREAM AND RELATED ENTITIES**

SynerMed requires entities that it contracts with that are “First Tier Entities” “Downstream Entities” or “Related Entities” (each as defined under 42 CFR §§ 422.500 and 423.501) to either establish their own standards of conduct that is consistent with all ethical business practices and applicable laws and regulations or adopt SynerMed’s *Standards of Conduct*. SynerMed will provide its *Standards of Conduct* to such entities on request.

**RECEIPT**

This is to certify that I have received a copy of SynerMed’s *Standards of Conduct* booklet. The *Standards of Conduct* provide guidance to promote a strong ethical environment, protect our members, providers, employees and the company, and inform the public that we are dedicated to applying ethical principles in all our activities.

I will familiarize myself with the information in this booklet and follow its guidelines. I understand that this document will be updated periodically and that the current copy resides on SynerMed’s intranet.

<p><b>Compliance Director Electronic Signature</b></p>  <p style="text-align: center;">8/17/2017</p> <p><b>X</b> Christine Babu</p> <hr/> <p>Christine Babu SynerMed Senior Compliance Director Signed by: Christine Babu</p>
<p><b>Employee Electronic Signature</b></p>

<p><b>X</b></p> <hr/> <p>Employee</p>
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