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PURPOSE:

The purpose of this policy is to provide an overview of the Compliance and Ethics Program for Parkland Health and Hospital System and its controlled affiliates (“Parkland”) and set expectations related to Compliance.

SCOPE:

All Parkland Personnel, as defined herein. Officers, managers, and other supervisors (collectively, “Supervisors”) are expected to demonstrate and emphasize the importance of Compliance, and develop in employees a sense of commitment to the spirit as well as the letter of this policy. Supervisors are also expected to ensure that all other Parkland Personnel conform to the policy when working for or on behalf of Parkland.

POLICY:

1. Parkland is committed to conducting its business ethically and in Compliance and to maintaining and promoting an enterprise-wide culture that emphasizes integrity; individual and institutional acceptance of responsibility; effective self-policing; and transparency in the relationships between Parkland and its key stakeholders, including government officials and agencies. In furtherance of this commitment, Parkland has established a Compliance and Ethics Program (the “Compliance Program”) and abides by the requirements of the Compliance Program.
2. The Compliance Program is a dynamic program that provides a flexible framework for adapting to the changing environment in which Parkland operates. It is continually evaluated by the Chief Compliance and Ethics Officer (“CCO”), the Chief Executive Officer (“CEO”), the Executive Compliance Committee (“ECC”), and the Board of Managers (“Board”) to ensure that it functions as intended, serves the purpose for which it has been designed, and enables Parkland to meet its high standards and commitment to Compliance.
3. The Compliance Program encompasses the following elements:

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A. Program Oversight and Administration

- 1) Parkland has appointed a CCO who is charged with operating and monitoring the Compliance Program. The CCO has a direct reporting relationship to Parkland’s Board and the CEO and has the ability to engage outside resources, as deemed necessary. The CCO regularly informs the CEO, the ECC, the Board and applicable stakeholders on the Compliance Program and Compliance risks, concerns, issues or violations that may come to the attention of the CCO.
- 2) Parkland has established the ECC to advise and assist the CCO in the effective operation of the Compliance Program.
- 3) The Board has established the Governance, Compliance and Ethics Committee (“GCEC”) as a standing committee of the Board to assist the Board in its oversight of the operations and efficacy of the Compliance Program and Parkland’s Compliance.

B. Written Standards, Policies and Procedures

- 1) Parkland maintains and periodically updates a written Code that articulates Parkland’s commitment to ethical behavior. The Code is the foundation of the Compliance Program and details the fundamental principles, values and framework that guide everyday practice at Parkland. Parkland Personnel must abide by the terms of the Code and periodically certify to such.
- 2) Parkland has developed and will continue to develop policies and procedures that capture Parkland’s commitment to Compliance and effectively address Parkland’s Compliance obligations and account for specific areas of Compliance and ethics risks relevant to health care organizations. These policies and procedures will be periodically reviewed, and revised as warranted, and made available to Parkland Personnel.
- 3) Compliance with the Code and all applicable policies and procedures is a condition of employment and an element in evaluating the performance of all Parkland employees.

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C. Training and Education

Parkland has developed and implemented regularly scheduled, comprehensive Compliance training and education for all Parkland Personnel, including the Board. Compliance training and education at Parkland is and will be targeted, when necessary, by function and topic to maximize its effectiveness.

Satisfactory participation in and completion of required Compliance and ethics training is a condition of continued employment. Failure to comply with training requirements will result in disciplinary action, up to and including termination.

D. Risk Assessment, Auditing and Monitoring

- 1) Parkland conducts periodic, but no less than annual, Compliance risk assessments to evaluate the Compliance-related risks which have the potential for legal, financial and operational damage and implements appropriate mitigation strategies, as warranted.
- 2) Parkland has established a comprehensive auditing and monitoring program to support the prevention, detection and correction of instances of non-Compliance.
- 3) Auditing and monitoring activities will be calibrated based on the results of Compliance risk assessments, previous auditing and monitoring activities and Compliance investigations.

E. Disclosure Program

- 1) Parkland has established and maintains a Disclosure Program that sets forth the duty of Parkland Personnel to report potential Compliance issues, including any identified concerns, issues or questions regarding, or suspected or potential violations of, the Code, Parkland policies and procedures, and applicable laws and regulations.
- 2) The Disclosure Program is well publicized and emphasizes Parkland's strict non-retaliation policy. Parkland does not retaliate or take disciplinary action against any individual for reporting concerns in good faith, including acting as a whistleblower in accordance with the Federal False Claims Act or other law.

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In “good faith” means the reporter actually believes that the information reported is true.

- 3) The Disclosure Program includes reporting channels that enable individuals to disclose potential Compliance issues to the CCO or some other person who is not in the disclosing individual’s chain of command. This includes the Integrity Line, an anonymous reporting mechanism for which appropriate confidentiality is maintained.
- 4) Upon receipt of a disclosure, the CCO or designee will promptly assess each disclosure to determine what type of response and/or action is warranted including an internal or external review or investigation of the allegations set forth in the disclosure.
- 5) Parkland shall maintain a disclosure log which summarizes each disclosure and the disposition, including any corrective actions taken.

F. Enforcement and Corrective Actions

- 1) Parkland will take appropriate disciplinary action for established Compliance violations and will identify corrective actions to help prevent the recurrence of similar violations. These may include, but are not limited to:
 - a) Addressing any gaps in policies, practices, training or understanding that may have contributed to a violation;
 - b) Imposing a range of disciplinary measures, up to and including termination of employment or contract termination; and
 - c) Reporting the violation to the appropriate government authorities when warranted.
- 2) Parkland will enforce its ethical and Compliance standards through well-publicized disciplinary guidelines.
- 3) Determinations regarding appropriate disciplinary action(s), if any, will be made as appropriate by Parkland’s Office of Talent Management, Compliance and Legal functions, along with the relevant functional area. The CCO or

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designee must concur with any disciplinary action imposed as a result of a Compliance violation relevant to the CCO’s oversight responsibilities.

- 4) Parkland will not hire, contract with, use the items or services of or extend privileges to an individual or entity who is (a) currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal Healthcare Programs; or (b) has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7a(a), as part of routine hiring and retention processes (collectively, “Ineligible Person”).
 - a) Parkland conducts required regular screening of individuals and entities to identify Ineligible Persons.
 - b) Such individuals and entities have an affirmative duty to promptly notify the Compliance and Ethics Department (“Compliance Department”) of any debarment, exclusion, suspension or other event that makes the individual or entity an Ineligible Person.

4. Responsibilities

A. The CEO, ECC, and Board are responsible for:

- (1) Exemplifying a culture of Compliance and ethics throughout Parkland.
- (2) Setting the expectation for Compliance and ethics as a core responsibility for all Parkland Personnel.
- (3) Ensuring that the CCO and Compliance Department have sufficient staffing, resources and financial support to perform their responsibilities under this Policy.
- (4) Advising the CCO on Compliance matters and supporting the effective operation of a robust, dynamic and flexible Compliance Program.
- (5) In coordination with the CCO and Compliance Department, periodically evaluating the Compliance Program to ensure that it functions as intended, serves the purposes for which it has been designed and enables Parkland to meet its high standards and commitment to Compliance and ethics.

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(6) Promoting and maintaining a work environment where concerns can be raised, openly discussed and reported without fear of retaliation.

(7) As Parkland Personnel, complying with all the requirements set forth in Section 4.C below.

B. The CCO is responsible for:

(1) Designing, implementing and overseeing an effective Compliance Program that meets the expectations set forth in United States Sentencing Guidelines and OIG Compliance Program Guidance.

(2) Staffing and leading a Compliance Department responsible for ensuring performance of the Compliance Program components enumerated in Section 3 above.

(3) Keeping informed of developments and trends in the area of healthcare Compliance and utilizing such information to enhance the Compliance Program.

(4) Keeping the CEO, the members of the ECC, and the Board regularly informed of Compliance Program developments, as well as industry best practices and government enforcement actions related to the Compliance Program.

(5) Periodically assessing the effectiveness of the Compliance Program to determine that it functions as intended, serves the purposes for which it has been designed, is reflective of current laws, developments and industry best practices and enables Parkland to meet its high standards and commitment to Compliance.

C. Parkland Personnel are responsible for:

(1) Acting in Compliance in the performance of their Parkland duties and in their conduct, and otherwise supporting the Compliance Program. Supervisors have a heightened responsibility to do so.

(2) Reading, understanding and complying with the Code and all other policies and procedures.

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- (3) Completing all required Compliance and ethics training in a timely manner.
- (4) Reporting potential Compliance issues to their Supervisor, another member of the management team, the Office of Talent Management, the Compliance Department or the Integrity Line.
- (5) Cooperating with the Compliance Department in the performance of Compliance investigations and auditing and monitoring activities.
- (6) Supervisors have additional responsibilities to:
 - (a) Demonstrate and emphasize the importance of Compliance and ethics at Parkland.
 - (b) Model behaviors in support of Compliance and ethics.
 - (c) Assess Compliance and ethics as part of performance measurement for all employees.
 - (d) Maintain an environment where individuals can comfortably ask questions or raise Compliance concerns without fear of retaliation.
 - (e) Provide appropriate and timely responses to questions or concerns, in consultation with the Compliance Department, as needed.
 - (f) Maintain communication with the Compliance Department about potential Compliance and ethics concerns.

DEFINITIONS:

When used in this Policy these terms have the following meanings:

Compliance: A term that, as used in this policy, shall encompass compliance with all: (i) applicable Federal and state laws, regulations, and other requirements, including but not limited to Federal health care program requirements; (ii) industry recognized compliance guidance and standards; (iii) Parkland policies and procedures; and (iv) the Code of Conduct and Ethics (“Code”).

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Compliance and Ethics Program: The program developed by Parkland to promote compliance with the Code, Parkland policies and procedures, and all relevant Federal and state laws and regulations.

Federal Health Care Program: Any plan or program that provides health benefits, directly or indirectly, through insurance or otherwise, and is funded, in whole or in part, by the United States Government, including but not limited to Medicare and Medicaid.

Parkland Personnel: Board members; officers; employees; residents and physicians who are members of Parkland's Medical Staff; other non-physician practitioners; and contractors, subcontractors and agents who perform services or act on behalf of Parkland.

REFERENCES:

N/A