

### **Mission**

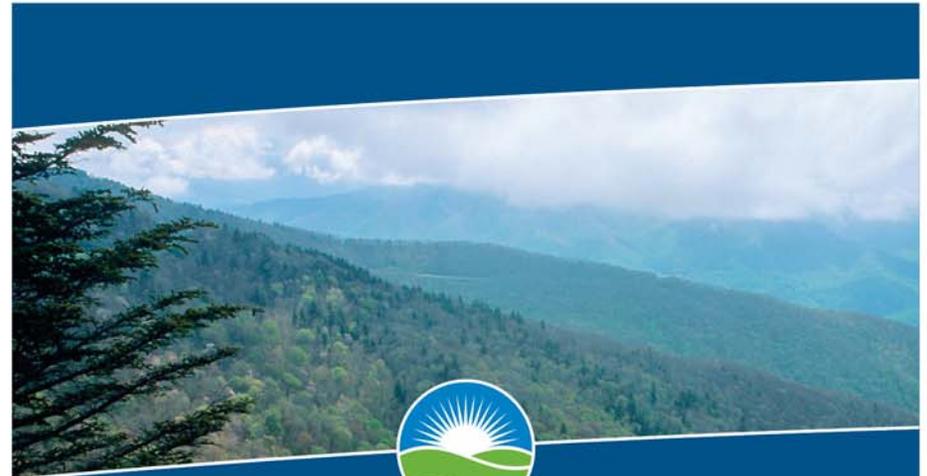
We deliver superior health care with compassion.

### **Vision**

We will deliver the best health care anywhere.

### **Values**

- Integrity • Safety • Compassion • Fiscal Responsibility
- Physician Leadership • Collaboration • Innovation
- Philanthropy • Empowerment • Respect • Wellness
- Employee Development • Service Excellence



**Wellmont  
Health System**

# **Policy on Business Practices**

**Wellmont Health System & Affiliates**

Wellmont Nurse Connection at **1-877-230-NURSE** or [wellmont.org](http://wellmont.org)

Hello. I'm writing to all the people we serve,  
and to all whom serve with us.

As chairman of the Wellmont Health System board of directors, I thought it important to talk a moment about what it means when you see a Wellmont sign on a hospital in our region or hear the word Wellmont in conversation. In the literal sense, Wellmont encompasses member hospitals that make up the premier health system in the region.

But Wellmont is much more than hospitals – they are built of bricks and mortar. Wellmont is built of the people inside those hospitals and the institutional values they share. The board of directors has identified 13 values that guide our health system, among them such virtues as integrity, safety, compassion, service excellence, fiscal responsibility, respect and empowerment.

All of our identified values – as well as our mission to deliver superior health care with compassion and our vision to deliver the best health care anywhere – speak to another word that binds our employees and partners together. The word is trust. And if there is a singular word that can define Wellmont, trust is that word.

Trust means integrity. It means honesty. It means following through on our commitments – to patients, to employees, to our partners and associates, as well as the institutions and citizens who have financially invested in Wellmont. Trust means being forthright and focused on mutual benefit.

Trust speaks to capabilities, to our collective ability to consistently produce results that others expect. Trust also means doing the job right – and getting the right things done.

Trust means Wellmont. To all who are reading this letter – whether you are a patient, a new or long-serving employee, an associate or partner with our health system, or someone who lives in the communities we serve – we value your trust in Wellmont. And we consider it a guiding principle each and every day to uphold that trust in return.

Sincerely,

Roger K. Mowen Jr.  
Chairman of the Board

# Wellmont Health System board of directors

# **Policy on Business Practices**

Wellmont Health System & Affiliates

## **Introduction and Purpose**

Wellmont Health System, its subsidiaries and affiliates (collectively referred to herein as "Wellmont") have confidence in the loyalty and integrity of their directors, officers, supervisors and employees. The Board of Directors of Wellmont considers it desirable to publish this Policy on Business Practices (the "Policy") in order to assist officers and employees in avoiding both the fact and the appearance of improper corporate activities and in assuring that all applicable laws are obeyed. Wellmont Health System is fully committed to complying with the coding and billing standards of the Medicare and Medicaid programs.

Our vision, mission and values are meant to guide us as we do our jobs. To the public and to each other, we are Wellmont, representing an organization that provides quality and compassionate services. It takes a diverse group of talented people to deliver good outcomes: respect one another by acting with integrity

This publication is to be distributed to all current employees and to all new employees at the commencement of their tenure with Wellmont.

# **Employee / Manager Responsibilities**

## ***Employees' responsibilities***

Your business decisions and behavior while employed by Wellmont should be governed by the policies contained in this publication. It is your responsibility to report any violations or suspected violations, according to the instructions in the Policy. Claims of ignorance, good intentions or bad advice are not acceptable excuses for noncompliance.

Failure to comply with these policies may result in termination or other disciplinary action, civil penalties or criminal charges. Consequences to Wellmont could be substantial monetary fines and the loss of our reputation for integrity.

## ***Managers' additional responsibilities***

Managers of Wellmont should ensure that the employees they supervise understand and comply with the high standards of business conduct set forth in this Policy. The Corporate Compliance Officer and designated managers in Wellmont's business units are responsible for maintaining programs for familiarizing personnel with matters relating to this Policy.

# **Management Responsibility and Disclosure Statements**

Leaders are also expected to uphold the standards found in this policy. They will assure that Wellmont is in full compliance with the Medicare conditions of participation, billing and coding guidelines as well as the Anti-Kickback and Stark Regulations.

Officers, department heads, directors and administrators are responsible for promptly advising the Corporate Compliance Officer of the receipt of any report of a violation of the Policy on Business Practices. The Corporate Compliance Officer shall be primarily responsible for investigating such reports. At the conclusion of the investigation, upon recommendation by the Corporate Compliance Officer, management shall take timely remedial or other action as required by the circumstances.

Regularly review with your direct reports and such other employees as you may select, the policies and procedures contained herein and compliance herewith.

Each officer, department and division head, administrator and such other employees as the President of Wellmont may determine, shall complete a disclosure statement concerning compliance with these policies on a frequency to be determined by the Corporate Compliance Officer. The results of the disclosure statements will be reported to the Audit Committee of the Board of Directors of Wellmont Health System.

## ***Responsibility appraisal***

Wellmont considers the actions of each employee under these policies to be significant indications of judgment and competence. Accordingly, those actions constitute an important element in the evaluation of the employee for position assignments and promotions. Any employee who has disregarded these policies is subject to appropriate disciplinary action including discharge.

## ***EthicsLine***

The purpose of EthicsLine is to encourage the reporting of suspected ethical abuses, reporting of fraud, waste or potentially illegal conduct. Calls to the EthicsLine may be placed anonymously and will be treated confidentially. No retaliation or harassment will be taken against an employee for using EthicsLine who reports in good faith. The toll free number for the service is 800.500.0333. If you want to fax information, the toll free fax number is 800.500.0993. EthicsLine is available 24 hours a day, 7 days a week.

# **Business Conduct**

## ***Display good judgment and high ethical standards in your business dealings.***

All of Wellmont's business affairs must be conducted with honesty, fairness and integrity. These qualities are evidenced by truthfulness and the absence of deception or fraud.

If a Wellmont employee has concerns about dishonest or deceptive conduct in the System's business dealings, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

# Advertising and Marketing

*Sell Wellmont's services and products fairly and honestly, stressing their value and merits.*

Wellmont's employees shall market and advertise Wellmont's services and products fairly, honestly and in a non-deceptive manner, stressing their value and merits. Do not use tactics that misrepresent the System's products and services or that unfairly undermine the products and services of a competitor. This includes the use of disparaging comments or innuendos.

If a Wellmont employee has concerns about deceptive or dishonest advertising or marketing of Wellmont's services or products, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

# Civil Rights

*Treat each other with respect and courtesy.* Our country became what it is through the blood, sweat, and tears of a diverse group of people: Wellmont draws its strength from this heritage and the employees in its work force.

Treat patients, their families and friends with respect and dignity. Wellmont does not discriminate against its patients based on race, color, creed, religion, sexual orientation, age, handicap, national origin, ancestry or marital status, or any other bias prohibited by federal, state or local law. Care for others as you would want to be treated.

# Financial Records

## *Keep honest and accurate financial records.*

You must ensure that any financial records for which you are responsible accurately reflect transactions. Wellmont's books and records must not contain any false or misleading information and must conform to generally accepted accounting principles.

No undisclosed or unrecorded funds or assets may be established. All items of income and expense and all assets, allowances and liabilities must be entered in Wellmont's financial records and must be accurately and adequately described. All payments must be for the purpose stated. All reports submitted to governmental authorities must be accurately made and all transactions shall be executed in accordance with management's authorization.

As each Leader and financial professional is aware, full, fair, accurate, timely and understandable disclosure in our periodic reports filed with our bondholders, lenders and in our other public communications is essential to our continued success. Each Leader and financial professional is expected to exercise the highest standard of care in preparing such materials. To ensure the quality of our periodic reports, the following guidelines must be followed:

- All Wellmont accounting records, as well as reports produced from those records, must be kept and presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect in reasonable detail Wellmont's assets, liabilities, revenues and expenses.
- Wellmont's accounting records must not contain any false or intentionally misleading entries.

- No transaction may be intentionally misclassified as to accounts, departments or accounting periods or in any other manner.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No required information may be concealed from the internal auditors or the independent auditors.
- Compliance with Generally Accepted Accounting Principles and Wellmont's system of internal accounting controls is required at all times.

If a Wellmont employee has concerns about the accuracy of financial records, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **Proprietary Wellmont Information**

### ***Proprietary information about the System must be kept confidential.***

Proprietary or confidential information developed or acquired by Wellmont and not generally available to others is a valuable asset of Wellmont and must be kept confidential and be protected against theft, loss or improper disclosure. You shall not discuss, disclose or permit the disclosure of proprietary Wellmont information, data, systems, pricing, finances or policies to any competitor of Wellmont or to any person who might be in a position to disclose such matters to Wellmont's competitors.

You should use appropriate discretion and judgment when disclosing any such information to other Wellmont employees. This obligation to maintain the confidentiality of proprietary Wellmont information continues to apply after you leave Wellmont.

If a Wellmont employee has concerns about the disclosure of proprietary or confidential information, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **Wellmont Property**

### ***Use Wellmont property for business only.***

Do not use Wellmont property for personal reasons. Wellmont's assets, such as equipment and office supplies, must not be taken out of Wellmont facilities except for purposes of performing your job. If removed from Wellmont facilities, the property must be returned to the facility when it is no longer needed for Wellmont business purposes.

If a Wellmont employee has concerns about the misuse of Wellmont property, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

# **Conflict of Interest**

***Each employee has a duty of loyalty to Wellmont.***

Wellmont employees must avoid any actions that may involve, or may appear to involve, a conflict of interest with their obligations to Wellmont. You may not realize any profit or gain as a result of your position with Wellmont apart from Wellmont's compensation/benefit programs. You must not become involved in non-Wellmont related interests to the extent that you spend a substantial portion of Wellmont's normal business hours on such other interests.

A conflict of interest occurs if your activities or personal interests appear to or might influence the business decisions required by your responsibilities, are detrimental to the business of Wellmont, or result in an improper or illegal gain for you or a third party.

## ***Competitors***

Employees should not hold a significant financial interest in, serve as a director or officer of, receive compensation from, or provide consultation or other services to suppliers of Wellmont and its facilities, or competitors of Wellmont, in the healthcare industry without the written consent of their supervisor and filed with the Compliance Officer. This does not, however, apply to personal investments in shares or other securities of corporations traded on major securities exchanges

## ***Suppliers***

Wellmont employees who deal with suppliers must do so in a reputable, professional and legal manner. To avoid the appearance of impropriety, employees should decline any gifts from suppliers, including discounts, the acceptance of which would raise suspicion of improper influences. Discounts that are available to all employees and employees of other companies may be accepted.

## ***Disclosure of possible conflicts of interest***

If any member of your immediate family (spouse, parents, brothers, sisters and children) works for or consults with Wellmont, a supplier, customer or competitor, you must disclose the relationship. Employees should disclose possible conflicts of interest involving themselves or their immediate families to their supervisor or the Corporate Compliance Officer, who will evaluate the situation and provide any necessary guidance to avoid any appearance of impropriety.

If a Wellmont employee has concerns about a possible conflict of interest involving other employees, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **Billing and Coding**

### ***Always bill and code correctly for services rendered.***

Wellmont bills only for services rendered, and all bills must comply with billing requirements for government-sponsored programs and other payors. Wellmont Health System is fully committed to complying with the billing and coding standards of the Medicare and Medicaid programs.

Wellmont employees must exercise care in assuring the accuracy of any written or oral report made to any government agency or other payor. Wellmont will not tolerate false reports by

Wellmont employees to a government agency or other payor. Deliberate, inaccurate reports to government agencies or other payors may expose an employee to civil and criminal penalties, as well as termination of employment and loss of benefits.

If a Wellmont employee has concerns about the propriety of billing practices, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **No Payments for Patient Referrals; No Prohibited Arrangements with Physicians**

*Wellmont will comply with Fraud and Abuse laws and other laws pertaining to Medicare and Medicaid and other federal programs.*

There are a number of laws governing Medicare and Medicaid and other federal health programs. These laws prohibit the payment of remuneration in return for the referral of Medicare or Medicaid patients or to induce the purchase of goods or services to be paid for by Medicare or Medicaid. They also prohibit making false claims for Medicare or Medicaid reimbursement.

No employee shall solicit or receive, or offer to pay or pay for remuneration of any type (including kickbacks, bribes or rebates) in return for referring or recommending the referral of an individual to another person, hospital or medical facility for services or in return for the purchase of goods or services.

No employee shall offer or grant any benefit to a referring physician or other referral source on the condition that such physician referral source refer or agree to refer any patients to the hospital.

You are urged to use caution when engaging in transactions that involve referral sources. Every agreement involving compensation or gross referrals with a physician or other referral source must be reviewed by legal counsel prior to its execution.

If a Wellmont employee has concerns about a violation of the above policy, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **Compliance with Environmental Laws**

*Wellmont will protect the  
environment in its operations.*

We are committed to promoting sound environmental practices that will prevent damage to the environment and enhance human and community resources. We live in this community and will act to reduce or minimize environmental liabilities that result from our operations.

Wellmont will take the necessary steps to promote sound environmental practices that will prevent damage to the environment, enhance human and community resources, and reduce or avoid exposure to environmental liabilities. If you detect an existing or potential condition hazardous to human health or the environment, you should report the condition immediately to a director, department head or administrator to whom you have functional responsibility.

Prompt disclosure of such events is critical to effective remedial action and to Wellmont's efforts to ensure that such events do not recur. Employees with responsibility for the proper handling and disposal of hazardous substances and infectious waste should ensure that contractors hired to dispose of such materials do so in a proper manner

If a Wellmont employee has any questions concerning environmental practices, the employee should contact his supervisor, the Corporate Compliance officer or call EthicsLine at 800.500.0333.

## **Compliance with Antitrust Laws**

***Wellmont will not engage in anti-competitive conduct in violation of antitrust laws.***

Under the antitrust laws of the United States, certain agreements, whether explicit or implicit, with competitors, customers or others may constitute punishable crimes and result in severe personal and institutional civil damages if they produce an unreasonable restraint of trade or a substantial lessening of competition. Examples of conduct that may be anti-competitive include exclusive buying or selling agreements and certain mergers and acquisitions. The facts of a particular course of conduct are important to an evaluation of the anti-competitive consequences of such conduct and require expert legal guidance.

Wellmont recognizes that routine communications with competitors are appropriate and reasonable in many instances, but communications with competitors about matters that could be perceived to have the effect of lessening competition should take place only after consultation with legal council.

General business information about its competitors is important to Wellmont's efforts to maintain and improve upon its competitive position in the markets in which Wellmont operates. However, only legal and ethical means should be used to gather information about existing and potential competitors. You shall not:

- (1) Respond to any inquiry or survey from a competitor that requests information on prices, wages, marketing activity, acquisition or development plans, or any other competitive information;
- (2) Request from a competitor information on acquisition or development plans or prices the competitor charges or pays for any goods or services; or
- (3) Knowingly share with a competitor, directly or through a third party, information regarding pay scales, wages, salary ranges or compensation formulas. Competitive information should be collected only from generally available industry sources and from information within the public domain; however, you may respond to appropriate requests for competitive information when the information is being gathered confidentially by a third party (e.g., Joint Commission on Accreditation of Healthcare Organizations, a government entity or a hospital association), and when such information will be made available to others only in summary form so no individual competitor is identifiable.

If a Wellmont employee has any questions or concerns about the above policy, the employee should contact his supervisor, the Corporate Compliance Officer or call Ethics Line at 800.500.0333.

# Customer Gifts

## *Use good judgment when giving gifts to customers.*

We do not buy referrals or make bribes. You must not provide gifts, loans or other benefits to a customer (or representative) or potential customer (or representative) to obtain sales or beneficial arrangements from the customer. Gifts of modest value will be given to customers only as a part of a marketing, educational or other ordinary business activity. Acceptable gifts could include occasional business meals or promotional items of limited value.

If a Wellmont employee has concerns about the giving of gifts to customers, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## *Use good judgment when gifts are offered to you.*

We do not solicit gifts, gratuities, or tips from our patients and customers. We do not solicit compensation or remuneration from patient referral sources or vendors. If someone wants to donate or provide monetary recognition to your department, direct them to the Wellmont Foundation. If you unexpectedly receive something of value from a patient, customer, patient referral source or vendor, discuss this with your supervisor.

# **Payments or Gifts to Government Officials**

## ***Do not use System funds for improper or illegal activities.***

You may not make payments to government officials to secure sales or obtain favorable treatment. Gifts of substantial value to or extravagant entertainment of government officials or employees is prohibited because these actions could be construed as attempts to influence government decisions. Gifts, assistance or entertainment provided for any government official or employee should not compromise or appear to compromise that person's integrity. You also cannot use corporate funds to contribute to a political party, committee, organization or candidate. You may make personal contributions of your own choice, but such contributions are on a voluntary, personal basis and are not subject to reimbursement by Wellmont.

If a Wellmont employee has any concerns about the use of Wellmont funds for improper or illegal activities, the employee should contact his supervisor, the Corporate Compliance Officer or call EthicsLine at 800.500.0333.

## **Do not use material non-public information for personal gain.**

While working for Wellmont, employees may learn material, non-public information about Wellmont or another company. Material, non-public or "inside" information includes any financial, technical or other information about Wellmont or another company which is not known to the public and which an employee becomes aware of in the course of his or her employment. Some examples are information related to acquisitions and mergers, refinancing and bond issues, new

contracts, products or inventions, major management changes and expansion plans.

## **Equal Employment Opportunity**

***Wellmont does not discriminate in its employment practices. Employees will be treated with respect and courtesy.***

No person may be discriminated against concerning recruitment, employment, promotion, termination of employment or any other term or condition of employment because of such person's race, color, creed, religion, sexual orientation, age, handicap, national origin, ancestry or marital status, or any other bias prohibited by federal, state or local law. No employee of Wellmont shall engage in any type of conduct that could be construed as sexual harassment under the guidelines established by the Equal Employment Opportunity Commission and as established by Wellmont's policy prohibiting sexual harassment.

If a Wellmont employee has concerns regarding possible violations of the above policy, the employees should contact his supervisor, the Corporate Compliance Officer, or EthicsLine at 800.500.0333

# Safety and Health

*Wellmont will maintain a safe and healthful work place.*

Prevention is the best medicine: strive to reduce or eliminate hazardous conditions. Wellmont and its employees are responsible for maintaining a safe and healthful work environment. Wellmont and its employees must comply with all federal, state and local health and safety laws and regulations of the Occupational Safety and Health Administration (OSHA). Work as a team so that no one is overly burdened, and no one gets hurt.

If a Wellmont employee has concerns about the safety of his or her work environment, the employee should contact his supervisor, any member of the Safety Committee or the Corporate Compliance Officer. Also, you may anonymously call EthicsLine at 800.500.0333 to report your concerns.

# Government Requests

Consult the Corporate Compliance Officer about any non-routine requests from national, state and municipal government agencies. It is Wellmont's policy to cooperate with reasonable requests from any governmental agencies concerning Wellmont's operations. The fact that law enforcement agent requests information from Wellmont or an employee of Wellmont does not mean a crime has been committed or even that the agent has concluded a crime was committed. If law enforcement agents seek to contact you directly, you are advised:

- (1) That you have the right to speak or decline to speak, as all such conversation by you is entirely voluntary;
- (2) That you have the right to speak to an attorney before deciding to be interviewed;
- (3) That you can insist that if you agree to be interviewed, that an attorney be present. Wellmont Health System requests that you advise the Corporate Compliance Officer or General Counsel before responding to any requests that are outside the ordinary scope of routine reports that are regularly made to governmental authorities.

If a Wellmont employee has any questions concerning the above policy, the employee should contact his supervisor or the Corporate Compliance Officer.