

Satilla Health Services, Inc.

The Corporate Compliance Program

“Partnership in Action”:

Code of Ethical and Business Conduct

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I. LETTER FROM THE CHAIRMAN OF THE BOARD

Satilla Health Services' greatest strength is its employees - the dedicated people who work day-to-day to care for and improve the health and well being of the citizens of Waycross and the surrounding communities in Ware County and Southeast Georgia. Our commitment to the provision of the highest quality health care services can be fulfilled only if those services are delivered within the context of strict adherence to the highest ethical and legal standards.

In today's complex business and regulatory environment, compliance with applicable laws and regulations and good business practices can be assured only if a well organized system of checks and balances is in place.

To accomplish this objective and to build upon our tradition of service to our communities, we have voluntarily established the Satilla Health Services, Inc. Compliance Program. As part of this program, we have developed, with your help, this Code of Ethical and Business Conduct.

The Code of Ethical and Business Conduct is a set of fundamental principles that apply to all of us who work here at Satilla. Every employee, myself included, will sign a pledge to abide by this code.

As partners in the clinical provision of healthcare services, each employee has an obligation to report concerns or questionable behavior, which comes to his or her attention. Generally, contacting your supervisor or manager should be the first step. However, occasions may arise when that may be inappropriate, not possible, or simply uncomfortable for you. Accordingly, we have established a Compliance Hotline that you can use for situations where you think adjustments to practices or procedures may assist our compliance efforts, or for conduct which you observe or believe to involve potentially unethical or illegal activity. Use of the Compliance Hotline will not result in any retaliation or retribution, and anonymity may be maintained.

Compliance, however, should be more than just obeying the law — it should be doing what is right. I urge all of you as dedicated healthcare professionals to put our 'Partnership in Action.' You can do this by embracing with enthusiasm our Compliance Program and the Code of Ethical and Business Conduct. Doing so will help us keep our pledge of providing quality healthcare services to the people of Waycross and Southeast Georgia.

Sincerely,

Owen Herrin
Chairman of the Board

II. MISSION AND VISION

MISSION

Our mission, as a regional referral center, is to care for and improve the quality of life of *our community through*

- a service network of modern health care facilities
- caring and competent staff
- prudent management of resources dedicated to the well being of those we serve

VISION

To meet our community's health care needs now and into the future.

III. INTRODUCTION TO THE CODE OF ETHICAL AND BUSINESS CONDUCT

Our Code of Ethical and Business Conduct consists of six core principles:

1. Quality Healthcare to our Community
2. Compliance with the Law
3. Respect, Fairness, and Courtesy in the Workplace
4. Understanding, Avoiding and Disclosing Conflicts of Interests
5. Confidentiality of Information
6. Safety and Security

The people of the Satilla Companies helped develop the Code of Ethical and Business Conduct. Each of us at the Satilla Companies must live by the basic principles established in the Code.

The Code of Ethical and Business Conduct is intended to provide general guidance in key areas. The Code continues the tradition of the mission and values that have guided us from the beginning. The Code does not cover every situation and does not replace existing policies and procedures. It is intended to serve as our foundation – our constitution for ethical and business conduct – for how we conduct our business day-to-day while serving the healthcare needs of our community.

The Code of Ethical and Business Conduct is the cornerstone of our Compliance Program. Our Compliance Program provides a centralized process to ensure that Satilla Health Services, Inc. and the other Satilla Companies are taking the appropriate due diligent steps to prevent, detect and correct illegal and improper conduct.

Our Compliance Program which combines regular compliance-related training, a Corporate Compliance Hotline, and regular monitoring, should reassure everyone that Satilla Health Services, Inc. and the other Satilla Companies are committed to serving the healthcare needs of our community in accordance with the highest ethical and business standards.

In the event you have a concern about how business is conducted at Satilla Health Services, Inc. or one of the other Satilla Companies first try to speak to your immediate supervisor/manager or a Human Resources representative. If that is not possible, or your concern involves your supervisor or manager, then contact the Compliance Officer or call the toll-free Corporate Compliance Hotline.

Verified reports of illegal conduct by an employee of Satilla Health Services, Inc. or one of the other Satilla Companies will result in strict disciplinary action, up to and including immediate termination and referral to appropriate law enforcement authorities.

While use of the Corporate Compliance Hotline will not result in retaliation or retribution, callers should be aware that bad faith misuse of the hotline such as the knowing

provision of false information is itself unethical conduct that could result in strict disciplinary action, up to including immediate termination.

IV. PRINCIPLES OF ETHICAL AND BUSINESS CONDUCT

The Compliance Program of Satilla Health Services Inc. and the other Satilla Companies and our Code of Ethical and Business Conduct will help us to continue to provide high quality healthcare to the people of Southeast Georgia.

Principle #1: Quality Healthcare to Our Communities

We will provide high quality healthcare services by qualified healthcare professionals and providers who are dedicated to improving the health and well being of people in need of care.

- We will employ qualified people with the appropriate education, training, experience and character to meet the healthcare needs of our community.
- We will work together as partners and as a team, promptly bringing to the attention of our supervisor deficiencies, errors or concerns that we may observe or have in the workplace.
- We will listen to one another and to the people whom we serve, and strive to be responsible to the concerns expressed by others.
- We will strive to speak and act day-to-day in a manner that reflects positively on our healthcare system.
- We will strive to take the initiative and anticipate the needs of our patients.
- We will treat the friends, family and visitors of our patients with courtesy, dignity and respect.
- We will ensure that our professional qualifications and credentials remain current and up-to-date.

Principle #2: Compliance with the Law

We will comply with all applicable laws and regulations and with the policies of Satilla Health Services, Inc. and the other Satilla Companies. We will be especially vigilant to comply with laws, regulations, policies and procedures that affect the health and safety of our patients and that are designed to assure that only medically necessary services are rendered and that charges accurately and fairly reflect services actually rendered.

Overall Legal Compliance

- We will comply with all applicable federal, state, and local laws and regulations that apply to the operations of Satilla Health Services, Inc. or any of the other

Satilla Companies.

- We will comply with all of the Satilla Companies policies and procedures and strive to keep those policies and procedures accurate and current.
- We will report known or suspected violations of laws or regulations as soon as possible through the Chain of Command to senior management either directly or through the Corporate Compliance Hotline as appropriate.
- We will ensure that our communications and representations, either written or oral, will be accurate and truthful.
- We will not accept, offer, use, encourage or solicit inappropriate payments, financial arrangements, or other items of value that have the effect or the appearance of being bribes, kickbacks or other inducements to improper behavior.
- We will ensure that all employees, including managers, supervisors, physicians and other healthcare professionals, meet all applicable legal and ethical requirements for employment in their respective fields.
- We will ensure that all necessary and required licensing for professional staff, including physicians, therapy personnel and other healthcare professionals, are verified as current and valid, and that due diligence has been exercised with respect to any past disciplinary actions.

Billing Coding and Financial Compliance

- We will bill only for services actually rendered and properly deemed medically necessary.
- We will ensure that the appropriate and necessary documentation from the appropriate physician is in the patient's medical record before we bill.
- We will code our bills as accurately and specifically as possible and be especially vigilant against "upcoding and DRG creep--using a billing code that provides a higher payment rate than what the actual service performed requires.
- We will closely monitor the billing and coding of laboratory tests, secondary diagnosis and self-administered drugs to ensure they accurately and properly identify any services ordered by the physician or authorized requester.
- We will ensure that any outsourced contracts to conduct billing or coding services, such as for Emergency services, do not create an inappropriate incentive to maximize charges or billings.
- We will ensure and demonstrate our good faith effort to comply with Medicare and Medicaid billing rules, especially as they concern outpatient services rendered in connection with inpatient stays.

- We will safeguard against billing errors such as duplicate billing (submitting more than one claim for the same service), unbundling (billing for a service such as lab tests piecemeal rather than together), and billing for discharge in lieu of transfer (under Medicare rules a Prospective Payment System (PPS) hospital that transfers a patient to another PPS hospital may only bill Medicare for a per diem amount).
- We will ensure our patients are provided adequate information so that they are free to make an informed decision to choose which home health agency, durable medical equipment (DME) supplier or long-term care and rehabilitation provider they wish to use.
- We will monitor on a regular and periodic basis our credit balances and make appropriate refunds once we have verified that an overpayment has been made, the amount of the overpayment, and to whom the refund should be made.
- We will ensure that our cost reports are accurate, paying particularly close attention to our hospital, nursing and home health facilities, and ensure that we make any material adjustments required by the Medicare or Medicaid programs.
- We will ensure that financial arrangements entered into by Satilla Health Services, Inc. and the other Satilla Companies meet the appropriate federal and state requirements, especially as they may relate to relationships involving physicians and other healthcare professionals, and that payments made to such professionals are based on fair market value for services actually rendered.
- We will ensure that we operate our services in conformity with the principle of fair and open competition, never engaging in price fixing or collusive activities designed to allocate market share.
- We will not turn away or ‘dump’ patients inappropriately, especially when they seek emergency care.
- We will make a good faith effort to meet all federal and state tax requirements, especially as they relate to the use of independent contractors and fair market value compensation issues for physician contracts.

Principle #3: Respect, Fairness and Courtesy in the Workplace

We will treat one another with respect, fairness and courtesy. We will manage any conflicts through established procedures in an orderly fashion.

- We will ensure that equal employment opportunity exists for qualified people regardless of their race, sex, age, religion, disability or Veteran's status.
- We will not discriminate on the basis of race, sex, age, religion, disability or Veterans status.
- We will not condone harassment or abusive conduct of any kind, including sexual

harassment.

- We will work together in good faith to resolve conflicts fairly and ethically through established grievance procedures,
- We will not retaliate or seek retribution against an employee who properly reports a violation of law, regulation, policies, procedures or the Code of Ethical and Business Conduct.
- We will encourage open, two-way communications among managers, supervisors and employees to ensure problems and concerns are identified and addressed quickly, thoroughly and properly.
- We will not tolerate or condone any violence in the workplace.

Principle # 4: Understanding, Avoiding and Disclosing Conflicts of interest

We, as employees, recognize the importance of understanding our responsibilities to our employer, either Satilla Health Services, Inc. or one of the other Satilla Companies. As part of our employee responsibilities, we will avoid actual or apparent conflicts of interest and disclose any that occur. A conflict of interest occurs when our private interests differ from our employee responsibilities and our employer's interests. We will disclose to our immediate supervisor any conflict of interest that we have or suspect we may have.

- We will follow the rule. "When in doubt --disclose" to ensure actual or apparent conflicts of interest are properly addressed.
- We will not accept or offer any gifts or gratuities while at the workplace without prior disclosure and written authorization from a designated manager in Satilla Health Services, Inc. or one of the other Satilla Companies as applicable.
- We will avoid direct reporting relationships between members of the same family.
- We will disclose our other employment activities and avoid employment that conflicts with our responsibilities at Satilla Health Services, Inc or one of the other Satilla Companies.
- We will obtain prior written authorization from a designated manager at Satilla Health Services, Inc. or one of the other Satilla Companies before using funds, facilities, equipment, employees or any other resource of one of the Satilla Companies for any charitable or political event or other purpose not directly related to our employment.
- We will not collude, collaborate or share with competitors proprietary or confidential information relating to Satilla Health Services, Inc's business development plans or the business development plans of one of the other Satilla Companies, such as pricing policy, costs or marketing plans.

Principle # 5: Confidentiality of Information

We will maintain the privacy and confidentiality of medical, financial, personnel, proprietary and any other sensitive information or records in our possession. We will be especially vigilant with respect to patient information.

- We will safeguard and protect from improper use or disclosure confidential, private, or proprietary information entrusted to us by others.
- We will ensure that proper policies and procedures are implemented and followed that safeguard the confidentiality and privacy, as appropriate, of a patient's medical records, billing information, genetic information, laboratory test results and any other information of a private or confidential nature.
- We will refrain from discussing confidential and private information in public areas such as elevators, stairwells, corridors, reception and waiting rooms and cafeterias.
- We will politely interrupt and advise a fellow employee of one of the Satilla Companies or a colleague not to discuss confidential or private information publicly if we become aware that they are doing so.
- We will not share or discuss confidential or private information with our friends, family, relatives or any other person who is not properly authorized to receive such information.
- We will obtain approval to disclose confidential or private information to a third party from the Corporate Compliance Officer before disclosing such information if: (1) we cannot verify that proper written authorization exists, or (2) we have any doubts about disclosing the requested information.
- We will ensure that appropriate systems and safeguards are implemented and monitored to protect confidential and private information stored on electronic systems and files from unauthorized access, or unprotected transmission.
- We will ensure that both written and electronic records are maintained securely and are regularly reviewed to ensure their proper retention or destruction.

Principle #6: Safety and Security

We will take appropriate and reasonable measures to ensure the safety and well-being of any person who visits, is admitted to, or works at a facility owned or operated by one of the Satilla Companies. We will also safeguard and protect the physical property where we work.

- We will ensure that appropriate security measures and policies and procedures are implemented, monitored and enforced.
- We will hire only properly qualified personnel to perform security-related tasks when needed.
- We will maintain a safe work environment that meets applicable federal, state and local safety laws and regulations.

- We will maintain an active safety program and disaster awareness program.
- We will safeguard and protect the physical plant, equipment and property of Satilla Health Services, Inc. or any of the other Satilla Companies as applicable.
- We will safeguard and protect the computer systems, networks, software and hardware of Satilla Health Services, Inc. or the other Satilla Companies as applicable from theft, unauthorized use, and damage.
- We will safely and properly dispose of biomedical waste and any other hazardous products or materials that may come into our possession.
- We will not use, carry, store or have in our possession at the workplace any firearms, knives or other weapons without the express written authorization from a senior executive at Satilla Health Services, Inc. or one of the other Satilla Companies as applicable.

V. REPORTING CONCERNS OR VIOLATIONS

Chain of Command

The Chain-of-Command is a term used to describe the increasing levels of management and supervision within an organization. Like a staircase, the chain-of-command progresses step-by-step until it reaches the top.

As a general rule, you should use the chain-of-command first to address a problem or concern. Speak to your immediate supervisor/manager first when possible. At times, circumstances may exist that prevent you from doing this, either because your supervisor/manager is unavailable or because you are concerned about your supervisor/manager, or because you are personally concerned about retribution or retaliation. If these circumstances exist, feel free to seek the advice of the next level of management, a Human Resources representative, the Compliance Officer, or use the Corporate Compliance Hotline.

If you have serious concerns and know, believe, or suspect that the matter involves fraud, abuse or illegal conduct, contact the Compliance Officer or call the Corporate Compliance Hotline.

Compliance Hotline

The Compliance Hotline is a toll-free number that allows for the confidential and if you so desire, anonymous reporting of serious concerns relating to known or suspected illegal conduct. The toll-free number is 1-877-397-0343.

The Compliance Officer is responsible for ensuring the proper operation of the Corporate Compliance Hotline.

People assigned to answer the Hotline are trusted to carefully protect the rights of both the caller and the person or persons who may be accused by the caller. Each call will be handled according to a strict set of policies and procedures to ensure that proper levels

of confidentiality are maintained, and that each call is promptly tagged, processed, reviewed, investigated (if needed), resolved and closed.

Callers who call the Corporate Compliance Hotline properly should do so without fear of retaliation or retribution, however, callers should remember that misuse of the Corporate Compliance Hotline such as by making deliberate false accusations against another employee, is itself unethical conduct which may be disciplined.