



## TARZANA TREATMENT CENTERS INC.

### MESSAGE FROM THE CHAIR AND CEO

The mission of Tarzana Treatment Centers, Inc. (“TTC”) is to bring compassion to health care and to help to those in need of our assistance. Health care is a complex enterprise, governed by legal and regulatory standards, policies and various other requirements.

The Code of Conduct is an important expression of our commitment to respond to these many complex requirements, always remaining true to our enduring values.

In today’s complex environment, each standard in the Code of Conduct seeks to support the right relationships with our many stakeholders and partners as we pursue our mission. We believe the Code will assist you in carrying out your important responsibilities and in advancing our mission.

This Code of Conduct truly is ***A Foundation for Right Relationships***. It is a foundation for:

- Relationships with ***those we serve***, such as patients, their family members and communities;
- Relationships with ***one another***, our co-workers;
- Relationships with ***those with whom we partner***, such as physicians, other health care professionals and vendors;
- Relationships with ***those who oversee our industry***, such as commercial insurers and governmental agencies that pay for the care we provide; and
- Relationships with ***external entities*** that influence the way we operate, such as competitors, accreditation organizations, licensing and certification authorities and the media.

The Code of Conduct helps each of us to live out our values every day, in every area of TTC’s operations. While the Code of Conduct may not offer easy answers about every ethical, regulatory or legal issue that you may encounter, it serves as an excellent guide for day-to-day action.

In the event that you encounter any situation that may not be consistent with the Code of Conduct, including medical errors and adverse events, it is your duty and responsibility to speak up. We want to hear from you; under the Codes of Conduct, each of us is accountable not only for our actions, but also for any failure to act.

This Code of Conduct is a resource for you, and serves as a key element of our Corporate Responsibility Program. It is a reflection of who we are and helps us to be faithful to our mission and values. It does not replace the employee handbook or other more detailed TTC policies on related

matters. It is intended to work in conjunction with them, and to cover others who may not be employees but are involved in TTC and expected to conduct themselves in an appropriate and similar manner.

TTC's patient care success is due to you, our dedicated co-workers. Thank you for all you do, both to *bring* good help and to *be* good help.

Scott Taylor  
Chair, Board of Directors, and CEO  
Tarzana Treatment Centers, Inc

## **TARZANA TREATMENT CENTERS, INC.**

### **CODE OF CONDUCT**

#### **YOUR RESPONSIBILITIES**

Each TTC employee and all of our partners and collaborators have an important role to play in supporting this Code of Conduct. Building on the dignity of each person and our organizational commitments, the Code of Conduct outlines some specific responsibilities.

#### **Employees, Medical/Professional Staff, Officers and Directors**

The Code of Conduct applies to all employees, medical/professional staff members, officers and directors of TTC. TTC also expects independent contractors (such as vendors), in their relationship with TTC, to abide by the Code of Conduct. Each has the following responsibilities:

- Understand and adhere to the Code of Conduct, paying special attention to those areas that apply to your daily work. Claims of ignorance or good intentions will not be accepted as excuses for not following the Code of Conduct.
- Seek guidance and ask questions when you are uncertain about something.
- Speak up and report to someone in authority in the organization when you are aware of specific behavior or organizational practices that may be inconsistent with the Code of Conduct, including medical errors and adverse events.
- Fully cooperate with all internal investigations that may be coordinated by internal audit, legal counsel and others. Respect the confidentiality of these investigations.

#### **Leaders and Board Members**

Leaders and Board Members of TTC are held to a high standard of responsibility. If you are a supervisor, manager, program director, senior executive, medical staff leader or board member, you have responsibilities in addition to those mentioned above:

- Set a personal example of high ethical standards in the performance of your duties. Communicate to others your expectations for the same high standards.
- Ensure that those whom you lead understand and apply the guidance set forth in the Code of Conduct. Hold them accountable when they do not.
- Listen to the questions asked by those whom you lead. Act on their concerns in a timely and appropriate manner.
- Support and promote TTC's policy of non-retaliation.

## Non-retaliation Policy

TTC has a policy of “zero tolerance” for any form of retaliation against those who report the Code of Conduct concerns in good faith. TTC values and encourages honest discussion about these concerns. “Zero tolerance” for retaliation applies to:

- **Direct** as well as **indirect** retaliation
- Retaliatory **actions** as well as **threats** of actions
- Retaliation from **supervisors** as well as from **co-workers**

## CORPORATE RESPONSIBILITY AND COMPANY DISCIPLINE

TTC expects all employees, volunteers, members of the medical/professional staff, officers and directors to use common sense and good judgment in assuring personal behavior and organizational practices that are consistent with the Code of Conduct. For members of the medical staff, violations are dealt with through the medical staff by-laws. For all others, violations are dealt with through TTC policies and procedures.

The following are examples of Corporate Responsibility related conduct that will result in disciplinary action:

- Employees who **authorize or participate in a violation** of law, regulation, policy, ethical standard or the Code of Conduct.
- Employees who withhold information or **fail to report such violations**.
- Supervisors or managers who provide **inadequate supervision**, or display lack of diligence in assuring conformance to law, regulation, policy, ethical standard or the Code of Conduct.
- Employees who **retaliate, attempt to retaliate or threaten to retaliate** against individuals who report suspected violations in good faith.
- Employees who make **deliberately false or frivolous reports of violations** of the Code of Conduct.
- Employees who **discriminate** against or **harass** others.

Although compliance with law, regulation, policy, ethics and the Code of Conduct is a condition of employment at TTC, the Code of Conduct is not an employment contract, nor does it create any contractual rights.

Health care providers such as TTC are governed by many complex requirements. While the Code of Conduct does not offer easy answers about every issue that you may encounter, it should serve as an excellent guide for your day-to-day actions. We believe the Code of Conduct can assist you in carrying out your responsibilities, and in advancing our mission to provide help to those in need.

# CODE OF CONDUCT STANDARDS

## 1. PROVIDING HOLISTIC CARE

### Patient Rights

- Honor the inherent dignity of each person.
- Honor the right of each person to receive holistic, compassionate, quality care.
- Respond promptly and courteously to patient inquiries and requests.
- Disclose medical errors and adverse events according to the appropriate process.

### Medical Ethics

- Provide access to a medical ethics committee for assisting with ethical concerns that may arise regarding medical care.
- Engage patients/residents, family members and clinicians in ethical dialogue that leads to optimal clinical quality.

### Patient Education

- Understand the needs of patients, residents of our inpatient, outpatient and transitional facilities and their family members.
- Discuss available options openly and actively and fully involve patients, or their designees, in all decisions regarding their care.

## 2. CULTIVATING JUSTICE IN THE WORKPLACE

### Non-Discrimination

- Honor the inherent dignity of each person.
- Treat co-workers and others in the workplace with respect, courtesy and consideration.
- Do not discriminate in any employment action against anyone based on race, religion, color, gender, age, marital status, national origin, sexual orientation, veteran status, disability or any other characteristic protected by law.

### Harassment

- Do not encourage or tolerate any form of workplace harassment, including degrading or humiliating jokes, slurs, intimidation or other harassing conduct that might create a hostile work environment.
- Do not tolerate sexual harassment, such as unwelcome sexual advances, requests for sexual favors, or verbal or physical conduct that creates a hostile work environment.

### Drug-free Workplace

- Perform your duties and responsibilities free from the influence of drugs or alcohol: exceptions are prescribed drugs and over-the-counter medications when used as directed, and provided they do not compromise your ability to perform your job duties. See employee handbook for further discussion of this issue.

### Credentials and Qualifications

- Maintain appropriate licenses and credentials, and perform only those professional duties within your authority.

### **3. MAINTAINING CONFIDENTIALITY**

#### **Patient Information**

- Do not review or use a patient's personal health information unless necessary as part of your job.
- Do not release personal health information, or remove it from a TTC facility, without appropriate authorization.
- Do not leave personal health information, hard copy or electronic, unattended or available to others.
- Do not discuss patient information in public areas, e.g., in cafeterias, elevators or restrooms.
- Give personal health information and quality monitoring data only to those who are authorized to receive it and need to know it for both patients and employees.

#### **Confidential Business Information**

- Protect confidential business information, e.g., TTC's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with employees or organizations, including governmental bodies such as the County of Los Angeles.
- Respect intellectual property such as patents, trademarks, copyrights and software.
- Do not use the confidential business information of a competitor in violation of any agreement, e.g., trade secrets, confidentiality, or prior employment agreement or contract.
- Do not use any information that is obtained unlawfully for any business activity conducted by or on behalf of TTC.
- Keep computer access methods (e.g., passwords, URLs, tokens etc.) confidential.

#### **Employee Information and Personnel Actions**

- Protect confidential employee information, e.g., social security numbers, salary, benefits and personnel actions.

#### **Peer Review Information**

- Protect the confidentiality of peer review information.

### **4. OBSERVING ETHICAL BUSINESS PRACTICES**

#### **Medical Records Coding and Billing of Third Parties**

- Ensure that medical records meet requirements of medical staff bylaws, accreditation standards, and relevant laws and regulations.
- Ensure that bills submitted to Medicare, Medi-Cal and other government (e.g. County of Los Angeles) and commercial payers are accurate and appropriate.
- Do not overcode, undercode, un-bundle, double-bill, or otherwise bill inappropriately.

#### **Honest Communication**

- Encourage open and honest communication about business and financial reporting practices within TTC.
- Communicate honestly and cooperate fully with TTC attorneys and internal auditors, and with government representatives including government auditors.
- Do not give false or misleading information to anyone doing business with TTC, or competing with TTC.

## **Proprietary Information**

- Do not use any list (e.g. customer, patient, vendor, price, etc.), contract, publication, document, computer system, information or other product in an unlawful or unauthorized manner.

## **5. FOLLOWING LEGAL REQUIREMENTS**

### **General Requirements**

- Understand and follow the laws, regulations and TTC policies that relate to your job duties.
- Do not ask or knowingly permit a TTC employee to violate any law, regulation or TTC policy.

### **Relationships with Medical/Professional Staff and Other Providers**

- Do not offer, give, solicit or accept money, gifts or other things of value in order to reward or induce referrals. Any entertainment or gift-giving that involves physicians or others who are in a position to refer patients to TTC should be undertaken in accordance with all Federal and California laws, rules and regulations.
- Ensure that contracts with providers outline the following: the specific services they are being paid to provide, time commitments, compensation rate at fair market value and the methods for documenting compliance with the contract.
- Do not adjust contractual rates with providers in consideration of the volume or value of their referrals.
- Providers should not make referrals for services to TTC where the physician, other health care professional or his/her immediate family member (as defined by the Internal Revenue Service) has a financial relationship with TTC, unless TTC (or legal counsel approved by TTC) has determined that all applicable exceptions and/or safe harbors have been satisfied. Do not submit a bill or claim for reimbursement to Medicare, Medi-Cal other Federal or California program where the provider making the referral, or his/her immediate family member, has a financial relationship with the TTC affiliated organization unless all applicable exceptions and/or safe harbors in the applicable law are met.

### **Political Activity and Lobbying**

- Do not contribute TTC money, property or the services of any TTC director or employee to any political candidate, party organization or committee.
- You may contribute to political organizations or campaigns with your own funds, but not as a TTC representative.
- TTC may comment on legislation or regulations under consideration and may also take public positions on issues that relate to our operations or mission.
- Do not attempt to influence the decision-making process of government bodies or officials by improperly offering any benefit.
- Report any request or demands by any government representative for improper benefit.

### **Environment and Safety**

- Dispose all waste according to applicable laws and regulations, and work cooperatively with appropriate authorities to fix any environmental contamination for which TTC may be responsible.
- Understand and follow the health, infection control and safety laws and regulations that apply to your work.

### **Fair Competition and Antitrust**

- Do not make agreements with competitors that rise, depress, fix, peg or stabilize prices; do not rig bids; and do not collude with competitors.

- Do not make agreements with competitors to deal or not to deal with specific patients, providers or payers; do not engage in exclusive dealing or price discrimination agreements.
- Do not engage in unfair trade practices, including bribery, misappropriation of trade secrets, deception or intimidation.
- Do not make agreements with competitors on wages or benefits to be paid to their respective employees.
- Do not make agreements with competitors to divide or allocate the market along geographic or product or service lines.

## **Tax**

- In furtherance of our charitable purposes, ensure that TTC resources are used for community benefit rather than the private interests of any individual.
- Do not pay more than fair market value (FMV) for purchased services. Do not charge less than FMV for services sold (except in the case of free or discounted health services provided under the TTC financial assistance policy). Make sure to document fair market appraisals when appropriate.
- Report payments and revenue to appropriate taxing authorities honestly and file all tax and information returns according to applicable laws.

## **6. PRACTICING GOOD STEWARDSHIP**

### **General Requirements**

- Conserve natural and other resources when managing and operating our businesses.

### **Financial Reporting and Internal Controls**

- Report our financial results and condition accurately.
- Ensure that all financial reports, cost reports, accounting records, expense accounts, time sheets and other financial documents fully and accurately represent the facts.
- Store records safely and securely for the period of time required by law and policy.
- Maintain and comply with required internal controls.

### **Travel and Entertainment**

- Ensure that travel and entertainment expenses are consistent with your job responsibilities and the needs and resources of TTC and consistent with TTC travel and reimbursement policies. You should not have a financial gain as a result of appropriate business travel or entertainment.

### **Personal Use of TTC Assets**

- When using TTC assets and handling company business, ensure that you are doing so for the good of TTC, not for your own, or another's personal gain.
- Do not use or take TTC equipment, supplies, materials or services without proper authorization.
- Obtain your supervisor's approval before participating in any non-TTC activity on company time, or before using TTC equipment, supplies, materials or services to perform any activity unrelated to your TTC work.

## **7. MAINTAINING APPROPRIATE BUSINESS RELATIONSHIPS**

### **Guidelines for Giving and Accepting Gifts**

- Do not offer, accept, or solicit gifts or other incentives that improperly influence, or give the appearance of improperly influencing, business decisions. Remember that TTC strives to preserve and protect its reputation, and to avoid even the appearance of improper activity.

- Do not accept cash or cash equivalents (e.g., gift certificates) from anyone doing business, or seeking to do business, with TTC.
- You may accept non-cash gifts of nominal value (e.g., pens, mugs, key chains, note pads, etc.) not to exceed \$100 in any one year, from a vendor doing business, or seeking to do business, with TTC.
- Perishable or consumable gifts (e.g., flowers, fruit candies etc.) given to a department or shift are not subject to any specific dollar limitation, as long as they are reasonable and not given in order to encourage patient referrals or improperly influence business decisions. Frequent perishable or consumable gifts (more than three times per year) from any single individual or vendor are not permissible.
- To the extent possible, gifts that are accepted should be shared with co-workers.
- You should use common sense and good judgment in giving, accepting or refusing gifts, and consider all facts and circumstances. For example, there may be circumstances when accepting a gift that technically meets the dollar limitation specified above could still detract from TTC's reputation.
- If you are uncertain whether a gift can be given or accepted, discuss it with your supervisor.

### **Gifts from Patients**

- Do not offer, accept, or solicit gifts, money, favors or tips from patients, residents or their family members. However, perishable or consumable gifts given by a patient or patient's family member to a department or shift may be accepted.
- If patients, residents, family members or other individuals wish to present a gift of money, refer them to the CEO or COO

### **Honoraria or Payments for Educational Activities**

- Do not accept honoraria or payments for educational activities, unless you use personal time off to participate. Obtain your supervisor's approval before being reimbursed for expenses associated with participation.

### **Relationships with Vendors**

- Seek the best value for TTC when placing contracts. In some cases, it may be appropriate to obtain multiple bids.
- You may accept invitations that are extended to develop business relationships that involve meals, refreshments or modest entertainment at a vendor's expense. In general, these events should be infrequent (not more than three times per year), connected to a legitimate business purpose (discussing business topics), and not of extravagant value (not to exceed \$100 per event). In addition, the host must be present and these events must not include long distance travel or overnight lodging. These events must not be offered to improperly influence current or future business decisions.
- With your supervisor's approval, you may attend local or out-of-town vendor-sponsored workshops, seminars or conferences that have an educational purpose.

## **8. AVOIDING CONFLICTS OF INTEREST**

### **Duty of Loyalty**

- You are expected to be loyal to TTC. Avoid situations or circumstances that could place you in conflict with the interests of TTC. This includes activities, business relationships, or financial investments that could improperly influence - or appear to influence - your judgment or the



performance of your duties on behalf of TTC. Your loyalty to TTC must override any prior and current relationships to customers, competitors or suppliers.

- Remember that it is also a conflict of interest if an immediate family member is involved in activities, business relationships, or financial investments that conflict with the interests of TTC.

### **Disclosure, Approval and Recusal**

- Follow TTC policy requiring disclosure of any actual or potential conflicts of interest, as applicable to your position.
- Discuss and obtain advance approval of your supervisor or higher level manager for any situation that could present an actual or potential conflict of interest. Even the appearance of a conflict can be a problem.
- Recuse yourself from discussions or decisions where you or an immediate family member have a personal interest that conflicts, or appears to conflict, with the interest of TTC.
- Do not share or use information about TTC for your own personal gain, or for the personal gain of immediate family members.

### **Outside Interests and Activities**

- Do not perform work outside of your job duties for any competitor, supplier or potential supplier of TTC without prior approval from your supervisor or higher level manager.

### **Participation on Outside Boards**

- You may serve on the boards of directors for civic or charitable organizations. However, you must notify your supervisor and obtain CEO/COO approval before agreeing to serve on any board whose interests may conflict with TTC. Any compensation paid to you for board services provided during normal work time other than reimbursement for board-related participation is normally paid directly to TTC, unless you take personal time off to perform the service. Other arrangements may be made if this is not permitted by the outside board.

If you have questions about any aspects of the Code of Conduct, or you are confused or feel it is in conflict with other TTC policies, you are expected to seek clarification from your supervisor if he/she does not have the answers, they will seek them for you.