



Adirondack Health Institute

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POLICY AND PROCEDURE

Department: Compliance

Title: Code of Conduct with AHI Board and Governance Committee Addendum (COC/COI)

Effective Date: 2/2014

Annual Review Date: 09/2019

Date Revised: 09/2018

Policy

It is the policy of Adirondack Health Institute (AHI), to conduct our business in accordance with applicable laws, rules, and regulations, and we expect our workforce members to meet the highest standards of ethics. This Code of Conduct reflects the business practices and principles of behavior that supports this commitment. We expect every workforce member to read and understand the Code of Conduct and abide by it in the performance of his/her daily responsibilities.

Definitions

Workforce member: Employees, board members, volunteers, interns, independent contractors, agents, vendors, and other persons whose conduct, in the performance of work for a covered entity, is under the direct control of such entity, whether or not they are paid by the covered entity. This includes full and part time employees, affiliates, associates, volunteers, and staff from third party entities who provide service to the covered entity.

Procedure

CODE OF CONDUCT

I. General Responsibilities

The Board of Directors of AHI recognizes the paramount importance of maintaining AHI's reputation for integrity that includes, but is not limited to, assuring compliance with applicable Federal, State, and local laws and regulations, as well as fulfilling contractual obligations.

A. Individual Responsibility

Every workforce member of AHI is responsible for ensuring that his or her conduct is consistent with this Code of Conduct, with AHI's policies and procedures, and with generally accepted standards of professionalism, courtesy, and respect. Furthermore, AHI's Workforce members in supervisory positions must assume, and are charged with, responsibility for ensuring that the conduct of everyone they supervise complies with this Code of Conduct.



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B. Compliance with Laws and Regulations

Workforce members are expected to comply with all laws and regulations applicable to the operations of AHI, including, but not limited to, billing and coding requirements; the maintenance of accurate and complete business records; and requirements related to procurement standards.

C. Confidentiality of Information

Workforce members may acquire confidential or proprietary information by virtue of their affiliation with AHI. Confidential or proprietary information may not be: (1) disclosed outside of AHI without appropriate authorization from AHI's Chief Executive Officer ("CEO"); or (2) used for personal gain or for the benefit of a third party.

D. Independent Obligation

Each workforce member of this organization is independent of this organization in his or her responsibility to the privacy and security of PHI/PII.

E. Gifts

- No AHI Workforce member may solicit or accept gifts, gratuities, favors or anything of value from any current or potential patient/client, vendor or contractor or potential contractor of AHI or any current or potential party to a sub-agreement with AHI. Every AHI workforce member will decline or return any gift and notify the CEO, or his or her designee, of such gift.
- A "gift" means anything of value except for promotional materials of little or nominal value such as pens, calendars, mugs, and other items intended for wide distribution and not easily resold. Gifts include (but are not limited to): personal gifts with a value of more than \$50.00, such as sporting goods; household furnishings and liquor; social entertainment or tickets to sporting events; personal loans or privileges to obtain discounted merchandise, and the like.
- AHI will immediately dismiss any workforce member found to have offered or accepted a bribe to secure funding or other benefits for or from AHI.

F. Honest Dealing with Government Officials

Workforce members will be cooperative and truthful in their dealings with any governmental inquiries or requests, including audits, surveys, and certifications reviews. However, AHI workforce members who are not authorized to speak on behalf of the organization will not respond to any governmental inquiries or requests, including audits, surveys, and certifications reviews and will promptly report any such inquiries or requests to AHI's CEO, designated Compliance Officer or other member of senior management.



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G. Conflicts of Interest

1 General Prohibition

AHI workforce members must make decisions fairly and objectively with the best interests of AHI in mind. As AHI is a Department of Health and Human Services (“DHHS”) grantee, these standards for managing Conflicts of Interest are also necessary to comply with DHHS regulations found at 45 C.F.R. § 74.42. No workforce member shall participate in AHI’s selection, award or administration of any contract or grant, paid in whole or in part with Federal funds, when a real or apparent conflict of interest is involved.

2 Definitions

- a. Interest: A person has an “Interest” if he or she has, directly, or indirectly through a family member or business partner:
 - a business relationship (e.g., an actual or forthcoming contractual or employment compensation arrangement) with: (1) AHI; (2) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; or (3) an entity that is a competitor or potential competitor of AHI;
 - a financial relationship (e.g., a controlling or material ownership, or investment interest) with: (1) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; or (2) an entity that is a competitor or potential competitor of AHI;
 - a fiduciary relationship (e.g., Board member or trustee) with: (1) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; (2) an entity that is a competitor or potential competitor of AHI; or
 - a personal relationship with an individual who has a business, financial or fiduciary relationship as defined above. A personal relationship means a relationship based on family, friendship or romance.

Any interest in a company through publicly-traded stocks, bonds or mutual funds available to the general public shall not constitute an Interest, provided the ownership or investment interest is less than one percent of the company’s shares.

- b. Conflict of Interest: A “conflict of interest” arises whenever the Interest of a person competes with or has the potential to compete with the best interests of AHI. A conflict is presumed to exist if a person with an Interest is involved in any way in the transaction or arrangement in which he or she has such Interest.

3 Affirmative Disclosure Requirements



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It is the policy of AHI that Interests shall be fully disclosed by any individual regardless of whether a conflict of interest is determined to exist.

- Annual Disclosures: AHI requires that all Workforce members, disclose in writing (and update at least annually): (1) all Interests described in Section I.F.2. which may create an actual or potential conflict of interest, and (2) where applicable, provide a statement suggesting how such conflict could be avoided or mitigated.

To facilitate such full disclosure, AHI requires workforce members to complete annually the Disclosure Form attached as Exhibit A. Completion of a Disclosure Form does not relieve individuals of the obligation to comply with this Code of Conduct regarding disclosure of Interests that may occur after the filing of the Disclosure Form (e.g., with respect to a particular transaction).

- Additional Interests: AHI requires all workforce members to disclose additional Interests that arise after the filing of the Disclosure Form.

Workforce members shall make disclosures in writing to the CEO, or his or her designee.

4 Determining Whether a Conflict of Interest Exists

In the case of a potentially conflicted workforce member (including the CEO), that person may make a presentation to the Board regarding whether he or she has a conflict, and may respond to related questions from the Board. However, after such presentation, he or she shall leave the meeting during any discussion of, or vote on, whether a conflict of interest exists, and if such conflict is determined by the Board to exist, he or she shall leave the meeting during any discussion of, and voting on, the transaction or arrangement that involves the conflict of interest.

5 Procedures for Addressing the Conflict of Interest

- a. Procurement. If the conflict involves AHI procurement, the process shall be conducted in accordance with AHI's Procurement Policy.
- b. Alternative Arrangements. In other instances, the Board shall, as it may deem appropriate, appoint the CEO to investigate alternatives to the proposed transaction or arrangement and make recommendations. After exercising due diligence, the Board or CEO, as applicable, shall determine whether AHI can obtain an equivalent transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- c. AHI's Best Interests. If a transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or CEO, as applicable, shall determine (if Board, then by a majority vote of the disinterested Board members) whether, notwithstanding the conflict of interest, the transaction or arrangement is in AHI's best interest, for its own benefit and whether the transaction is fair and reasonable to AHI such that it would constitute an "arms-length" transaction (and be consistent with 45 C.F.R. Part 74 standards).



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- d. Pervasive Conflicts of Interest. In circumstances where there are material continuing or pervasive conflicts of interest, an individual may be required by the AHI Board or the CEO, as applicable, to withdraw from his or her position with AHI unless the individual chooses to disassociate from the outside position that causes the conflict.

6 Violations of the Standards of Managing Conflicts of Interest

If the Board or CEO, as applicable, has reasonable cause to believe that a person has failed to disclose an Interest, the person shall be informed of the basis for such belief and afforded an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the individual who failed to disclose an Interest, and making such further investigation as may be warranted in the circumstances, the Board or CEO determines that the individual has in fact failed to disclose an Interest in accordance with Section I.F.3., appropriate corrective and/or disciplinary action shall be taken, including removal of the individual from the selection, negotiation, or administration of any contracts or grants.

7 Records of Proceedings

The minutes of the Board and all committees with Board-delegated powers and those records as determined by the CEO shall contain:

- a. Conflicts of Interest. The names of the person who disclosed or otherwise were found to have an Interest in connection with an actual or potential conflict of interest and the nature of the Interest; any action taken to determine whether a conflict of interest was present; and the Board or CEO's decision, as applicable, as to whether a conflict of interest in fact existed.
- b. Management of Conflicts. For transactions where a conflict of interest has been disclosed or otherwise found to exist, the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and the names of the persons who recused themselves; the content of the discussion, including any alternatives to the proposed transaction or arrangement or AHI's best interest; and a record of any votes taken in connection therewith.

8 Supplemental Income

The CEO must disclose in writing to the Chair of the Board, and all Workforce members must disclose in writing to the Chief Compliance Officer, or his or her designee, any specifics of any plans to accept supplemental outside employment that conflicts, or has the potential or appearance to conflict, with the interests of AHI. AHI's prior approval of such outside employment or consultancy is required.

H. Political Activities



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No workforce member may participate or intervene in any political campaign in support of or in opposition to any candidate for elected public office while at work during business hours. A political campaign is deemed to begin when an individual announces his or her candidacy for an elective public office, or is proposed by others for an elective public office. No workforce member may use AHI's name, facility or any resources in connection with political campaign activities.

I. Lobbying

Lobbying is generally defined as a communication (written or oral) that is an attempt to influence (for or against) specific legislation including appropriations. Any lobbying activities proposed to be undertaken by AHI or by any workforce member on behalf of AHI shall require the prior approval of the CEO. Any workforce member undertaking lobbying activities will work with the CEO, or his or her designee, to ensure that such activities are supported by non-Federal resources. Any workforce member undertaking lobbying activities will work with the CEO, or his or her designee, to ensure that all disclosures and reporting of lobbying activities which are required by State or Federal law are submitted in a timely manner.

II. Violations of Code of Conduct

Workforce members should promptly report concerns regarding compliance with this Code of Conduct. Such a report should normally be made initially through standard management channels, beginning, for Staff, with the workforce member's immediate supervisor. Reports should then be submitted to the Compliance Officer or designee. As an alternative, workforce members also may make such reports directly to the Compliance Officer or designee. Such reports may be made confidentially, and even anonymously. Raising such concerns is a service to AHI and will not jeopardize the terms and conditions of employment of the reporting individual.

Workforce members must cooperate fully in the investigation of any alleged misconduct. Workforce members who make intentionally false accusations regarding a compliance concern is subject to discipline by AHI in accordance with the AHI's Policy and Procedure.

Workforce members who violate this Code of Conduct may be subject to disciplinary action, in accordance with AHI Policy and Procedure.

This Code of Conduct shall be reviewed periodically and updated consistent with the requirements established by the Board of Directors, AHI's senior management, Federal and State law and regulations, and applicable accrediting and review organizations.

Contact Person: Corporate Compliance and Privacy/Security Specialist

Responsible Person: Chief Operating and Compliance Officer

Approved by: Chief Executive Officer



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ADDENDUM FOR AHI BOARD AND AHI GOVERNANCE COMMITTEE OPERATIONS

III. Definitions

- A. Family: A relative is a spouse, ancestor, brother, sister (whole or half-blood), child(ren), (natural or adopted), grandchild(ren), great-grandchild(ren), spouses of brothers, sisters, child(ren), grandchild(ren) or great-grandchild(ren) and/or domestic partner of the Interested Person.
- B. Covered Individual: Covered Individuals include, but are not limited to Board Members of AHI and AHI Governance Committee Members.
- C. Independent Director- A Board Member who:
 - 1. has not been an employee and does not have a relative who has been a key employee within the last 3 years;
 - 2. has not received and does not have a relative who has received more than \$10,000 in direct compensation in the last 3 years; and
 - 3. is not and does not have a relative who is a current employee of a company that has made payments to or received payments from AHI in excess of \$25,000 or 2% of gross revenue.
- D. Interested Person: Any Covered Individual who has a direct or indirect Financial Interest is an Interested Person.
- E. Related Party- The term “related party” means:
 - 1. Any trustee/director, officer or key employee of AHI or any affiliate of AHI;
 - 2. Any relative of any trustee/director, officer, or key employee of AHI or any affiliate of AHI; or
 - 3. Any entity in which any individual described in (1) or (2) has a 35 percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest excess of five percent.
- F. Key Employee: Any person who is in a position to exercise substantial influence over the affairs of AHI, as referenced in 26 U.S.C. Section 4958 (F)(1)(A) and further specified in 26 C.F.R. Section 53.4958-3(C), (D) and (E), or succeeding provisions.
- G. Related Party Transaction: Any transaction, agreement, or other arrangement in which a related party has a financial interest and in which the corporation or any affiliate of the corporation is a participant.
- H. Conflict of Interest - A Conflict of Interest may be only a matter of degree, but exists when a Covered Individual:



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1. Is in a position to benefit directly or indirectly by using authority, influence or inside information, or allows a friend, relative or associate to benefit from such authority, influence or information.
2. Uses authority, influence or information to make a decision which the person knew or should have known might adversely affect AHI.
3. All related party transactions shall be deemed conflicts of interest under this policy.

IV. Scope

The scope of the Interested Person's participation in the decision-making process where an actual or potential conflict of interest exists is as follows:

- A. Deliberations. The Interested Person may not participate in or be present for the deliberations nor use personal influence in the matter.
- B. Quorum. The Interested Person may not be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the transaction.
- C. Voting. The Interested Person's vote may not be counted in determining whether to enter into the transaction.

V. Compensation

- A. A voting member of the AHI governing board or of an AHI Governance Committee who receives compensation, directly or indirectly from AHI for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee with governing board-delegated powers or of an AHI Governance Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AHI for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the governing board or any committee with governing board-delegated powers or of any member of an AHI Governance Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AHI, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

VI. Periodic Reviews

- a. To ensure that AHI operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic Conflict of Interest reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 2. Whether partnerships, joint ventures, and arrangements with management organizations conform to AHI's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable



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purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

3. When conducting the periodic reviews as provided for herein, AHI may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

VII. Violation of Policy

In the event that this policy is violated, the violating person will be subject to discipline up to and including termination or removal from his/her position with AHI.

VIII. Distribution

This policy must be distributed to all Board Members. All recipients of this policy must acknowledge their receipt and understanding of the policy by referring any questions or problems with the policy within ten days of the issue date to the Secretary of the Board. If no question or problems are stated, it will be assumed that the policy has been read and understood.

All questions regarding this policy or its implementation must be referred to the Chair of the Board or the Chair of the Audit and Compliance Committee.



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ATTACHMENT A **CONFLICT OF INTEREST**

DISCLOSURE CONCERNING FINANCIAL OR OTHER INTERESTS THAT CREATE A POTENTIAL OR ACTUAL CONFLICT OF INTEREST

STATEMENT OF PURPOSE:

As an officer, employee, Board member, committee member, contractor, agent, consultant or volunteer of the Adirondack Health Institute, I understand that I owe certain duties to AHI including, but not limited to, a duty of loyalty to AHI. I understand that one aspect of fulfilling my duties to AHI is to avoid actual or potential conflicts of interest where my allegiance might be divided, or appear to be divided, between a position of responsibility to AHI, and another professional, personal, business or volunteer position or responsibility.

To help avoid actual or potential conflicts of interest, I am disclosing other responsibilities and affiliations that may create or appear to create a conflict with regard to my duties to AHI. I invite any further inquiry by AHI that it deems appropriate.

AGREEMENT AND DISCLOSURE:

I have read AHI's Code of Conduct and agree to comply with its terms regarding conflicts of interest. I understand the definition of Interests in Section I. F.2. of this Code of Conduct and agree to supplement this Disclosure Form in the event of additional Interests that arise.

1. Disclosure of business relationships (e.g., an actual or forthcoming compensation arrangement either by contract or employment) with: (1) AHI; (2) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; or (3) an entity that is a competitor or potential competitor of AHI:
2. Disclosure of financial relationships (e.g., a controlling ownership, investment interest, employment relationship or other relationship that a reasonable person would deem to be significant) with: (1) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; or (2) an entity that is a competitor or potential competitor of AHI:
3. Disclosure of fiduciary relationships with: (1) an entity with which AHI has entered (or is negotiating to enter) a transaction or arrangement; (2) an entity that is a competitor or potential competitor of AHI:



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4. Disclosure of personal relationships with an individual who has a business, financial or fiduciary relationship:

5. Suggested means of mitigating any of the situations identified in Items 1 through 4 above:

Please mark:

[] In addition to the Agreement and Disclosure I understand that If a matter presents a conflict with my duty to AHI, I will disclose that conflict and if a Board member or Committee member will recuse myself from voting on any matter in conflict

Please mark (if applicable):

[] I know of no professional, business or volunteer position or responsibility, including vendor situations, which might give rise to an actual or apparent conflict of interest or otherwise impair my ability to make decisions in the best interests of AHI.

Please mark all that apply:

- [] I am employed by AHI
[] I am a Board Member of AHI
[] I am a PPS partner serving on an AHI committee
[] I am a PPS partner involved with DSRIP
[] Other _____

Signature

Date

Print Name

Position with/for AHI, or other relationship with AHI

AHI Compliance - Reviewed By

Date

Title



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ATTACHMENT B CERTIFICATION OF COMMITMENT TO COMPLY WITH CODE OF CONDUCT

I hereby acknowledge and certify that I have received and reviewed a copy of AHI's Code of Conduct and I understand that it represents mandatory policies of AHI. By signing this form below, I agree to abide by this Code of Conduct during the term of my employment, contract or agency or while otherwise authorized to serve on AHI's behalf. In addition, I acknowledge that I have a duty to report any suspected or known violation of the Code of Conduct or any AHI policy or procedure to my supervisor or through the normal chain of command. I acknowledge that I may also report the information directly to the AHI's Compliance Department or any other member of senior management.

Please return this completed, signed Certification of Commitment to the AHI Compliance Department

Date

Signature

Printed Name

Title/Position