I. PURPOSE:
To define and implement the overarching code of clinical and business ethics for Northwestern Memorial HealthCare, its current and future subsidiaries and affiliated corporations, including but not limited to Northwestern Memorial Hospital, Northwestern Lake Forest Hospital, Northwestern Memorial Foundation, Northwestern Memorial Physicians Group, Lake Forest Health and Fitness Institute (collectively referred to in this policy as “NMHC”).

II. POLICY STATEMENT:
The standards for business ethics for NMHC are set forth in Appendix A: Northwestern Memorial Healthcare Integrated Code Of Ethics and is considered part of this policy.

III. PERSONS AFFECTED:
All NMHC personnel, including officers, directors, members of committees with Board-delegated authority, employees, members of the hospital subsidiary medical staff, house staff, researchers, volunteers, students, and agency personnel. This policy also affects independent contractors, consultants and other business partners (vendors) who are not employees but are working at NMHC entities as outlined in individual contracts.

IV. PROCEDURAL RESPONSIBILITIES:
A. Support for ethical business decision-making is generally provided by the Office of Corporate Compliance and Integrity, Office of General Counsel, and / or external resources as deemed necessary.
B. Support for ethical clinical decision-making, including professional consultation is provided by appropriate NMHC resources and subsidiary-specific resources, such as Medical Ethics Consultation, as deemed necessary.

V. DEFINITIONS:
None

VI. POLICY UPDATE SCHEDULE:
Every five years or more often as appropriate

VII. RELEVANT REFERENCES:
The Joint Commission Leadership Standards
VIII. APPENDICES:

Appendix A: Northwestern Memorial HealthCare Integrated Code of Ethics
IX. **APPROVAL:**

Responsible Party: Marsha C. Liu
Chief Integrity Executive

Reviewers: Accreditation, Clinical Compliance
Chief Risk Executive
Office of General Counsel
Senior Vice President and General Counsel
Senior Management

Committees:
NMH Medical Executive Committee, August 8, 2011
NLFH Medical Executive Committee, August 8, 2011
NMHC Quality Committee, August 2011
NMH Professional Standards Committee, October 20, 2011
NLFH Professional Standards Committee, October 20, 2011

Approval Party: Dean M. Harrison
President and Chief Executive Officer, NMHC
Electronic approval: November 17, 2011

X. **REVIEW HISTORY:**
Revised: 01/20/2011 – Migrated from NMH 1.11 ADM, v 05/29/2008
Revised: 05/2012: - Split Conflict Management and Code of Ethics into two policies
Appendix A: Northwestern Memorial HealthCare Integrated Code of Ethics

Northwestern Memorial HealthCare and its subsidiaries (NMHC) have a long standing history of consistently doing the right thing for patients, medical staff members, fellow employees, business associates and community. Our reputation relies on the commitment of each one of us to fully understand and consistently demonstrate our core values.

Our reputation is an asset of the business. To ensure that everyone understands what he or she must do to sustain and grow this asset, NMHC created an Integrated Code of Ethics (Code). It provides guidance in answering legal and ethical questions that may arise from our work. The Code requires that all of us conduct our activities honestly and lawfully and comply with regulations that apply to the healthcare industry.

The NMHC Board of Directors and the subsidiary-specific Boards have approved this Code. It is a Code by which individuals must conduct themselves. The Code represents NMHC’s commitment to provide a healthy, fair, and productive work place that helps NMHC personnel do their best work. In return, NMHC personnel should treat one another with respect and consideration and do their best to uphold and enhance NMHC’s solid reputation and protect and preserve the safety and quality of care.

The Code requires that all of us adhere to the entity-specific rules for conduct described in various policies, bylaws and related documents. The Code contains an overview of NMHC’s policies and standards and applies to all NMHC personnel, including officers, directors, members of committees with Board-delegated authority, employees, members of the hospital subsidiary medical staff, house staff, researchers, volunteers, students, and agency personnel. This Code also affects independent contractors, consultants and other business partners (vendors) who are not employees but are working at NMHC entities as outlined in individual contracts.

NMHC policies and procedures related to compliance with laws, regulations and standards contain additional detail, direction and guidance.

I. Legal Compliance

A. NMHC must ensure all its activities or actions on its behalf comply with applicable laws and appropriate ethical standards.

B. The following standards will help NMHC personnel comply with applicable laws. NMHC personnel are required to comply with all applicable laws, whether or not specifically mentioned in this document.

1. Compliance with General Laws and Standards
   a. NMHC personnel must comply with all applicable laws that regulate how healthcare is provided. These laws include but are not limited to, laws and standards affecting the regulation of the delivery of healthcare, including local, state and federal licensing and accreditation by The Joint Commission; laws affecting employment, labor, benefits, and collective bargaining obligations, and environmental laws and regulation.

2. Employment and Labor Laws
   a. NMHC personnel must comply with applicable laws that regulate employment. Examples of these laws include:
      i. Wage and hour requirements
      ii. State and Federal civil rights laws, including laws protecting employees from sexual harassment and discrimination; collective bargaining and union laws; and laws protecting employees from arbitrary termination of employment.

3. Quality, Safety and Environmental Laws
   a. NMHC personnel must comply with laws and policies that protect the safety and well-being of NMHC patients and fellow NMHC personnel. Examples of these include:
i. Laws prohibiting the discharge of some materials into the air or water, and

ii. Laws protecting NMHC personnel and patients from exposure to toxic and other environmental hazards.

C. If there are questions about the existence, interpretation or application of any law, they should be directed to the Office of General Counsel at 312-926-2900 or the Office of Corporate Compliance and Integrity at 312-926-4800.

II. Corporate Compliance

A. Compliance with specific laws

1. NMHC personnel must comply with all applicable laws that regulate business practices involved in providing healthcare including, but not limited to, antitrust laws, fraud and abuse prohibitions, and laws affecting tax-exempt corporations.

2. Obeying these laws, which are highlighted below, is the subject of NMHC’s Corporate Compliance training.

3. NMHC personnel must commit to maintaining these standards and complete the required annual Corporate Compliance and Integrity training.

4. NMHC personnel whose jobs with NMHC require them to have more detailed knowledge of specific areas of these laws must also attend specialized NMHC education programs.

5. NMHC personnel should request assistance from the Office of General Counsel or the Office of Corporate Compliance and Integrity when faced with business decisions that may involve a risk of violating one of these laws or if they have questions regarding the interpretation or application of the laws.

B. Accurate Books and Records

1. All books and records must be maintained in an accurate, complete and timely manner.

2. Records shall be retained per the requirements stipulated in laws and regulations. It is the NMHC personnel’s duty to comply with all policies regarding record retention, as well as all applicable laws. Any NMHC personnel not sure about such policies and laws should contact the Office of Corporate Compliance and Integrity.

3. Complete and accurate medical records are required for each patient treated. In order to ensure that medical records can support all of their various purposes, it is extremely important that the records be complete, accurate, timely and legible.

4. All medical records must also be maintained in a confidential manner to ensure the integrity of doctor-patient and NMHC-patient relationships. Any request to see or copy a patient’s medical record will be dealt with in accordance with the applicable subsidiary-specific policy.

5. All books, records, and accounts must accurately reflect the nature of the transactions recorded. All assets and liabilities of NMHC must be recorded on the books. There shall be no undisclosed or unrecorded fund or asset in any amount for any purpose; no false or artificial entries for any purpose; and no payment shall occur, or purchase price be agreed to, with the intention or understanding that any part of the such payment is for anything other than that described in the document supporting the payment.

6. Cost must be allocated and billed to a government contract, program, or other entity properly and in accordance with regulations. Timely and accurate completion of time records by all NMHC personnel is essential. All NMHC personnel shall report only the true and actual number of hours worked.

7. Expenses, properly incurred in performing NMHC business, must be documented promptly with accuracy and completeness on expense reports in accordance with applicable policy.

C. Conflict of Interest
1. NMHC personnel must avoid situations in which their personal interests could reasonably be expected to, or even appear to, affect their independence of judgment with respect to NMHC business. All NMHC personnel should consider themselves to be persons in positions of trust and act accordingly.

2. No NMHC personnel shall ask for, take, offer, or give any payments, fees, loans, services or gifts from or to any person or firm as a condition or result of doing business with NMHC.

D. Fraud, Bribery and Theft

1. NMHC personnel may not make improper use of NMHC, supplier or patient resources, or let others do so. In particular, NMHC personnel may not make, offer or receive bribes, kickbacks, or illegal payments of cash or other gifts, for any purpose, in any form or for any amount.

2. Other examples of the improper use of NMHC resources include unauthorized appropriation, possession or personal use of NMHC, supplier or patient assets, such as charge cards, checking accounts, stationery, technology and patents, software, computers, communication and copying equipment, tools or office supplies. The unauthorized possession, inappropriate use, alteration, destruction or disclosure of NMHC data or documents also is forbidden.

E. False Claims

1. No NMHC personnel may create or present for payment bills that contain false information or make or present false claims to the federal government for payment or use a false record or statement to obtain payment from the government.

F. Patient Privacy, Confidentiality and Security

1. Protecting the privacy of patients and keeping all health records and information private and secure is an organizational commitment. All NMHC personnel are responsible for protecting the security of all Protected Health Information (PHI), Personal Identity Information (PII) and other confidential information (oral or recorded in any form).

G. Marketing and Purchasing

1. Two closely related and general principles should guide all marketing and purchasing actions by NMHC personnel.
   a. In business transactions, never make misrepresentations or lie to anyone. If you believe another person may have misunderstood you, you should promptly correct any misunderstandings. Honesty, based on clear communication, is the basis of integrity.
   b. NMHC personnel are to treat fairly everyone with whom they do business. In addition, they should contact the Office of General Counsel or the Office of Corporate Compliance and Integrity if they encounter any circumstances where they feel they are being inappropriately pressured or influenced to do something.

H. Healthcare Fraud and Abuse

1. No NMHC personnel may accept, ask for or offer any payment for the referral of individuals for a service covered by Medicare, Medicaid, or other federal health benefit program.

2. No NMHC personnel may accept or ask for payment for the purchasing or leasing of any good item or service covered under such programs.

3. Physicians are prohibited from referring Medicare or Medicaid patients to a designated health service provider in which the physician or an immediate family member of such physician has a financial interest, unless permitted under the law.

I. Tax Exemption
1. NMHC entities that are exempt from taxation must follow certain rules to maintain this status such as avoiding private inurement and substantial activities unrelated to their exempt purposes. They may engage in some profit-making activities, even if those activities are unrelated to their exempt purposes, so long as the income from these activities is an insubstantial portion of the organization’s total income and it pays taxes on the income from the activities that make a profit.

J. Political Contributions

1. Federal law and many states forbid contributions by corporations to political parties or candidates. In addition, the exemption from taxation of many NMHC subsidiaries requires the observation of strict rules prohibiting participation in any political campaign. NMHC may not contribute or loan, directly or indirectly, any funds or other assets to any political party or for the support or campaign of any person for political office.
   a. NMHC, however, encourages participation on an individual basis in political activities.

K. Emergency Medical Treatment and Labor Act (EMTALA)

1. EMTALA places certain obligations on medical service providers. NMHC is committed to complying with the provisions of EMTALA as outlined in the applicable hospital subsidiary policies and procedures. This includes the performance of medical screening examinations, and in the event an emergency medical condition exists, the stabilization of a patient or appropriate transfer.

L. Antitrust

1. All NMHC personnel must comply with appropriate antitrust and related laws that regulate competition. Examples of conduct that is forbidden by these laws include:
   a. Agreements to fix prices, collusion (including price sharing) with competitors.
   b. Boycotts, certain exclusive dealing agreements.
   c. Unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar practices.

M. Alleged Misconduct relating to research

1. NMHC requires high ethical standards in research; to inquire into and, if necessary, investigate and resolve promptly and fairly all instances of alleged misconduct, and to comply in a timely manner with agency requirements for reporting on cases of possible misconduct in sponsored projects.

III. Corporate Compliance Program

A. The Code of Ethics (the “Code”) is the cornerstone of the corporate compliance program and the foundation for other organizational policies and procedures. The Code guides behaviors and decisions in conducting day-to-day activities and provides guidance for managing conflicts to ensure that processes are defined and consistently implemented to address conflicts that, if not managed, could adversely affect patient safety and/or quality of care.

B. NMHC may not delegate “substantial discretionary authority” to people the organization knows or should have known to have or had a propensity to engage in illegal activities. For this reason, and to comply with state law, employment verifications, criminal background checks/investigations and other reference verifications, as appropriate, are conducted for all employees, volunteers, and other individuals as appropriate.

C. Responsibility for the Corporate Compliance Program

1. NMHC has designated an Office of Corporate Compliance and Integrity to administer the corporate compliance program.
2. The Office of Corporate Compliance and Integrity will provide guidance and obtain legal counsel review for complex inquiries as necessary.

3. If an individual feels that an issue requires the attention of the Office of Corporate Compliance and Integrity, the individual should contact the Office of Corporate Compliance and Integrity directly before initiating contact with persons not associated with NMHC.

D. Responsibility to Report Violations

1. Ethical behavior is the responsibility of every individual. All individuals have a duty to promptly report any dishonest or illegal activity and actual or potential violation of the Code, the corporate compliance program, or any of our organizational policies and procedures that guide behavior and decisions in conducting day-to-day activities.

2. If an individual knows, or reasonably believes, that someone has or is about to commit a violation of the Code and does not promptly report it as described, (s)he will be subject to appropriate disciplinary action. This may include demotion or termination of employment. Under no circumstance is criminal conduct by NMHC personnel considered within the scope of his/her employment or authority.

3. The distinction between criminal conduct and conduct that may violate civil laws is not always clear. Therefore, if an individual knows of any act by another individual which violates, or appears to violate, a provision of the Code, the individual must report it.

E. Confidentiality of Reports

1. The identity and the information reported by an individual will be shared only on a “need-to-know” basis with those responsible for resolving the concern. NMHC will make all reasonable efforts to maintain the confidentiality of the identity of any person who reports possible misconduct.

2. The Office of Corporate Compliance and Integrity has the authority to release the information only to:
   a. Appropriate third parties such as outside counsel and independent public accountants, as necessary in order to resolve the concern and NMHC officers who are not the subject of the report and whose duties and responsibilities require them to be informed about the report or the results of the subsequent investigation of the report.
   b. The appropriate Board committee
   c. Law Enforcement officials, as appropriate

3. In general, individuals filing reports should not disclose the contents of the report to anyone other than those responsible for and involved in resolving the concern (i.e., the Office of Corporate Compliance and Integrity, Human Resources, etc.).

4. The Office of Corporate Compliance and Integrity will treat and investigate anonymous reports as seriously and fully as those filed or communicated by individuals who identify themselves.

F. Protection From Retaliation

1. NMHC will not retaliate against any NMHC employee, member of the medical staff, or other person who has filed a report based on a good faith belief that someone is about to commit, or has committed, a crime or violation of the Code. Good faith means actually believing or perceiving that the information reported is true.

2. Any employee, member of the medical staff or other person associated with NMHC who attempts to take or takes retaliatory action against any person reporting an incident in good faith will face appropriate disciplinary action, up to and including termination of employment or business relationship.

G. Response to a Report
1. Upon receipt of a report, the Office of Corporate Compliance and Integrity will conduct or direct an investigation and recommend actions ranging from those intended to prevent a recurrence to termination of the wrongdoer’s employment or such other disciplinary action, as appropriate under the circumstances. Corrective actions may also include prompt restitution of overpayment amounts or notification to the appropriate governmental agency.

H. Due Diligence in Delegation of Authority

1. Any NMHC personnel with the authority or responsibility to act on behalf of NMHC must be familiar with the provisions of the Code.

2. Managers must be careful in delegating substantial discretionary authority and responsibility and have a duty before doing so to consider a person’s prior business conduct and behavior.

I. Discipline for Violations

1. Disciplinary actions up to and including termination of employment may be taken for:
   a. Authorization of or participation in actions that violate the Code
   b. Failure to report a violation of the Code
   c. Refusal to cooperate in the investigation of a violation of the Code
   d. Failure by a violator’s manager(s) to detect and report a violation of the Code, if such failure reflects inadequate supervision or lack of oversight
   e. Retaliation against an individual for reporting a violation of the Code

J. Discipline and Mandatory Sanctions

1. Ensuring compliance with the standards set forth in the Code is an important NMHC objective and requires all individuals to take seriously their obligations as outlined above. Violations of the Code will not be tolerated and, consistent with applicable collective bargaining agreements, will result in one or more of the following sanctions, as appropriate:
   a. Coaching
   b. Written reprimand
   c. Suspension pending investigation
   d. Demotion
   e. Termination
   f. Required reimbursement of losses or damages
   g. Referral for criminal prosecution or possible civil action

2. In most cases, progressive discipline (the gradual increase in the severity of sanctions for an act) will be employed. However, if the violation is sufficiently serious, or performed with willful disregard of the Code, immediate termination may result.

K. How to Report an Offense or Suspected Offense

1. Questions or concerns about legal or ethical issues should be reported to an individual’s supervisor. If the supervisor does not provide a satisfactory response in a reasonable amount of time, the question or concern should be escalated.

2. Alternatively, questions or concerns may be reported to the local Compliance office verbally in person or by using the following methods:
   a. At the NLFH campus, the following options are available:
      i. Email, call or visit the office directly.
ii. Contact the Compliance Hotline at 800-683-6217 the Compliance office directly at (847)-535-6825.

b. At the NM-Chicago campus, the following reporting options are available:
   i. Email individuals in the Office of Corporate Compliance and Integrity or to compliance@nmh.org.
   ii. Call individuals in the Office of Corporate Compliance and Integrity, or to the main number: 312-926-4800.
   iii. Contact the Compliance Hotline at 800-683-6217. This line is managed by an outside entity unrelated to NMHC.
   iv. In writing or in person at the Office of Corporate Compliance and Integrity, 541/10/1065.

APPENDIX A: Integrated Code of Ethics

Effective Date: 12/23/2011

REVIEW HISTORY
Revised: 01/01/2011 - Migrated from NMH 1.11 ADM, v 05/29/2008