

**PRUITTHEALTH – SANTA ROSA  
AND  
LOCKLIN TECHNICAL CENTER  
CLINICAL LEARNING AGREEMENT**

This Clinical Learning Agreement is entered into this 6<sup>th</sup> day of July, 2016 (the “Effective Date”) by and between Locklin Technical Center, CNA Program (hereinafter referred to as “LTC, acting on behalf of the School Board of Santa Rosa County, Florida”) and PruittHealth – Santa Rosa, LLC (hereinafter referred to as “Facility”)

**I. PURPOSE:**

The purpose of the Clinical Affiliation Agreement is to provide related instruction and practice as a part of the respective program designed to benefit the students in accomplishing their goals.

**II. AFFILIATING AGREEMENT:**

This is a mutual agreement between the administration of the Facility and the LTC, acting on behalf of the School Board of Santa Rosa County, Florida that provides for the Facility to accept students in the nursing and allied health programs for faculty supervised clinical experience.

- A. Educational experiences will be provided by the LTC, acting on behalf of the School Board of Santa Rosa County, Florida and the Facility without regard to race, creed, color, gender, national or ethnic origin, religion, disability, age, veteran status, or citizenship status (except in those circumstance permitted or mandated by law).
- B. The Facility will serve as a clinical laboratory and will furnish facilities for the students in such manner and at such time as the parties herein mutually agree.
- C. The Facility will not be required to provide free treatment for injuries to students or instructors which occur during clinical assignments. Students or instructors may request treatment at personal expense.
- D. The Facility will retain responsibility for the care of the patients and will maintain administrative and professional supervision of students, insofar as their presence affects the operation of the hospital and/or patient care.
- E. Clinical rotations will be planned by the faculty of the respective programs, in conjunction with the Facility’s representative, in order to meet requirements mandated by respective LTC, acting on behalf of the School Board of Santa Rosa County, Florida, licensing/certification Board.
- F. It is understood and agreed to between the parties that these clinical rotations are designed to provide students with experience in the furtherance of their education

and training and are academically oriented for their benefit. It is further understood that there is no contract of employment or promise of future employment implied by this contract. Neither students nor faculty will receive any remuneration for the time spent at the Facility.

- G. The LTC, acting on behalf of the School Board of Santa Rosa County, Florida on its behalf accepts responsibility for its tortious acts to the extent allowed by law, and accepts responsibility for and will indemnify, defend and hold Facility harmless as to any and all claims, loss, liability, demands, or damages due to its own negligence or the negligence of its agents or employees while in the performance of their duties or assignments pursuant to this Agreement to the extent permitted by Florida law. Similarly, Facility on its behalf accepts responsibility for its tortious acts to the extent allowed by law, and accepts responsibility for and will indemnify, defend and hold LTC, acting on behalf of the School Board of Santa Rosa County, Florida harmless as to any and all claims, loss, liability, demands, or damages due to its own negligence or the negligence of its agents or employees while in the performance of their duties or assignments pursuant to this “Agreement.”
- H. Students: The “students” are not nor shall they be considered to be “employees” of the Facility. In no event shall students represent themselves as agents, officers, servants, or employees of the Facility. Students thus will not be entitled to workers compensation benefits under the Facility’s coverage, or health care insurance under the plan provided by the Facility for its employees or other benefit programs of the Facility.
- I. The parties of the Agreement acknowledge that their relationship with respect to this Agreement is that of independent contractors. Neither party hereto has the right to act for or to take any action on behalf of or bind the other. Neither party has the right to act as agent for the other.

### **III. FACILITY AGREES TO:**

- A. Provide a program of clinical experience for the students to engage in so as to benefit their knowledge of the respective program. Allow students the use of any clinical information available at the clinical site. The number of hours and experience may vary each year but will be mutually agreed upon with the LTC, acting on behalf of the School Board of Santa Rosa County, Florida.
- B. Observe the following personnel policies:
  - 1. Students to observe the clinical hours/days mutually agreed upon with the LTC, acting on behalf of the School Board of Santa Rosa County, Florida. Permit faculty and students to observe the LTC, acting on behalf of the School Board of Santa Rosa County, Florida calendar for holidays and events.

2. Students to be allowed to make up time lost due to unavoidable absences.
  3. Students shall wear the accepted uniform during clinical experience.
  4. Faculty employed by the LTC, acting on behalf of the School Board of Santa Rosa County, Florida System will be under the full jurisdiction of the LTC, acting on behalf of the School Board of Santa Rosa County, Florida administration.
- C. Make provision for orientation of faculty members of the LTC, acting on behalf of the School Board of Santa Rosa County, Florida to the facilities, philosophies, and policies of the respective Facility.
  - D. Assist in the orientation of the students to the Facility and clear channels of administration for the use of equipment and records as necessary for teaching purposes and in accordance with Facility policies.
  - E. Except where stipulated by governing accrediting body, maintain student-to-staff ratio prior to student competency achievement for a given procedure that shall not exceed 1:1. Then provide indirect supervision for all procedures in which they have achieved and documented competency. For Radiation Therapy Program students, the 1:1 ration will be maintained during their entire clinical rotation.
  - F. Provide conference space if available for examination critiques according to a mutually agreed upon schedule which will be provided prior to the beginning of each quarter.

**IV. LTC, acting on behalf of the School Board of Santa Rosa County, Florida AGREES TO:**

- A. Assure that students with unsatisfactory performance (grade less than C) in the classroom and/or clinical practicum will not be placed on clinical assignments.
- B. Provide specific written clinical behavioral objectives for the Facility staff prior to student rotation. Conferences will be scheduled with Facility staff during rotation to discuss student learning, student performance, and patient services.
- C. Submit a schedule with names of affiliating students at least two weeks prior to the affiliation date.
- D. Provide for all administrative functions required by the Facility necessary for smooth operation of the program (i.e. joint review of the use of clinical facilities).
- E. Assure observance of Facility policies and procedures by the students and the faculty. The LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to abide by the rules and regulations set forth by the Joint

Commission on the Accreditation of Health Care Organizations. (refer to attached Code of Conduct)

- F. Assure that each student has professional liability insurance in the amounts of one million per occurrence, LTC, acting on behalf of the School Board of Santa Rosa County, Florida million per aggregate to cover their acts or omissions involving LTC, acting on behalf of the School Board of Santa Rosa County, Florida instructors and/or students.
- G. Provide specific instructions for each student prior to arrival on the assigned clinical site. The student may be allowed to perform any procedure falling within the realm of his/her current level, according to his/her capability, and under supervision of the clinical instructor.
- H. Establish a procedure for notifying the Facility if a student is unable to attend a scheduled clinical experience for any reason. Advise student that any time missed from clinical experience as a result of absence will not be made up without prior approval from the Facility.
- I. Provide appropriate, written policy regarding remediation and/or penalization for violation of clinical instructional safety, clinical and/or confidentiality policies and procedures.
- J. Familiarize the staff and students assigned to each Facility of the clinical competency system.
- K. To schedule students clinical rotations at each Facility in accordance with recommendations of the advisory board.
- L. Provide clinical instructors in accordance with the required student-instructor ratio as mandated by the state licensing or certification agency or by the local Facility regulations.
- M. The LTC, acting on behalf of the School Board of Santa Rosa County, Florida faculty will meet regularly with the clinical instructor/supervisor and staff in order for them to maintain current knowledge of program, policies, procedures, and student progress.
- N. Assure each student/instructor receives training in maintaining confidentiality of all medical, health, financial and social (including mental health) information pertaining to particular matters, clients or patients.
- O. Assure that each student has had a physical exam before entering clinical practicum. Documentation will be provided to the Facility upon request. The LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to obtain all required medical and background information on each student and retain those records at their location. Drug and Alcohol testing will be done as

required by the LTC, acting on behalf of the School Board of Santa Rosa County, Florida and/or clinical sites. All cost for such testing will be incurred directly by the student.

- P. Criminal Background Checks: LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to conduct criminal background checks on all students who are participating in the clinical program.

**V. MUTUAL RESPONSIBILITIES OF BOTH PARTIES:**

- A. Provide each student with the opportunity for practice and experience as required by the established curriculum including supplies and equipment necessary for the proper performance of the clinical training of the student. Laboratory assignments will be scheduled during normal school days as patient volume permits.
- B. Provide qualified clinical instructor(s)/supervisor(s) and staff technologists having responsibilities for student instruction, supervision, and evaluations while they are in clinical in accordance with current essentials and guidelines.
- C. Provide clinical practice on rotating basis with approved supervision with release time for student assigned to outside hours.
- D. Shall assure the LTC, acting on behalf of the School Board of Santa Rosa County, Florida that the clinical environment conforms to the standards as defined by federal, state, and local regulation.
- E. Permit student parking in accordance with employee policies.
- F. Permit students to eat in hospital's cafeteria in accordance with employee policies where available.
- G. Provide job descriptions for clinical instructors in accordance with current essentials and guidelines.
- H. Permit release time for the clinical instruction in accordance with specific program standards of instructor/student ratio.

**VI. STUDENT WITHDRAWAL:**

- A. The Facility may request the LTC, acting on behalf of the School Board of Santa Rosa County, Florida to withdraw any student whose work or conduct may have a detrimental effect on patients or personnel; and/or reserve the right not to accept any student who has previously been discharged by Facility for reasons which would make acceptance as an affiliate inexpedient.

- B. The LTC, acting on behalf of the School Board of Santa Rosa County, Florida may request the withdrawal of any student whose progress, achievement, or adjustment does not justify continuance in the LTC, acting on behalf of the School Board of Santa Rosa County, Florida education program.

## **VII. HIPAA COMPLIANCE:**

- A. LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to use and disclose “protected health information” of patients (as defined in the HIPAA Privacy Rules at 45 C.F.R. Sec. 164.501) that LTC, acting on behalf of the School Board of Santa Rosa County, Florida receives from the Facility or that LTC, acting on behalf of the School Board of Santa Rosa County, Florida creates or receives on behalf of the Facility (collectively, the “Information”) only to the extent necessary (i) to perform its specific obligations under this Agreement, and (ii) for its own management and administration and to carry out its legal responsibilities in compliance with 45 C.F.R. Sec. 164.504(e)(2)(i)(A) and (e)(4). The parties agree that for purposes of this Agreement, LTC, acting on behalf of the School Board of Santa Rosa County, Florida is a “business associate” and that all of the “business associate” requirements as set forth in 45 C.F.R. Sec. 164.504(e)(2)(ii), including contract termination rights, are hereby incorporated in this Agreement by reference. Nothing in this Agreement shall be deemed to authorize LTC, acting on behalf of the School Board of Santa Rosa County, Florida to use or disclose information in a manner that would violate HIPAA Privacy Rules, 45 C.F.R. Sec 164.101, et seq. LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to adhere to all applicable regulatory and accreditation standards, including those of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Medicare and Medicaid, and all applicable federal and state rules and regulations.
- B. LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to provide training for health occupations students on policies and procedures regarding the federal laws HIPPA (Health Insurance Portability and Accountability) regulation. It is understood that students can be held personally accountable for any misuse of PHI (Protected Health Information).

## **VIII. INDEMNIFICATION:**

- A. LTC, acting on behalf of the School Board of Santa Rosa County, Florida shall defend, indemnify, and hold Facility, its directors, officers, and employees harmless from and against all claims, demands, liabilities, damages, expenses (including attorney’s fees) for injury to persons or damages to property caused or asserted to have been caused by the negligent acts of LTC, acting on behalf of the School Board of Santa Rosa County, Florida to the extent permitted by Florida law. This indemnity agreement is specifically intended to apply to, but is not limited to, those situations wherein the LTC, acting on behalf of the School Board of Santa Rosa County, Florida is held vicariously liable for negligent acts of

Facility, in wherein it is claimed that the Facility is vicariously liable for said negligent acts.

- B. Facility shall defend, indemnify, and hold LTC, acting on behalf of the School Board of Santa Rosa County, Florida, its directors, officers, and employees harmless from and against all claims, demands, liabilities, damages, expenses (including attorney's fees) for injury to persons or damages to property caused or asserted to have been caused by the negligent acts of the Facility or employees. This indemnity agreement is intended to apply to all claims made against Facility by reason of LTC, acting on behalf of the School Board of Santa Rosa County, Florida equipment or the acts of LTC, acting on behalf of the School Board of Santa Rosa County, Florida employees, but is not intended to apply to conduct of LTC, acting on behalf of the School Board of Santa Rosa County, Florida employees while acting pursuant to the instructions of Facility.

## IX. CODE OF CONDUCT:

LTC, acting on behalf of the School Board of Santa Rosa County, Florida shall follow the Facility's Code of Conduct (attached hereto) which indicates criteria set forth in the compliance plans established by the Office of Inspector General of the United States Department of Health and Human Services. LTC, acting on behalf of the School Board of Santa Rosa County, Florida shall ensure compliance with the applicable state and federal rules and regulations and shall abide by the same legal and ethical guidance as is described in the Code of Conduct. This includes, conducting Criminal Background and Exclusion Sanction Checks on all applicable employees and not permitting those employees with positive Criminal Background and Exclusion Sanction Checks to provide service to Facility. By executing this Agreement, LTC, acting on behalf of the School Board of Santa Rosa County, Florida agrees to abide by the Code of Conduct, educate and train all students and faculty that participate in this program on the Code of Conduct, and report any suspected violations of the Code of Conduct to the Compliance Hotline at 1-800-222-0321.

Any controversy, dispute or disagreement arising out of or relating to this Agreement, the breach thereof, or the subject matter thereof, shall be settled exclusively by binding arbitration, the cost of which will be paid equally by the parties, which shall be conducted at Henning Mediation and Arbitration Service ("Henning") in Atlanta, Georgia in accordance with Henning's Rules and Procedures, and shall be binding not only on all parties to this Agreement, but on any other entity controlled by, in control of or under common control of a party to the arbitration, and the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**Unless exempt, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or**

**national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.** If applicable, the contractor and subcontractor shall also abide by the requirements 41 CFR § 61-300.10 regarding veterans' employment reports and 29 CFR Part 471, Appendix A to Subpart A regarding posting a notice of employee rights.

## **X. TERMS AND TERMINATION:**

This agreement shall be effective during the term stated on Page One of this document provided. The term of this Agreement will automatically renew for additional one (1) year terms by for up to four (4) successive terms.

This Agreement may be terminated by either party with or without cause by giving sixty (60) days written notice to the other party.

If either party wishes to terminate this agreement, it is understood that students enrolled in the program shall be given the opportunity to complete the full program. This Agreement may be amended by giving thirty (30) days written notice signed by both parties of the Agreement.

In witness whereof, the parties by their duly authorized representatives have executed this Agreement as of the date first above written.

### **FACILITY:**

PruittHealth – Santa Rosa  
5530 Northrop Rd  
Milton, GL 32570  
PH: (850) 983-8888

**LTC, acting on behalf of the School  
Board of Santa Rosa County, Florida:**  
Locklin Technical Center  
5330 Berry Hill Rd  
Milton, FL 32570  
PH: (850) 983-5700

By: \_\_\_\_\_

Marty Meighan

Title: Sr. Vice President of Contracting

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is made and entered into this 6<sup>th</sup> day of July, 2016 (the “Effective Date”) by and between PruittHealth – Santa Rosa, LLC (“Covered Entity”) a Skilled Nursing Facility whose business address is noted above, and Locklin Technical Center (“Business Associate”), a School whose business address is noted above.

### RECITALS

- A. Covered Entity and Business Associate are entering into this Agreement for the purpose of complying with the applicable privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996, the security provisions of the American Recovery and Reinvestment Act of 2009, also known as the Health Information Technology for Economic Recovery and Clinical Health Act, and the privacy, security, breach notification, and enforcement regulations promulgated pursuant to the foregoing at 45 C.F.R. Parts 160 and 164 (collectively, “HIPAA”).
- B. Covered Entity is a “covered entity” pursuant to HIPAA and is therefore required to enter into a written agreement with a “business associate,” which, in general terms, is any entity that provides certain services to, or performs or assists in the performance of a function or activity for or on behalf of, a covered entity involving the use or disclosure of Protected Health Information. Because Business Associate may provide such services to Covered Entity, the parties are required to enter into a “business associate agreement.”

In consideration of the mutual promises below and the exchange of information contemplated by this Agreement, the parties agree as follows:

1. **Definitions.** Capitalized terms used, but not otherwise defined in this Agreement, shall have the same meaning as those terms in the Privacy Rule and the Security Rule.
  - a. “Breach” shall have the same meaning as the term “breach” in 42 U.S.C. § 17921(1) and 45 C.F.R. § 164.402.
  - b. “Designated Record Set” shall have same the meaning given to such term in 45 C.F.R. § 164.501.
  - c. “Electronic Health Record” shall have the same meaning given to such term in 42 U.S.C. § 17921(5).
  - d. “Electronic Protected Health Information” (or “ePHI”) shall have the same meaning given to such term pursuant to the Privacy Rule and the Security Rule, including without limitation 45 C.F.R. § 160.103, as applied to the information that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.
  - e. “Individual” shall have the same meaning given to such term in 45 C.F.R. § [160.103](#) and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § [164.502\(g\)](#).

- f. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.
  - g. “Protected Health Information” (or “PHI”) shall have the same meaning as the term is given in 45 C.F.R. § [160.103](#), as applied to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity.
  - h. “Required By Law” shall have the same meaning as the term is given in 45 C.F.R. § [164.512](#).
  - i. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.
  - j. “Security Incident” shall have the meaning given to such term in 45 C.F.R. § 164.304, but shall not include (i) unsuccessful attempts to penetrate computer networks or servers maintained by Business Associate and (ii) immaterial incidents that occur on a routine basis, such as general “pinging” or “denial of service” attacks.
  - k. “Security Rule” shall mean the Standards for Security of Electronic Protected Health Information at 45 C.F.R. Parts 160 and Part 164, Subparts A and C.
  - l. “Unsecured PHI” shall have the same meaning given to the term “unsecured protected health information” pursuant to 42 U.S.C. § 17932(h) and 45 C.F.R. § 164.402.
2. **Obligations and Activities of Business Associate.**
- a. Privacy of PHI. Business Associate shall develop, implement, maintain, and use appropriate safeguards to prevent the use or disclosure of PHI other than as is provided for in this Agreement. The safeguards must reasonably protect PHI from intentional or unintentional use or disclosure in violation of this Privacy Rule and this Agreement, and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.
  - b. Security of PHI. Business Associate shall develop, implement, maintain, and use appropriate administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI, as required by the Security Rule. Business Associate shall comply with the applicable provisions of 45 C.F.R. Part 164, Subpart C relating to the implementation of administrative, physical, and technical safeguards with respect to ePHI in the same manner that such provisions apply to a business associate pursuant to HIPAA. Business Associate shall also comply with any additional security requirements contained in HIPAA applicable to a business associate. To the extent that

Business Associate agrees to carry out any obligation of Covered Entity pursuant to 45 C.F.R. Part 164, Subpart C, Business Associate shall comply with the requirements of that Subpart that are applicable to Covered Entity in the performance of such obligation.

- c. Breach Reporting. Business Associate shall report to Covered Entity any use or disclosure of PHI not contemplated by Business Associate's provision of services of which Business Associate becomes aware. Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware. Business Associate shall notify Covered Entity of any Breach of Unsecured PHI as soon as practicable, and in no event later than ten (10) business days following the discovery of such Breach. Business Associate's notification to Covered Entity of a Breach shall include: (i) the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during the Breach; and (ii) any particulars regarding the Breach that Covered Entity would need to include in its notification, as such particulars are identified in 42 U.S.C. § 17932 and 45 C.F.R. § 164.404.
- d. Subcontractors. Business Associate shall ensure that any agent or subcontractor to whom it provides PHI created or received by Business Associate on behalf of Covered Entity agrees to comply with the applicable requirements of 45 C.F.R. Part 164, Subpart C by entering into a written contract that meets the applicable requirements related to business associate agreements.
- e. Access or Amendment of PHI. To the extent that Business Associate possesses PHI in a Designated Records Set, Business Associate agrees to make such information available to Covered Entity for purposes of 45 C.F.R. § 164.524 or § 164.526 within five (5) business days after Business Associate's receipt of a written request from Covered Entity. If an Individual makes a request for access pursuant to 45 C.F.R. § 164.524 or for an amendment pursuant to 45 C.F.R. § 164.526 directly to Business Associate, or inquires about his or her right to access or amend such information, Business Associate shall direct the Individual to Covered Entity.
- f. Documentation of Disclosures. Business Associate agrees to document such disclosures of PHI and information related to disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c), as applicable. Business Associate shall document, at a minimum, the following information: (i) the date of the disclosure; (ii) the name and, if known, the address of the recipient of the PHI; (iii) a brief description of the PHI disclosed; (iv) the purpose of the disclosure that includes an explanation of the basis for such disclosure; and (v) any additional information required by HIPAA. Business Associate also agrees to

provide to Covered Entity, within ten (10) business days of receipt of a written request from Covered Entity, information collected in accordance with this provision of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures in accordance with 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c), as applicable.

- g. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- h. Governmental Access. Unless otherwise protected or prohibited from discovery or disclosure by law, Business Associate agrees to make internal practices, books, and records, including policies and procedures, relating to the use or disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity, available to Covered Entity or to the Secretary for purposes of the Secretary determining compliance with the Privacy Rule or Security Rule. Business Associate shall have a reasonable time within which to comply with requests for such access and in no case shall access be required in less than five (5) business days after Business Associate's receipt of such request, unless otherwise designated by the Secretary.
- i. Minimum Necessary. Business Associate shall request, use, and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use, or disclosure, in accordance with 42 U.S.C. § 1935(b) and 45 C.F.R. §§ 164.502(b), 164.514(d).
- j. Marketing, Fundraising, and Sale of PHI. Business Associate may not use or disclose PHI for marketing purposes, unless expressly directed by Covered Entity and in accordance with 42 U.S.C. § 17936(a). Business Associate shall not use or disclose PHI for fundraising purposes. Business Associate shall comply with the prohibition on the sale of PHI and ePHI set forth in 42 U.S.C. § 17935(d).

### 3. **Permitted Uses and Disclosures of PHI by Business Associate.**

- a. Use and Disclosure of PHI. Except as otherwise limited by this Agreement, Business Associate may make any uses and disclosures of PHI necessary to perform its services to Covered Entity and otherwise meet its obligations under this Agreement, if such use or disclosure would not violate the Privacy Rule if done by Covered Entity. All other uses or disclosures by Business Associate not authorized by this Agreement or by specific instruction of Covered Entity are prohibited.
- b. Permitted Uses of PHI by Business Associate. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper

management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

- c. Permitted Disclosures of PHI by Business Associate. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person (which purpose must be consistent with the limitations imposed upon Business Associate pursuant to this Agreement), and the person agrees to notify Business Associate, in accordance with Section 2.c. of this Agreement, of any instances of which it is aware in which the confidentiality of the information has been breached. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. § [164.502\(j\)\(1\)](#).
- d. Data Aggregation. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services upon request to Covered Entity as permitted by 45 CFR § [164.504\(e\)\(2\)\(i\)\(B\)](#), including use of PHI for statistical compilations, reports, research, or other such purposes allowed by applicable law..

#### 4. **Obligations of Covered Entity.**

- a. Notification of Privacy Practices. Covered Entity shall notify Business Associate of any limitation(s) in its Notice of Privacy Practices in accordance with 45 CFR § [164.520](#), to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- b. Notification of Changes in Individual Permission. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- c. Notification of Restrictions. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § [164.522](#), to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

#### 5. **Term and Termination.**

- a. Term. The Term of this Agreement shall be effective as of the Effective Date, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by

Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the Section 5.c.ii. Agreement.

- b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall give Business Associate written notice of such breach and provide reasonable opportunity for Business Associate to cure the breach or end the violation. Covered Entity may terminate this Agreement (as well as any agreement pursuant to which Business Associate provides services to Covered Entity), and Business Associate agrees to such termination, if Business Associate has breached a material term of this Agreement and does not cure the breach or cure is not possible. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

- c. Effect of Termination.

- i. Except as provided in paragraph (ii) of this Subsection c., upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI received from, or created or received by Business Associate on behalf of, Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate and any agents or subcontractors shall retain no copies of the PHI.
- ii. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity, within ten (10) business days, notification of the conditions that make return or destruction infeasible. Upon such determination, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

## 6. **Miscellaneous.**

- a. Regulatory References. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect as of July 2013 or as thereafter amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with applicable HIPAA requirements.

- c. Survival. The respective rights and obligations of Business Associate under Section 5.c. of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. The provisions of this Agreement shall prevail over any provisions in any other agreements between Covered Entity and Business Associate that may conflict or appear inconsistent with any provision of this Agreement. Any ambiguity in this Agreement shall be resolved in favor of a meaning that complies with and is consistent with HIPAA.
- e. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one original Agreement. Facsimile signatures shall be accepted and enforceable in lieu of original signatures.
- f. Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any third party beneficiary rights in any person.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf effective as of the date first listed above.

**COVERED ENTITY**

**BUSINESS ASSOCIATE**

By: \_\_\_\_\_  
Marty Meighan  
Title: Sr. Vice President of Contracting  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## CODE OF CONDUCT

### I. INTRODUCTION

The Facility (the “Organization”) recognizes the importance of maintaining an environment of integrity, honesty and respect. Accordingly, we affirm the following commitments:

***To our residents/patients:*** We are committed to providing quality care that is sensitive, compassionate, promptly delivered, medically necessary and cost effective.

***To our colleagues:*** We are committed to a work setting which treats all colleagues with fairness, dignity, respect, an opportunity to grow, professional development, and a team environment in which all ideas are considered.

***To our other healthcare professionals:*** We are committed to providing a work environment, which has great facilities, modern equipment, and outstanding professional support.

***To our third party payors:*** We are committed to dealing with our third party payors in a way that demonstrates our commitment to contractual obligations and reflects our shared concern for bringing efficiency and cost effectiveness to the Organization.

***To our regulators:*** We are committed to an environment in which compliance with laws, regulations, and sound business practices is “woven into” the corporate culture. It is the responsibility of the Organization to aggressively self-govern and monitor adherence to our Code of Conduct.

***To the communities we serve:*** We are committed to understanding the particular needs of the communities we serve and providing these communities quality, medically necessary, cost effective healthcare.

Our Code of Conduct (the “Code”) provides guidance to all employees of the Organization. The Code is meant to assist you in carrying out your day to day activities within appropriate moral, ethical and legal standards and also applies to the Organization’s relationships with subcontractors, independent contractors, non-employed physicians, vendors and consultants.

If you have questions regarding the Organization’s policies and/or practices, you should first contact your supervisor. If not satisfied with the answer or if you do not feel comfortable asking your supervisor, contact the Corporate Compliance Officer or our Hotline Number at 1-800-222-0321, or the HHS-OIG Hotline Number at 1-800-HHS-TIPS (447-8477). It is our individual and collective responsibility to understand and comply with the rules, regulations and laws that pertain to our jobs and to report compliance issues, which come to our attention.



## **II. CONDUCTING COMPANY BUSINESS**

### **Conflicts of Interest**

You might have a conflict of interest if your outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest might also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use the Organization's resources (i.e. time, computers, telephones, facilities, supplies) for non-Organization purposes. All employees, and any physician affiliated with the Organization, may not engage in activities that are conflicts of interest to the Organization.

It is important that, while on the job, your first loyalty is to the Organization.

### **Compliance with Anti-Kickback and Corrupt Influence Statutes**

Both federal and state laws specifically prohibit any form of kickback, bribe or rebate made directly or indirectly, in cash or in kind to induce the purchase, recommendation to purchase or referral of any kind of health care goods, services or items paid for by Medicare or Medicaid programs. The term "kickback" as defined in these statutes means the giving of remuneration, which is interpreted under the law as anything of value.

Before entering into any business or contractual relationship with any person or organization which may raise a question under the anti-kickback laws or with any healthcare practitioner who makes or may make referrals to the Organization, consult the Corporate Compliance Officer.

### **Gifts and Entertainment**

Generally, the Organization's employees may accept one-time gifts of nominal value. As a rule of thumb, you should not accept a gift or entertainment with a value greater than \$50 per gift or total \$300 yearly. Gifts or entertainment with a higher value should be discussed with the Corporate Compliance Officer. Cash gifts are prohibited under any circumstances. We have also circulated a letter to our vendors, third party consultants, and suppliers asking them to comply with our policy.

Any gifts or entertainment provided to physicians or other referral sources (no matter how small in value) must comply with the Organization's policy on gifts and entertainment.

### **Controlled Substances**

As part of their job responsibilities for the Organization, many employees routinely access prescription drugs, controlled substances and other medical supplies such as drug samples and hypodermic needles. Many of these substances are governed and monitored

by specific regulatory organizations and should be administered by physician order only. It is extremely important that these items are handled properly and only by authorized individuals (pharmacists, pharmacy technicians, nurses, other healthcare professionals and doctors) to minimize risks to the individual, the Organization, and our residents/patients. Under no circumstances should such items be used for personal use or administered unless there has been an appropriate determination of medical necessity. Similarly, these items should not be administered unless a physician says they are medically necessary and the person receiving them has obtained a valid prescription.

### **Confidential Business Information**

Every organization develops or owns information that it wants to protect. Although you may use the Organization's confidential information to perform your job, it is not public information and should not be shared with others. Some examples of this type of information include personnel data, resident/patient lists, financial data, business data, physician or other provider information, research data, clinical information, strategic plans, marketing strategies, processes, techniques, computer software and any document that is copyrighted.

### **Proper Use of the Organization's Assets**

We should all protect the Organization's property and assets. The Organization's resources, property, and assets like company time, materials, supplies, equipment, and information are to be used only to fulfill the Organization's goals and purposes. Your supervisor must approve any personal, community, or charitable use of the Organization's resources. Employees are permitted to perform sporadic, routine personal tasks, such as calling home to check on a sick child or copying their tax returns. Excessive or non-routine use of the Organization's resources, however, must also have prior approval of your supervisor.

### **Communications Systems**

All communications systems, including electronic mail and internet access, are the property of the Organization and are to be used for business purposes, (i.e. to communicate with customers and suppliers, to research relevant topics and obtain useful business information). Unnecessary or unauthorized internet usage causes network and server congestion. It slows other users, takes away from work time, consumes supplies, and ties up printers and other shared resources. Unlawful internet usage may also garner negative publicity for the Organization and expose the company to significant legal liabilities.

Our policy on Internet Usage & Security sets forth explicit requirements for internet usage.

### **Substance Abuse**

To protect the interests of our employees and residents/patients, we are committed to an alcohol- and drug-free work environment. All employees must report for work free of the influence of alcohol and illegal drugs. Anyone who reports to work while under the influence of alcohol or illegal drugs will be disciplined, up to and including termination. Refer to the employee handbook.

### **Workplace Violence & Sexual Harassment**

Our concern for others also prohibits threatening, aggressive, or abusive behavior, and carrying weapons on the Organization's premises. Violence in the workplace will not be tolerated and is strictly prohibited. Any behavior contrary to the Organization's commitment to a violence-free workplace will result in disciplinary action up to and including termination.

The Organization strongly disapproves of and does not tolerate sexual harassment of any kind. All employees must avoid offensive or inappropriate sexual behavior while at work and be responsible for assuring that the workplace is free from sexual harassment at all times.

### **Health and Safety**

We are committed to providing a healthy and safe place for our employees to work. The Organization and each of its affiliated facilities comply with the federal, state and local laws, regulations and rules that promote the protection of health and safety. Our policies have been developed to protect you and your co-workers from potential workplace hazards and all employees are expected to abide by them.

It is important for you to advise your supervisor of any serious workplace injury or any situation presenting a danger of injury.

### **Environmental Compliance**

It is our policy to comply with all environmental laws and regulations as they relate to our business. It is your responsibility to understand how your job responsibilities may impact the environment and make sure you follow the Organization's policy. If you have questions about environmental regulations or the proper handling of hazardous materials, ask your supervisor for assistance. It is important to advise the Organization immediately should you see a discharge of what might be hazardous substances or if you believe there is a potential danger of discharge.

### **Marketing and Advertising**

The Organization uses marketing and advertising materials to educate the public, educate our customers, report to the community, increase awareness of our services, obtain new business, and recruit employees. We will not make any false or misleading statements about the Organization, our services or our affiliates or other organizations.

## **Financial Reporting and Records**

We have established and maintain a high standard of accuracy and completeness in our financial records. These records serve as a basis for managing our business and are important in meeting our obligations to residents/patients, employees, shareholders, suppliers and others, as well as for complying with generally accepted accounting principles and tax and financial laws, regulations and reporting requirements.

## **Record Retention**

We maintain certain types of medical and business records in accordance with our record retention policy. Records may be maintained as hard copies, computer files on tape or disk, electronic systems, microfiche and microfilm. It is important to retain and destroy records appropriately according to the Organization's policy.

## **Government Investigations**

Given the increased vigilance by law enforcement agencies in the healthcare arena, the Organization has established definitive guidelines on how and when to respond to government inquiries. Any employee of the Organization who is approached by any federal or state law enforcement agency seeking information about any aspect of the operations of the Organization or the job-related activities of any of the Organization's officers, employees or agents should call the Corporate Compliance Officer before turning over any information. Our policy on Responding to Government Investigations should be reviewed for more specific information.

## **III. RESIDENTS/PATIENTS**

### **Resident/Patient Care – Resident/Patient Choice**

Our mission is to provide total quality healthcare to all of our residents/patients. This means we treat all residents/patients with respect and dignity and provide care that is both necessary and appropriate, without regard to race, color, age, religion, national origin, disability, marital status or sexual orientation.

Our commitment to quality care involves the residents/patients and their families in decision making regarding care as much as possible. We inform residents/patients about care alternatives available to them, the risks associated with the care they select, and the consequences of refusing treatment. We also honor our resident/patients' rights, including their right to advance directives to determine whether or not to receive treatment.

Compassion and care are part of our commitment to the communities we serve. We treat residents/patients without regard for their ability to pay and will not withhold emergency treatment or under-treat residents/patients for any economic reasons. We strive to

provide health education, health promotion and illness prevention programs as part of our efforts to improve the quality of life for our residents and our communities.

### **Resident/Patient Information**

We collect information about resident/patients' medical conditions, histories, medications and family illnesses to provide the best possible care. We consider this information confidential and do not release or discuss such information with others unless such disclosure is necessary to serve the resident/patient. We will not disclose confidential information that violates the privacy rights of our residents/patients.

In an emergency situation, when resident/patient confidential information is requested by another healthcare provider who needs the information to treat the residents/patients, the resident/patient's consent is not required, but we always verify the name of the institution and the person requesting the information to protect the resident/patient's privacy.

Resident/patient information will be accessible internally to authorized personnel within the Organization as indicated for the purpose of monitoring quality assurance, performance improvement and compliance activities.

## **IV. RELATIONSHIPS WITH HEALTHCARE PRACTITIONERS, INCLUDING REFERRING HOSPITALS**

### **Resident/Patient Referrals and Admissions**

**We Do Not Pay A Fee For Obtaining Referrals.** We accept resident/patient referrals/admissions solely on the resident/patient's clinical needs and our ability to render those needed services. We do not, however, pay or offer to pay anyone a fee – employees, hospitals, physicians or other persons – for obtaining a referral of a resident/patient. No employee or other person acting on the behalf of the Organization is permitted to enter into any agreement that is linked, directly or indirectly, to the referral of residents/patients.

**We Do Not Accept Payments For Referrals That We Make.** Our healthcare providers refer residents/patients solely on the resident/patient's clinical needs and the abilities of the Organization's entity receiving the referral to render such services. No employee or any other person acting on behalf of the Organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of residents/patients. Similarly, when accepting resident/patient referrals from another healthcare provider, we will not take into account the volume or value of referrals that the provider has made in the past (or may make in the future) to the Organization.

**We Do Not Allow Personal Interests To Influence Referrals.** Our policy is to inform residents/patients of their options for continuing care (home health, durable medical equipment, home infusion and other ancillary health care services) and to promote resident/patient freedom of choice in selecting these services. However, it is prohibited

for physicians or staff to refer residents/patients to other healthcare providers in which the physician or staff member (or family members or owned entities) has a financial or compensatory interest.

**We Do Not Pay Residents/Patients.** We do not routinely waive insurance co-payments or otherwise provide financial benefits to residents/patients in return for their admission to a facility owned or operated by the Organization, unless prior admission arrangements have been made in writing with specific insurance companies and their coverage plans. Also, under certain circumstances, the Organization may offer and agree to special financial arrangements (such as allowing monthly payments over time) to residents/patients based purely on their financial need.

### **Courtesy Care and Special Pricing Arrangements**

No professional courtesy discount, attorney settlement on accounts receivables, insurance only arrangement, free services, or any other type of special discount will be given to individual residents/patients or to specific groups of individuals unless authorized through reimbursement and regulatory laws and directed through contract arrangements. The Organization cannot routinely waive co-payments or deductibles; these payments are the resident/patient's financial responsibility, except on commercial payments where an affiliate of the Organization inadvertently failed to follow proper billing procedures, or unless prior arrangements have been made in writing with specific insurance companies and their coverage plans.

## **V. DOING BUSINESS WITH THE GOVERNMENT AND OTHER THIRD PARTY PAYORS**

### **Coding and Billing for Services**

The Organization is committed to preparing and submitting honest, accurate and complete billing claims that fully comply with the law for its residents/patients, their insurance carriers and/or the Medicare and Medicaid programs.

We bill only for services rendered and all claims shall have adequate supporting documentation in the resident/patient's medical record. It is our policy to apply the correct coding principles and guidelines that pertain to all the Organizations' companies and the ancillary services they provide and any other regulations that apply when preparing our bills and reviewing medical record documentation.

We do not:

- Bill for items and services not rendered or medically unnecessary;
- Misrepresent the type or level of service rendered;
- Bill for non-covered services;
- Bill for services rendered by other providers, unless directed through contract or sub-contract arrangements as permitted by law; or

- Misrepresent the RUG and the HHRG category, hospice appropriateness, or other medical diagnosis in order to obtain payment.

### **Cost Reports**

A substantial portion of our business involves reimbursement under federal and state government programs which require the submission of cost reports. We adhere to a wide range of legal and regulatory requirements in the preparation of such cost reports.

We are committed to maintaining the highest ethical and legal standards, and complying with federal and state laws in preparing our cost reports. These laws and regulations, while highly complex, define what costs are allowable and non-allowable, as well as include the appropriate methodologies to use to claim reimbursement for the cost of services provided to program beneficiaries. Given this complexity, all issues related to the completion and settlements of these cost reports must be communicated through or coordinated with the Organization's Reimbursement Department.

It is important to stress that our facilities or other units have the primary responsibility of ensuring the accuracy of information reflected on cost reports and in our books and records.

### **IRS**

Care must also be taken that any sales tax exemption is used only for legitimate Organization activities. Personal items should not be purchased through the Organization, even if the employee reimburses the Organization.

All appropriate taxes must be withheld from employees' wages and the use of a purchase order or check request to compensate individuals must be limited to true independent contractors and approved by the Corporate Compliance Officer.

### **Subcontracts for Coding and Billing Services**

Subcontractors and independent contractors are "agents" for the Organization and act on behalf of the Organization while performing their duties. These individuals and entities are required to adhere to the same billing and coding standards that apply to the Organization's employees. These individuals may be retained to perform coding and billing services as well as other services such as coding validation review.

All subcontractors engaged to perform coding or billing services must have the necessary skills, quality assurance processes, systems and appropriate procedures to ensure that all bills to government and commercial insurance programs and private payors are accurate and complete. To be eligible for consideration, prospective agents must also demonstrate to the Organization that they have the appropriate credentials to perform any contracted work and that all necessary training has been provided to their personnel. The

Compliance Officer will review any contracts with such parties prior to their being accepted.

The Organization will not enter into any incentive arrangements that allow subcontractors to “maximize reimbursement”. These types of arrangements are expressly prohibited.

### **Political Activity**

The Organization’s political participation is limited by law. Neither our funds nor our resources are used to contribute to political campaigns or for gifts or payments to any political party or organization, unless expressly permitted by state or federal law. The Chairman & CEO must approve any political activity, gift, or contribution before it is made.

## **VI. USING THE COMPLIANCE PROGRAM**

### **Personal Obligation to Report**

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations. We are also committed to correcting wrongdoing wherever it may occur within the Organization. Each employee has an individual responsibility for monitoring and reporting any activity by any individual employee, subcontractor, agent, or vendor that appears to violate applicable laws, rules, regulations or this Code.

If you suspect that anything improper has occurred, we expect you to bring that information immediately to the attention of your supervisor, the Corporate Compliance Officer or our Hotline. The Hotline, which is available 24 hours a day, can serve as a resource to employees (as well as former employees) for asking questions, seeking advice, clarifying issues, raising concerns and reporting suspected violations. The number is 1-800-222-0321 and your anonymity will be protected if desired. Retribution against anyone who acts in good faith to report a real or potential violation of the Code is strictly prohibited.

If an employee is aware of a violation of the Code and does not report that knowledge, the failure to report could be interpreted as approving the action, and, when discovered by the Organization, could result in disciplinary action. Supervisors who receive a report of a potential Code violation must immediately advise the Corporate Compliance Officer.

### **Internal Investigations of Violations**

We are committed to investigate all reported violations as promptly and confidentially as possible. All investigations will be directed by the Corporate Compliance Officer and may be assisted by outside legal counsel where appropriate. The Corporate Compliance Officer will coordinate any findings from the investigations and direct the implementation of corrections or changes that need to be made in a timely manner. We



expect all employees to cooperate with investigation efforts for the wellbeing of the Organization.

### **Disciplinary Actions**

An effective compliance program includes guidance regarding disciplinary action for corporate officers, managers, employees, physicians and other healthcare professionals. Immediate disciplinary action will be taken against individuals who have failed to comply with the Organization's standards of conduct, policies and procedures, or governmental laws as they have the potential to impair the Organization's status as a reliable, honest and trustworthy healthcare provider. Refer to the policy on disciplinary action.

## **VII. ACKNOWLEDGMENT**

The Organization requires each of its employees to sign an acknowledgment confirming that he/she has received and read the Code, understands it and will abide by it. New employees will be required to sign this acknowledgment as a condition of employment, and all employees will be asked to submit an annual acknowledgment. Compliance functions and participation will be considered in decisions regarding hiring, promotion and compensation for all candidates and employees. It is the Corporation's policy not to hire, contract or otherwise deal with sanctioned individuals.

If you have any questions about the Code or the acknowledgment form, please direct your questions to the Corporate Compliance Officer.