

CAROL WOODS CODE OF CONDUCT

The Code of Conduct is not, and may not be construed as a contract of employment or any other type of contract. Employment with Carol Woods at all times is "at will," and the employee and Carol Woods each retain the right to terminate the employment relationship at any time.

CODE OF CONDUCT NO. 1

Carol Woods' employees and agents shall strive to deliver quality health care services that are necessary to attain or maintain the residents' physical, psychosocial and mental well-being.

- Carol Woods' employees and agents shall respect a resident's dignity and will treat him or her with consideration, courtesy and respect.
- Carol Woods shall only employ or work with persons with proper credentials, experience and expertise. Employees and agents are expected to have those credentials and experience and should expect other agents to have them.
- It is everyone's job to maintain Carol Woods' integrity and reputation.
- Residents have the right to choose what is done to their body, and by whom. This includes the choice of health care providers.
- Residents have the right to know what they need to know to make intelligent decisions. That includes receiving information about Carol Woods and its policies, procedures and charges, and who will provide services on behalf of Carol Woods.
- Carol Woods' employees and agents will provide residents appropriate and sufficient treatment and services based upon an accurate comprehensive assessment and plan of care that address their clinical conditions.
- Carol Woods will assure its employees and agents have sufficient education, licenses, background experience, on the job training and supervision to render services to its residents.
- No deficiency or error should be ignored or covered up. A problem should be brought to the attention of those who can properly assess and resolve the problem.
- Any incident of resident mistreatment, neglect or abuse will be reported to Carol Woods' administrator and other officials as required by law.
- Employees and agents deserve clear instructions about what is expected of them.
- Our highest priority is the health and safety of our residents and ourselves. We shall strive to do our jobs so that no harm is caused to ourselves, our residents, or the public.

CODE OF CONDUCT NO. 2

Carol Woods' employees and agents shall strive to assure that each resident is provided a dignified existence that promotes freedom of choice, self-determination and reasonable accommodation of individual needs.

- Carol Woods' employees and agents will assure that each resident is protected from verbal, mental or physical abuse, corporal punishment and involuntary seclusion.
- Carol Woods' employees and agents will assure that residents are protected against the inappropriate use of physical or chemical restraints.
- Carol Woods' employees and agents will ensure that residents have personal privacy and access to their personal records.
- Carol Woods' employees and agents shall safeguard each resident's financial affairs.

CODE OF CONDUCT NO. 3

Carol Woods' employees and agents shall comply with all applicable laws and regulations that affect its various businesses.

- Carol Woods, by and through its employees and agents, shall comply with all applicable laws, regulations, standards and other requirements imposed by any level of government. Without limiting the generality of that statement, Carol Woods' employees and agents shall comply with all requirements of the Medicare and Medicaid programs.
- Carol Woods' employees and agents will not pursue any business opportunity that requires engaging in unethical or illegal activity.
- Neither Carol Woods, nor its employees, nor agents shall pay employees, physicians, or other health care professionals, directly or indirectly, in cash or by any other means, for referrals of residents. Every payment to a referral source must also be supported by proper documentation that the services contracted for were in fact provided.
- No employee nor agent is authorized to enter into any joint venture, partnership or other risk-sharing arrangement with any entity that is a potential or actual referral source unless the arrangement has been reviewed and approved by Carol Woods' attorneys.
- Employees or agents who perform billing and/or coding of claims must take every reasonable precaution to ensure that their work is accurate, timely, and in compliance with federal and state laws and regulations and Carol Woods' policies.
- No claims for payment or reimbursement of any kind that are false, fraudulent, inaccurate or fictitious may be submitted. No falsification of medical, time or other records that are used for the basis of submitting claims will be tolerated.
- Carol Woods will bill only for services that are medically indicated, ordered by the resident's physician, actually rendered and which are fully documented in resident's medical record. If the services must be coded, then only billing codes that accurately describe the services provided will be used.
- Carol Woods' employees and agents will only submit claims for covered items and services; or to receive verification of non-coverage, as in the case of Medicare Demand Bills.
- Carol Woods shall act promptly to investigate and correct the problem if errors in claims that have been submitted are discovered.
- Carol Woods shall maintain complete and thorough medical and billing records.
- Carol Woods' employees and agents shall respect and protect the confidentiality of resident records and other personal and protected health information.
- All drugs or other controlled substances shall be maintained, dispensed, administered and transported in conformance with all applicable laws and regulations.
- Employees and agents shall promptly report all suspected violations of the Code of Conduct, Compliance Policies, operational policies, laws or regulations.

CODE OF CONDUCT NO. 4

Carol Woods' employees and agents shall engage in ethical business relationships.

- Carol Woods seeks positive relationships with government programs and third party payers. Positive relationships require ongoing communication about resident progress and billing.
- Employees or agents shall not use or reveal any confidential information concerning Carol Woods or use, for personal gain, confidential information obtained as an employee or agent of Carol Woods.
- No employee or agent should subordinate his or her professional standards, judgment or objectivity to any individual. If significant differences of opinion in professional judgment occur, then they should be referred to management for resolution.
- Employees and agents should be honest and forthright in any representations made to residents, vendors, payers, other employees or agents, and the community.
- All reports or other information required to be provided to any federal, state or local government agency shall be accurate, complete, and filed on time.
- Employees and agents must perform their duties in a way that promotes the public's trust in Carol Woods.
- The source or amount of payment does not determine the quality of care that we deliver.
- Employees and agents shall be honest in doing their jobs.
- If an employee or agent knows of or suspects a practice or incidents that may violate this Code of Conduct, Carol Woods' Compliance Policies, operational policies, any law or regulation, then he or she must report it to appropriate levels of management.

CODE OF CONDUCT NO. 5
Carol Woods' employees and agents shall avoid either
conflicts of interest or the appearance of an impropriety.

- Employees and agents should not have other jobs that interfere with their ability to perform their duties at Carol Woods.
- Employees and agents should avoid any activity that conflicts with the interests of Carol Woods or its residents. They should try to avoid even the appearance of an impropriety. If an employee or agent suspects that a conflict may exist or be created, then he or she should consult with management.
- Placing business with any firm in which there is a family relationship may constitute a conflict of interest. Advance disclosure and approval are required in such a situation.
- Employees and agents should not become involved, directly or indirectly, in outside commercial activities that could improperly influence their actions. For example, an employee or agent should not be an officer, director, manager or consultant of a potential competitor, customer, or supplier of Carol Woods without first disclosing that relationship to management.
- Employees and agents are not permitted to accept tips in the form of money or any other item of value, nor should they accept other forms of benefits. Accepting gratuities, gifts of real property, or bequests for an employee or agent, or to any person or entity connected to an employee or agent, is not permitted under any circumstance. Employees may accept an item of thoughtfulness from a resident or resident's family, such as a cookie, and orange, or a card.
- Carol Woods participates in the federal reimbursement programs and is subject to anti-kickback laws (Medicare / Medicaid Anti-Kickback Statute 42C: F.R. 10001.952). Gifts and benefits to or from vendors or other service providers or referral sources with whom Carol Woods does business are not appropriate. A shared meal or other similar social occasion during the course of normal business activities is acceptable. An employee or agent should seek management approval for more extensive activities.
- Employees and agents should report any potential conflicts of interest concerning themselves or their family members to management.

CODE OF CONDUCT NO. 6

Carol Woods' employees and agents shall protect Carol Woods' property and respect the property rights of others with whom we do business.

- All employees and agents are personally responsible and accountable for the proper expenditure of Carol Woods' funds and for the proper use of company property.
- All employees and agents must obtain authorization prior to committing or spending Carol Woods' funds.
- Medical waste or other hazardous materials shall be disposed of properly.
- Employees and agents may not use Carol Woods' or a resident's resources for personal or improper purposes or permit others to do so.
- Surplus, obsolete or junked property shall be disposed of in accordance with Carol Woods' procedures. Unauthorized disposal of property is a misuse of assets.
- Employees and agents have a duty to be productive during the time that is paid for by Carol Woods.
- Employees and agents may only use computer systems, networks, and software consistent with Carol Woods' license(s) and/or rights. They shall take all reasonable steps to protect computer systems and software from unauthorized access or intrusion.
- Any improper financial gain to the employee through misconduct involving misuse of Carol Woods' or a resident's property is prohibited, including the outright theft of property or embezzlement of money.
- Carol Woods' confidential and proprietary information is valuable, and should be protected from unauthorized use or exploitation. Employees and agents are expected to respect the intellectual property rights of others with whom we do business.
- Drugs and other pharmaceuticals shall be safely stored, secured and inventoried, and missing supplies shall be reported promptly to supervisors.
- Employees and agents are expected to report any observed misuse of Carol Woods' or a resident's property to management.

CODE OF CONDUCT NO. 7

Carol Woods' employees and agents respect each other as human beings and health care professionals.

- All employees and agents shall show proper respect and consideration for each other, regardless of position or station. Discriminatory treatment, harassment, abuse, or intimidation will not be tolerated.
- Quality resident care can only be delivered through the use of qualified, competent staff. Carol Woods will contribute to an employee's or agent's level of competence by making available continuing job-related education and training (within the limits of its resources).
- Applicants and employees shall be afforded equal employment and advancement opportunities, pursuant to Carol Woods' policies.
- Employees and agents are expected to conform to the standards of their respective professions and exercise sound judgment in the performance of their duties. Any differences of opinion in professional judgment should be referred to appropriate management levels for resolution in accordance with standard grievance procedures.
- Work and safety rules were created to protect us all. Employees and agents are expected to comply with those rules.
- As defined further in its policies, Carol Woods strives to maintain a working environment free from all forms of sexual harassment or intimidation. By way of example, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature are serious violations of the standards of conduct and will not be condoned or permitted.
- Carol Woods promotes a drug and alcohol free workplace in accordance with its policies.
- Carol Woods shall not permit any action of retaliation or reprisal to be taken against an employee who reports a violation of law, regulation, standard, procedure, or policy.