



## **KANSAS HOSPITAL ASSOCIATION**

### **CODE OF CONDUCT**

The Kansas Hospital Association (the “Association”) is committed to conducting business with the highest degree of integrity and ethics. All employees, officers and directors must act in an ethical manner and adhere to applicable legal requirements in the course of performing their duties on behalf of the Association.

**The Association’s Board of Directors has endorsed the Code of Conduct and, with the Corporate Compliance Officer’s assistance, will monitor its implementation on an ongoing basis. The Association expects all its directors, officers and employees, and all KHA subsidiaries and related organizations’ directors, officers and employees to read and adhere to the standards described in the Code of Conduct as a condition of employment or appointment. Thus, any reference to Association directors, officers and employees also applies to all KHA-related organizations’ directors, officers and employees. These related organizations include the Kansas Hospital Education and Research Foundation (KHERF), Kansas Health Service Corporation (KHSC), Associated Purchasing Services (APS), KHA Workers’ Compensation Fund, and the Kansas Hospital Association Political Action Committee (KHA PAC).**

Any person who violates the Code of Conduct will be subject to disciplinary action, up to and including termination of employment or termination of their affiliation with the Association and/or its related organizations.

If directors, officers or employees have questions about the laws and regulations that apply to the Association or about the Association’s policies and procedures for complying with those laws and regulations, they are expected to seek guidance from supervisors, the Compliance Officer, or members of the Compliance Committee.

#### **I. STANDARDS OF CONDUCT**

##### **A. COMPLY WITH LAWS AND REGULATIONS**

Every Association director, officer and employee must act in a lawful and ethical manner at all times, and must not knowingly aid or abet any other person or entity in violating any law. Laws that govern compliance may include antitrust laws, fraud and abuse laws, laws governing lobbying and government ethics, employment laws

governing discrimination and harassment of any kind, and laws that govern the privacy of health information.

1. Antitrust. Every director, officer and employee shall conduct themselves and the affairs of the Association so as to not violate applicable state or federal antitrust laws. Examples of prohibited conduct include:
  - a. Agreements to fix prices and collusion, including sharing price or financial information of the Association member institutions, except within accepted federal guidelines;
  - b. Boycotts and exclusive dealing arrangements; and
  - c. Unfair trade practices.
2. Political Activities. The Association oversees its own Political Action Committee (PAC) and contributes a portion of these funds to the American Hospital Association PAC. All efforts to solicit funds for the Association PAC are conducted according to applicable state and federal laws and regulations. Individual contributions to the Association are strictly voluntary. The decision to contribute or not contribute to the Association PAC shall not be a factor in an employee's compensation or career opportunities at the Association.
3. Lobbying Activities. One of the Association's main functions is to represent its members through lobbying activities at the state and federal level. Employees who engage in lobbying activities must register with appropriate state and federal agencies as required by statute, rules and regulations. The periodic reporting of lobbying expenditures and activities is the responsibility of the registered lobbyist.

## **II. ACT ETHICALLY**

### **A. HONESTY, FAIRNESS**

The Association expects all directors, officers and employees to conduct business on its behalf in an honest, fair, and ethical manner and in the Association's best interests, without regard to personal considerations. Directors, officers and employees must refrain from participating in any activities or business endeavors that could pose a conflict with their responsibilities to the Association and to its members.

The Association does not employ or contract with individuals or entities that are prohibited from doing business in the State of Kansas. As a result, every new officer and employee must reveal any convictions or any debarment, exclusion, sanction, or other adverse action taken against him or her by any federal or state agency. The Association will revalidate this information periodically and require all officers and employees to give the Association notice if any such action is initiated.

**B. GIFTS, GRATUITIES, AND ENTERTAINMENT**

Association directors, officers and employees will not accept gifts, payments, services, supplies, equipment, entertainment or other favors from outside entities which may improperly influence, or have the appearance of improperly influencing the individual in the performance of their duties for the Association. Gifts, payments, services, supplies, equipment, entertainment or other favors that are received from outside entities and are valued at fifty (50) dollars or more shall be reported to the Corporate Compliance Officer within thirty (30) days of receipt.

**C. BUSINESS MEALS/TRAVEL EXPENSES**

Directors, officers and employees will be reimbursed by the Association for any reasonable expenses (*e.g.*, travel, meals, and lodging) incurred while attending functions at the Association's request, in accordance with Association policies. If business meetings occur in concert with breakfast, lunch, dinner, or at times and in places where refreshments are served, the Association will cover the cost of food and beverage for these attendees. When an employee uses their personal vehicle for Association business, the Association shall reimburse the employee based on current Internal Revenue Service standard mileage rates.

**D. RESPECT AND DEDICATION**

Other directors, officers, employees, members, associate members, affiliate groups, sponsors, consultants, public officials, competitors, vendors, all business professionals and the public will be treated with respect. Employees will come to work each day ready to perform their jobs ethically and in a way that provides excellent service to our members and demonstrates respect for each other.

**III. PREPARE AND SUBMIT ACCURATE BILLING AND PAYMENT DOCUMENTS**

Directors, officers and employees will do their utmost to ensure the accuracy and timely submission of any financial statements or reports, accounting records, tax returns, expense reports, time sheets, governmental reports, or other such documents that they prepare or approve, whether for internal or external use.

**IV. PRESERVE ASSETS AND RECORDS**

**A. PRESERVATION OF ASSETS**

All directors, officers and employees are expected to preserve and protect the Association's assets by making prudent, effective, and appropriate use of the Association's resources.

**B. PRESERVATION OF RECORDS**

Corporate records are an important asset and the Association is required by law to maintain certain types of corporate records for a specified period of time. Official corporate records include such things as minutes of board and committee meetings, financial information and human resources records. They are to be maintained in accordance with any legal requirements and the Association's Record Retention Guide. All employees are expected to be familiar with and comply with the record retention guidelines. If an employee believes that a document should be retained beyond its applicable retention period or has any questions regarding the preservation of documents, those questions or concerns should be directed to the legal department.

**V. AVOID CONFLICTS OF INTEREST**

**A. ASSOCIATION OFFICERS AND EMPLOYEES**

Association officers and employees shall disclose any financial interest they or their spouse/significant other, child, step-child, parent, sibling or in-law hold in any contracted vendor or supplier doing business with the Association. Association officers and employees must notify their supervisor if they have any financial interests that may constitute a conflict of interest.

**B. NON-EMPLOYEES, DIRECTORS, COUNCIL MEMBERS**

The Association shall require any non-employee, director or council member in a position to influence the Association's contracting decisions to disclose any interest in any current or potential supplier to the Association Board on an annual basis and to recuse themselves from any and all negotiations or decisions relating to the supplier or potential supplier. These non-employees should refrain from engaging in any activity on behalf of the Association which could personally benefit the non-employee, his or her spouse/significant other or family member.

**C. ANNUAL DISCLOSURE**

Association officers and employees shall disclose on an annual basis if they, their spouse/significant other, child, step-child, parent, sibling or in-law hold an interest in any current Association vendor, supplier or potential vendor or supplier.

Association non-employees, directors or council members shall complete an annual Conflict of Interest disclosure form which shall be reviewed by the Association President and Corporate Compliance Officer. Any potential conflicts of interest shall be reviewed by the Association Board of Directors.

**VI. PROTECT THE PRIVACY OF MEMBER INFORMATION AND THE CONFIDENTIALITY OF THE ASSOCIATION'S RECORDS**

All directors, officers and employees must respect the confidential nature of protected health and any proprietary information received in the course of their work on behalf of the Association. All Association officers and employees, as well as all non-employees, directors, council members, committee members and advisors must maintain the confidentiality of information entrusted to them by the Association or its members, vendors or consultants, including confidential information about the Association, its employees, contracts, and proprietary information except when disclosure is authorized or mandated. Employees, officers, directors, council members, committee members and advisors must take all reasonable efforts to safeguard such information that is in their possession against inadvertent disclosure and must comply with any non-disclosure obligations imposed on the Association in its agreements with third parties. Each individual covered by this policy shall be required to sign a document acknowledging receipt of the policy and shall be bound by its terms during his or her entire service to the Association.

## **VII. PARTICIPATE IN COMPLIANCE AND OTHER TRAINING SESSIONS**

All directors, officers and employees must participate in compliance training and other professional skills development activities necessary to carry out their respective duties effectively and, if applicable, to maintain required professional licensure. Employees, officers and directors must sign a certification documenting participation in compliance training sessions.

### **A. REPORT COMPLIANCE VIOLATIONS**

Directors, officers and employees must report suspected violations of the Association's Compliance Policies and Procedures or applicable laws and regulations. The Association encourages directors, officers and employees to come forward even if they are unsure of whether any misconduct has occurred. Directors, including officers, are expected to report any violation or suspected violation of this Code or other Association policies to the Association's Corporate Compliance Officer or the Association President.

Officers and employees are expected to report any violation or suspected violation of this Code, other Association policies or legal requirements to their immediate supervisor. If they have reason to believe their immediate supervisor cannot impartially address the suspected violation, they should contact the Association's Corporate Compliance Officer or the Association President.

**The Association will support employees who make good faith reports of suspected violations of this Code or other Association policies and will not permit retaliation for reports made in good faith. Reports may be made anonymously, and the Association will undertake reasonable efforts to maintain the confidentiality of all reports.**

### **B. COOPERATE WITH INTERNAL AND EXTERNAL INVESTIGATIONS**

The Corporate Compliance Officer will conduct a timely and reasonable investigation of all credible reports of suspected noncompliance, and the Association expects everyone affiliated with it to cooperate fully with these investigations. Outside entities, such as government agencies and private third party payers, also may conduct investigations related to suspected noncompliance, and the Association encourages everyone to be forthright and cooperative. Failure to comply with an internal or external investigation will result in the immediate removal or termination of the director, officer or employee.

## VIII. CONSEQUENCES OF NONCOMPLIANCE

Failure to meet the Association's expectations for compliance with any law, regulation, or internal policy may result in the imposition of discipline, up to and including termination or the termination of their affiliation with the Association and/or its related organizations. The promotion of and adherence to the Compliance Program is an important element in the evaluation of all employees, especially senior management, supervisors, and other high-level employees responsible for facilitating the compliance of employees under their supervision.

**By signing below, I verify that I have read and understand the Association Code of Conduct and have been given the opportunity to ask questions and receive clarification on any portion of this document.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Title (Designate as Board Member, Employee or Other)

**KHA**  
\_\_\_\_\_  
KHA Organization (Choose One: KHA, KHERF, KHSC, APS, Work Comp Fund or KHA PAC)

\_\_\_\_\_  
Date