



KERN HEALTH
SYSTEMS

CODE OF CONDUCT



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A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Kern Health Systems (KHS) was created by the Kern County Board of Supervisors as a county health authority in 1994. KHS is dedicated to the mission of improving the health status of its members through an integrated, managed health care delivery system for Kern County. The ongoing commitment to offering members timely access to health care services includes fully complying with the state and federal laws and regulations, County ordinances, and other requirements. At KHS, compliance and ethical conduct mean doing the right thing while serving the community.

This Code of Conduct is a cornerstone and one of the seven pillars of the Kern Health Systems Compliance Program, and articulates the standards of behavior that each one of us is expected to observe while performing our jobs. Several of these values, including trust, integrity, inclusion, empowerment, and open communication, remind us that preserving an ethical workplace is critical to our long-term success as an organization. At KHS, we hold ourselves to the highest ethical standards, and we will not accept anything less.

Kern Health Systems maintains a non-retaliation policy. This means, as employees, we are encouraged to, in good faith, report compliance issues, ethical concerns, or violations of this Code of Conduct in accordance with KHS policies.

As KHS CEO, I encourage you to read through this Code of Conduct. Thank you for supporting our culture of compliance and ethical conduct.

Douglas Hayward
Chief Executive Officer



**WE WANT TO BE A COMPANY
KNOWN FOR ITS ETHICAL LEADERSHIP**

WHERE EMPLOYEES ARE PROUD TO WORK



A COMPANY WITH WHICH

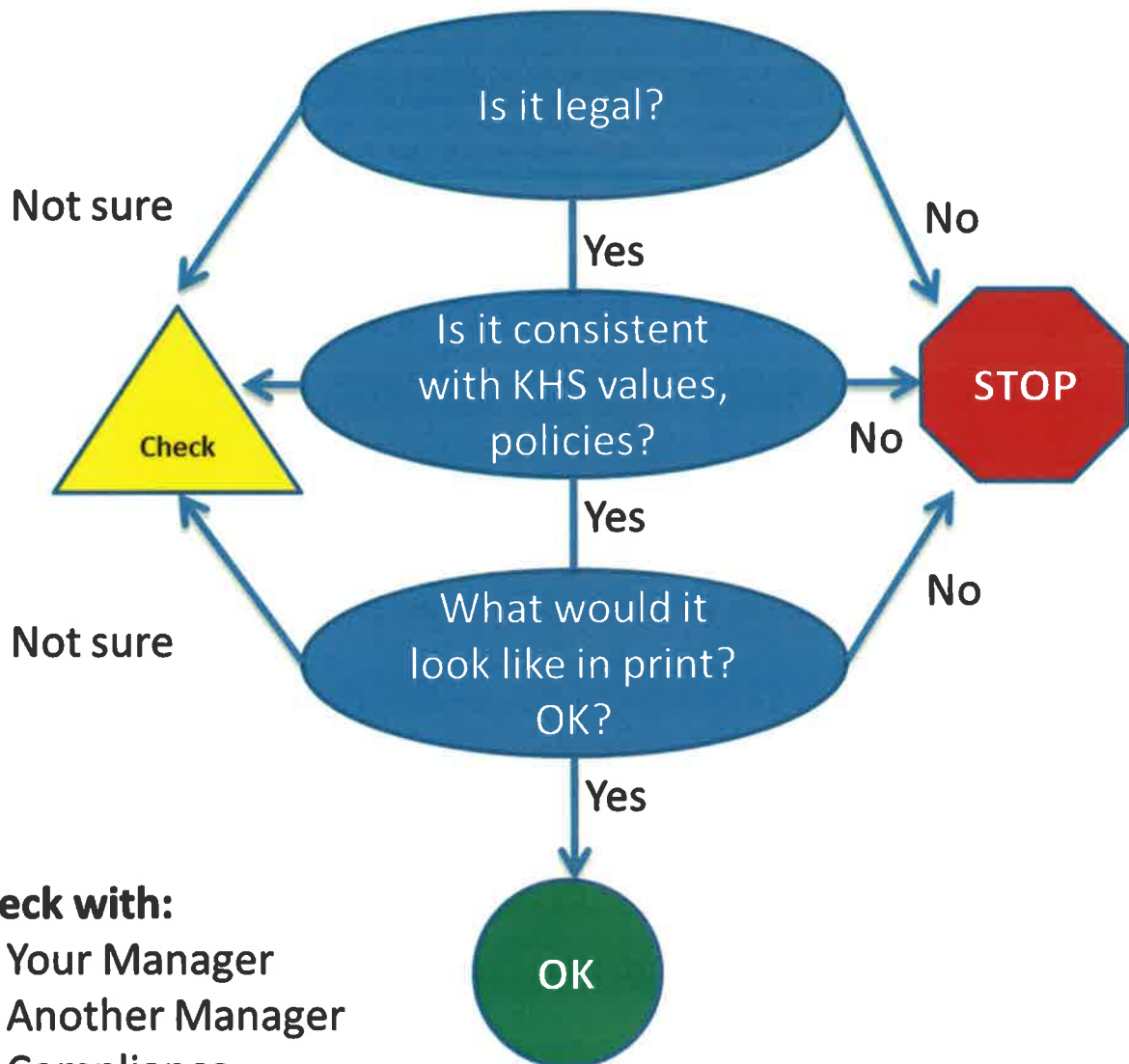
**HEALTH CARE PROVIDERS
AND SUPPLIERS**

WANT TO DO BUSINESS



THE HEADLINE TEST

One of the most powerful tools is the Headline Test. Simply put, we should each ask ourselves what the impact would be if our actions became public or reviewed by respected colleagues. If your response to this question is one of discomfort, then you need to reconsider your action!



Check with:

- Your Manager
- Another Manager
- Compliance
- Human Resources

Compliance Directory

Kern Health Systems Compliance Director

KHS has appointed a Compliance Director who is responsible for the daily oversight of the Compliance Program.

Some responsibilities of the Compliance Director include:

- ✦ Establishing and maintaining the Code of Conduct, compliance policies and procedures, and monitoring the operation of the employee Ethics Line
- ✦ Receiving, investigating, and resolving problems, concerns, questions and issues raised by employees or others related to the Compliance Program, including potential violations of the Code of Conduct, policies and procedures, laws and regulations
- ✦ Establishing auditing and monitoring mechanisms to ensure compliance
- ✦ Providing oversight of ongoing compliance education for all employees and other designated individuals to ensure understanding and compliance with the mission of Kern Health Systems

If you have any questions or concerns regarding the KHS Code of Conduct and/or compliance with rules and regulations please use the contact information below:

Carl Breining, CHC, AIS Compliance Director
661-664-5016
carl.breining@khs-net.com

Or

Ethics Line 800-500-0333

I Share My Concerns

I understand my responsibility as a KHS employee to do the right thing when it comes to my own actions and to share my concerns when I see or suspect something that could harm the company. There are places to turn when I have a question or concern.

KHS says...

You have an obligation to speak up!

You have a responsibility for promptly reporting any issue or concern that you believe, in good faith, may constitute a violation of the KHS Code of Conduct (COC) or any other KHS policy. You are also encouraged to come forward if you encounter a situation that “just does not feel right.” Your commitment to take action to share your concerns will help ensure an ethical workplace for everyone.

Options available to you for voicing your concerns...

Perhaps you have a question regarding the KHS COC, would like more information about a particular policy, or have seen or suspect someone has violated the KHS COC.

Here are your contact options:

- ✚ Since KHS has an Open Door Policy, you are encouraged to talk with your manager or Human Resources representative. Since they may be your closest link to an issue, they can act as a good resource to resolve your issue. They have a responsibility to listen and help. KHS managers have a duty to promote an open and honest environment where employees are free to voice concerns without fear of retaliation.
- ✚ If you do not feel comfortable discussing your concern with your manager or Human Resources representative, or after seeking assistance, you do not feel the outcome resolved your issue, please contact the Compliance Office. The Compliance Office is responsible for administering the COC and is available to all employees, customers, partners, and other stakeholders who wish to raise concerns about potential violations. The Compliance Office manages all inquiries promptly and confidentially to the extent possible by law.
- ✚ You can contact the Compliance Office by phone, e-mail, Web Form, or by calling the Ethics Line, available 24 hours a day, 7 days a week. Calls to the Ethics Line at 1-800-500-0333 are confidential; however, the investigation of the alleged incident may be hindered if the investigator is unable to contact you for further information.
- ✚ You may also disclose information directly to the California State Attorney General’s Whistleblower Hotline at 1-800-952-5225 if you believe there is an alleged violation of a state or federal statute, or non-compliance with a state or federal regulation.

Regardless of the reporting method you choose, your concern will be promptly addressed.

- ✦ Depending on the nature of an alleged violation, the Compliance Office, or another applicable organization will promptly address the concern and seek accurate and reliable information in order to discover the truth about reported alleged violations.
- ✦ KHS employees have an obligation to cooperate with investigations into alleged ethical misconduct. Failure to cooperate and provide honest and truthful answers or information could result in disciplinary action, up to and including termination of employment.

TRUST

DECISION MAKING

As KHS employees....

- ✚ We make ethical decisions using the HEADLINE TEST decision tree.
- ✚ We comply with laws, regulations, and all internal policies.
- ✚ We seek guidance from management and other trusted sources.
- ✚ We report allegations of wrong doing.
- ✚ We cooperate with investigations.
- ✚ We investigate allegations promptly.
- ✚ We model ethical behavior.

NON-RETALIATION POLICY

Working at KHS means....

- ✚ I can share my concerns without concern of retaliation.
- ✚ I can use the Open Door Policy.
- ✚ I can use the Ethics Line hotline.
- ✚ I can use the Whistleblower Hotline.
- ✚ I know that KHS will not tolerate any form of retaliation from any level of employee.
- ✚ I work in a place where my voice will be heard.
- ✚ I am free to share my ideas.
- ✚ I am part of a team.

RESPECT

CONFIDENTIALITY

Certain information must be kept confidential by all employees, including member health information, employee information and other proprietary information, regarding the operations of KHS.

This requirement applies to directors, all employees, and contracted providers.

HARASSMENT-FREE ENVIRONMENT

As part of the KHS workforce, you work in a harassment-free environment!

KHS prohibits conduct that singles out an employee or group of employees in a negative way because of their gender, race, color, national origin, ancestry, citizenship, religion, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, veteran status, or marital status.

RETALIATION

No individual will be retaliated against for making a complaint or bringing inappropriate conduct to the agency's attention. Taking action against anyone who in good faith raises an issue or concern pertaining to possible discrimination, harassment, or ethics issues is strictly forbidden. Reports of retaliation are taken very seriously. Anyone found to have retaliated against another individual will be subject to disciplinary action and possible termination of employment.

SAFE AND SECURE ENVIRONMENT

KHS employees:

- ✦ Comply with safety, health, and security policies and procedures.
- ✦ Report any health and safety threats.
- ✦ Do not sell, possess, or use illegal drugs or create a safety risk through drug use or intoxication while on KHS property or while conducting KHS business.

INTEGRITY

RESOURCES

The resources or assets of KHS are funded by the public and are intended and provided for business use only. As an employee of a publicly funded agency, you have the responsibility to use and maintain assets wisely. You should help the agency guard against waste and abuse. Resources include: physical space, office equipment, information systems, and financial (e.g., budgets and travel costs).

The use of company assets for non-business reasons, e-mail or instant messaging for example, is permissible on a limited basis only, provided the use does not impact job performance, breach policy and procedure or ethical boundaries, is for a lawful purpose, and there is no or negligible cost to KHS or the public.

CONFLICTS OF INTEREST

Avoiding conflicts of interest means avoiding situations that create or appear to create a conflict between personal interests and the interests of the agency.

A conflict of interest may exist when a member of your family, a close personal friend, or you are involved in an activity that could affect your objectivity as you make decisions as a KHS employee.

Accepting outside employment does require disclosure and approval from management. All employees are expressly prohibited from engaging in any activity that competes with KHS or compromises its interests or its members.

Conflicts of interest can also arise when you, a member of your family, or a close personal friend use your position for personal gain. Use of position for personal gain is contrary to this Code of Conduct, crosses ethical boundaries, and may violate state and federal law.

Exceptions to the conflicts of interest laws are afforded members of the Board of Directors under Welfare and Institutions Code section 14087.38(h), subdivisions (1)-(6), which allows board members to hold certain appointments on the board and participate in the making of contracts entered into by the agency. However, board members must exercise good judgment and recuse themselves from voting on issues in which they, or the organization they represent, would directly gain by their participation in the vote.

Pursuant to state law, any newly appointed board member shall successfully complete a course in ethics training approved by the Fair Political Practices Commission and Attorney General. Each

member is required to complete this training every two years. Each board member and certain employees identified by the agency also are required to file a Form 700 Statement of Economic Interests, pursuant to state law.

BUSINESS RECORDS

Business records will be accurate, true and complete. KHS utilizes appropriate internal controls and procedures designed to secure the accuracy and reliability of financial records and reports. The accuracy and integrity of financial records is tested via external audits conducted by the Department of Health Care Services, Department of Managed Health Care, and an outside audit firm.

Accurate business records are important for legal, financial and other reporting obligations. Records should never be tampered with, falsified, or withheld except as required by law. All records should be maintained consistent with relevant record retention policies and legal requirements.
