GINGER CARE, INC
COMPLIANCE PROGRAM

CODE OF CONDUCT

POLICY MANUAL

12-22-2023

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SECTION 1.

COMMITMENT TO COMPLIANCE

It is the policy of **Ginger Care, Inc.** (the "Company") to comply with all applicable federal and state laws, regulations, program requirements and sound ethical business practices. Wingate Senior Living, LLC ("Wingate"), as Management Agent for the Company, will be responsible for all of the corporate compliance functions for the Company. All employees, executives, officers, directors, board members, volunteers, independent contractors or agents are required to comply with this policy and to refrain from engaging in any non-compliant activity. More particularly, to the extent within its control, the Company pledges to conform its billing practices to comply with all pertinent federal and state laws, regulations and program requirements. As part of this pledge, the Company is committed to providing its residents with the care necessary to attain or maintain each resident's highest practicable physical, mental and psychosocial well-being. In order to accomplish these goals, the Company will strive to ensure, to the extent reasonably feasible, that all it's employees, volunteers, independent contractors and agents act in conformity with its Compliance Program (the "Program"). This Code of Conduct (the "Code") is part of the Compliance Program and is intended to identify all of the various federal and state laws, regulations and program requirements with the Company and each of its employees, volunteers, independent contractors, and agents must comply.

The Code is intended only to provide guidance to each of the Company's employees, volunteesr, independent contractors and agents concerning the Company's policies as to how to comply with all applicable federal and state laws, regulations, program requirements and sound ethical business practices. The Code shall not, in any manner, be considered to create any contractual relationship between the Company and any of its employees, volunteers, independent contractors or agents. In addition, Wingate may, at any time, unilaterally modify and amend the policies and/or requirements contained in the Code.

SECTION 2.

COMPLIANCE WITH THE CODE OF CONDUCT

Section 2.1 **In General**. As an employee, executive, officer, director, board member, volunteer, independent contractor or agent of the Company, you are strictly prohibited from engaging in – and from encouraging, directing, facilitating, or permitting any other person to engage in – any activity that is inconsistent with any requirement contained within the Code or that is non-compliant in any way. In particular, you are strictly prohibited from engaging in, and from encouraging, directing, facilitating, or permitting any activity that is considered fraudulent or abusive billing under federal and/or state regulations. Any deviation from the requirements contained within the Code may subject you to disciplinary action, up to and including termination of employment and/or revocation of staff privileges. To make sure that you comply with the Code's requirements, you should annually review the contents of the Code.

Section 2.2 **Compliance Manager**. The person designated in Attachment 2 to the Program Manual will be the Compliance Manager for the Company. You can reach the

Compliance Manager at the telephone number designated in Attachment 2 to the Program Manual to ask questions regarding the requirements contained in the Code or to report a violation of the Code. The Compliance Manager is responsible for coordinating the Company's compliance efforts and responding, in part, to your individual concerns and reports of suspected misconduct related to the Code. If you have a question regarding billing or coding, you should contact your direct supervisor or the Compliance Manager.

Section 2.3 **Reporting**. If you know of or suspect a violation of any Code requirement, you must report this information to your direct supervisor or the Compliance Manager (either directly or through the Anonymous Reporting Hotline). You will not be punished, retaliated against, or reprimanded in any way for reporting a violation in good faith. You may report violations anonymously. To the extent possible, the Company shall maintain the confidentiality of your identity. There may be instances, however, where your identity may need to be revealed.

Section 2.4 **Failure to Report**. If you do not report conduct which you know violates the Code's requirements, you may be subject to disciplinary action, up to and including termination of employment.

Section 2.5 **Disciplinary Action for Code Violations**. If you have violated a Code requirement, or if you have encouraged, directed, or facilitated a violation of a Code requirement by any other person, you may be disciplined by your supervisor with any of the following disciplinary actions: (a) verbal or written warning to refrain from additional Code violations, (b) suspension, or (c) termination. All discipline for violations of the Code shall be firmly and fairly enforced.

Section 2.6 **Performance Evaluation**. The extent to which you comply with the requirements contained within the Code will be a factor in evaluating your overall job performance. For designated employees, attendance at any training seminar that the Company offers pertaining to the Code is mandatory.

SECTION 3.

FRAUD AND ABUSE LAWS

Section 3.1 **In General**. The Company prohibits any employee, independent contractor, or agent from engaging in any activities that violate the fraud and abuse laws. For purposes of the Program, the phrase "fraud and abuse laws" consists of those federal and state laws that prohibit false claims, illegal kickbacks and patient referrals. The following is a summary of the fraud and abuse laws, although there may be other applicable laws affecting the Company's operations.

Section 3.2 **False Claims**. It is illegal for any person to intentionally make a false statement or a misrepresentation knowing that the false statement or misrepresentation could result in some unauthorized benefit to himself/herself or to some other person or entity. In particular, it is illegal for any person to intentionally make a false statement, falsify medical records or plans of care, falsify dating of amendments to medical records, untimely and/or

forged physician certification on plans of care or a misrepresentation in any claim for benefits or payments covered by any federal or state insurer (including the Medicare/Medicaid programs and any private insurance company). All statements made on behalf of the Company must be backed by an adequate basis for belief or made in a context in which the lack of such basis is clearly understood.

Section 3.3 **Kickbacks**. It is illegal for any Company employee, volunteer, independent contractor or agent to offer or accept any remuneration to or from potential patients or referral sources with the intent to induce referrals, or for the purchase or order of (or arrange for or recommend the purchase or order of) items or services paid by a federal health care program. It is illegal for any Company employee, volunteer, independent contractor or agent to intentionally offer, pay, ask for or receive any type of payment (including money, gifts or services) in exchange for:

(a) referring a patient or arranging for the provision of an item (i.e., a test or a prescription) or service (i.e., physician services) covered by any payor (including the Medicare/Medicaid programs or any private insurance company), or

(b) purchasing, leasing, or ordering any item or service covered by any payor;

(c) inducing the referral of patients in nursing homes;

(d) engaging in the referral-inducing practice of "patient mining", i.e. reviewing multiple charts for signs of DMEPOS eligibility without the specific request of the nursing facility staff or other patient authorized individual;

(e) accepting payments to the nursing home for "room and board" that exceed what the nursing home would have received from Medicaid;

(f) submitting or causing to be submitted to federal health care programs, claims for patients who were referred to the facility pursuant to contracts or financial arrangements that were designed to induce such referrals in violation of the anti-kickback statute or similar federal or state statute or regulation; and

(f) offering gifts, free services, or other incentives to patients, relatives of patients, physicians, nursing facilities, hospitals, contractors, or other potential referral sources for the purpose of inducing referrals in violation of the anti-kickback statute or similar federal or state statute or regulation.

Note that although certain exemptions may apply to the kickback prohibition, no significant transaction should be undertaken that might implicate the kickback prohibition without prior approval from the Compliance Manager.

Section 3.4 **Self-referral**. A physician may not refer a Medicare/Medicaid patient to an entity in which the physician (or the physician's family) has a financial relationship for the provision of certain items or services ("designated health services").

Financial Relationship. A "financial relationship" for purposes of the self-referral prohibition, includes:

(a) ownership or investment interest through equity, debt or other means including an interest in an entity holding an ownership or investment interest in any entity actually furnishing the designated health services; or

(b) a compensation arrangement involving any remuneration to physician or the physician's family.

Designated Health Services. "Designated health services" for purposes of this prohibition include: inpatient and outpatient hospital services, diagnostic services, laboratory services, physical and occupational therapy services, radiation therapy services and supplies, durable medical equipment and supplies, parental and enteral nutrients, equipment and supplies, home health services, and outpatient prescription drugs.

(c) Although certain exemptions may apply to the self-referral prohibition, no significant transaction should be undertaken that might implicate the self-referral prohibition without prior approval from the Compliance Manager. All contracts and arrangements with actual or potential referral sources are carefully reviewed for compliance with all applicable statutes and regulations;

Section 3.5 **Penalties**. False claims and kickbacks can be punished with criminal and civil penalties. For example, under the federal laws, a criminal conviction for making a false claim or providing kickbacks is punishable by up to five years imprisonment and/or $500,000 in fines. Making a false claim may also subject the individual or entity to a civil penalty of up to $15,000 per false claim, plus a fine of up to three times the amount claimed for the item or service. Providing a kickback may also subject an individual or entity to a civil penalty up to $50,000 for each kickback, plus a fine of up to three times the remuneration paid, received or offered for the kickback. Engaging in a prohibited self-referral may result in a civil monetary penalty of up to $100,000. Furthermore, the government may exclude the individual or entity (such as a physician, the Company, a laboratory, etc.) that violates the false claims laws, the anti-kickback laws and/or the self-referral prohibition from the Medicare and/or Medicaid programs. An individual or entity excluded from the Medicare or Medicaid programs cannot receive payment for any service or item provided to a patient who is covered by Medicare or Medicaid.

If you are faced with a situation that appears to be questionable under the fraud and abuse laws you should consult with your supervisor or the Compliance Manager. If you suspect that a violation of the fraud and abuse laws has occurred you should disclose that situation to the Compliance Manager.

SECTION 4.

PROPER BILLING AND REIMBURSEMENT PROCEDURE

Section 4.1 **In General**. You are responsible for understanding and applying the proper billing procedure when billing any payer for services provided by the Company. Cost reports should also comply with all applicable requirements. The Company is required to submit one bill to Medicare for most Medicare services received by a patient. Individual vendors are precluded from separate submission of bills to Medicare. The Company's written agreements with other healthcare providers clearly delineate the financial responsibility for all care and services related to the patient's illness. The Company must provide all medically necessary services directly or under contractual arrangements with outside providers. The billing requirements regarding consolidated billing must be followed. Audit and monitoring protocol provides for continual assessment of documentation of clinical services and accuracy of billing. When it is determined through audits or other forms of discovery that overpayments from any payer source have been received, such overpayments are promptly returned. Employees, independent contractors and agents should follow Company billing policies and contact the appropriate person, including the Compliance Manager, when questions arise. The Compliance Manager will consult with legal counsel upon the identification of an overpayment as appropriate. Specific attention should be given to the following areas:

Section 4.2 **Upcoding or Overcoding**. All personnel who bill or code for services that The Company provides should follow, where applicable, the current year national coding requirements under Medicare/Medicaid or the appropriate contract. The assignment of an inappropriate code, classification to a patient, or the billing of services at a higher level of care than the actual care provided to obtain greater reimbursement from a payer is strictly prohibited. Routinely providing a higher level of care than is the general standard in order to obtain greater reimbursement is also strictly prohibited.

Section 4.3 **Coding of Claims**. The coding staff shall ensure that codes used to bill Medicare/Medicaid accurately describe the condition of the patient or the services that were ordered and performed. In addition, any diagnosis codes or procedure descriptions reported on the reimbursement claims should be based on the medical record and other documentation, and shall be supported by a physician order where appropriate.

Section 4.4 **Co-payment Requirements**. The Company may not routinely waive deductibles or co-payments, because the routine use of "financial hardship" forms, which state that the beneficiary is unable to pay the coinsurance/deductible, is considered by Medicare/Medicaid to be an indication of improper waiver of the deductibles and co-payments. The financial hardship exception can only be used when the patient's financial condition warrants the waiver. If you have any questions about this requirement, ask the Compliance Manager.

Section 4.5 **Bad Debts**. The Company shall monitor, at least annually, whether it is properly reporting bad debts to Medicare. The Company should not claim as bad debts any routinely waived Medicare co-payment and deductibles.

Section 4.6 **Illustrations**. The following are some guidelines to ensure proper billing:

- DO NOT bill for equipment, medical supplies or services that are not medically necessary.
- DO NOT bill for services, supplies or equipment that were not provided.
- DO NOT alter claim forms so that they are false or inaccurate in order to increase payments.
- DO NOT misrepresent the services actually rendered to increase reimbursement.
- DO NOT submit claims for inadequate or substandard care (not to suggest that each and every survey citation or failure to meet the applicable standard of care is a per se violation of the False Claims Act).
- DO NOT scheme with another person to manipulate claims and increase payments (for example, upcoding).
- DO NOT incorrectly report a diagnosis to increase payments from any payor (including Medicare/Medicaid and any private insurance company).
- DO NOT bill separately for items or services that are either included in any per diem rate or that must be billed as a unit and may not be unbundled.
- DO NOT disguise a non-covered or non-chargeable service or item as a covered item.
- DO NOT bill for a length of stay after any discharge.
- DO NOT try to get paid twice for the same service (for instance, billing both Medicare/Medicaid and another insurer for the same charges).
- DO NOT bill patients - for items or services that are included in the per diem rate or otherwise covered by a third-party payor.
- DO NOT submit a claim to Medicare for a physician service that was actually provided by an unlicensed individual and/or a licensed professional who cannot bill under the Medicare program.
- DO NOT bill for services provided by unqualified or unlicensed clinical personnel.

- DO NOT waive a patient's insurance co-payment or insurance deductible unless the patient meets the waiver requirements.
- DO NOT provide a patient with free services to encourage the patient to use the services of The Company.
- DO NOT submit a claim for unallowable or inaccurate costs on cost reports.
- DO NOT bill for uncovered services, i.e. over-the-counter drugs.
- DO NOT transfer patients to other services or programs in order to utilize different provider numbers.
- DO NOT bill for improper geographical location where services were delivered, i.e. home care or medical facility, not the program location of The Company.
- DO NOT bill for services not covered by a physician's order.

The illustrations listed above are provided so as to help give you guidance. They are by no means intended to be complete explanations or statements as to what is legal or illegal. To the extent you have any further questions; you should contact your supervisor or the Compliance Manager.

SECTION 5.

PROPER DOCUMENTATION

Section 5.1 **In General**. Claims for reimbursement of DMEPOS provided by the Company should be submitted only when the claims represent medically necessary services actually provided, when appropriate documentation supports the claims and when all payor billing requirements have been met. Specific attention should be given to the following areas:

Section 5.2 **Medically Necessary and Non-Covered Services**. Medicare/Medicaid and other payors will only pay for services that they determine to be "reasonable and necessary." Medical necessity is determined by the accepted professional standards of the relevant health care profession. For example, if Medicare/Medicaid determines that a particular service, although it would otherwise be covered, is "not reasonable and necessary" under the Medicare/Medicaid program standards, Medicare/Medicaid will deny payment for that service. The Company will only seek Medicare/Medicaid reimbursement for services that it reasonably believes to be medically necessary and which were ordered by a physician or other appropriately licensed individual. The Company requires that the physician's documentation, including the patient's medical records and the physician's orders, are maintained to support the medical necessity of the service provided. The Company will follow the appropriate contract terms or accepted practice in applying medical necessity for other payors. This includes the following:

- Patients admitted to hospice will be screened to determine that they are (a) entitled to Part A of Medicare, and (b) certified by the hospice physician and attending physician as being terminally ill (having a prognosis of six months or less if the illness runs its normal course);

- For patients with non-cancer diagnoses, the admitting Hospice Registered Nurse (RN) will screen the patient using the Local Medical Review Policy (LMRP) specific to the patient's terminal illness;

- Complete and timely documentation of the specific clinical factors that qualify a patient for any Medicare benefit is provided in the patient's clinical record;

- Documentation is maintained, appropriately organized in a legible form, and available for audit and review.

- The Medical Director and the patient's attending physician thoroughly review and certify the admitting diagnosis and prognosis;

- The final determination of hospice eligibility is the responsibility of the Hospice Medical Director;

- The patient's clinical record contains complete documentation to support the certification made by the Medical Director or attending physician.

Section 5.3 **Release of Information and Assignment/Reassignment of Benefits**. At the time of admission, patients and/or their representatives are given a complete description of the palliative nature of hospice care and the consequences of electing the Medicare Hospice Benefit, including waiving the standard Medicare benefits related to the terminal illness. Patients, caregivers or their lawful representative(s) are informed of the determination of the patient's life-limiting condition and that the goal of hospice is directed toward relief of symptoms rather than cure of the underlying disease. All patients or lawful representative are required to sign a release of information and assignment of benefits form before they receive services from the Company. A signed copy of this consent must be included in the patient's clinical record, as well as placed in the appropriate financial folder in the Business Office. Medicare and Medicaid each have strict rules regarding assignment and reassignment of billing rights. If there is any question whether The Company may bill for a particular service, either on behalf of a physician or on its own behalf, you should seek advice from your supervisor or the Compliance Manager.

Section 5.4 **Illustrations**. The following are some guidelines regarding proper documentation:

- DO NOT complete documentation of medical necessity for patients not known personally and professionally by the provider.

- DO NOT falsify patient records (for instance, misrepresenting dates or descriptions of services rendered or the identity of the patient who received services or the identity of the individual who provided the services, falsely dating amendments to nursing notes).
- DO NOT falsely certify that services were medically necessary.
- DO NOT falsify records to appear to meet conditions of participation or conditions of coverage.
- DO NOT fail to disclose an event affecting the initial or continued right to any benefit or payment.
- DO NOT sign a physician's signature to any document, unless you are permitted to do so. If you are permitted to do so, you must always write your initials next to the signature. Always check to be certain that you are permitted to sign for a physician on some forms, no one but the physician is permitted to sign.
- DO NOT make false or misleading entries on official books or records for any reason.
- DO NOT make a false statement on a form submitted to any government agency, any Medicare/Medicaid intermediary or any insurance company.
- Documentation should be sufficient to show that the service was performed and should support reimbursement.

The illustrations listed above are provided so as to help give you guidance. They are by no means intended to be complete explanations or statements as to what is legal or illegal. To the extent you have any further questions, you should contact your supervisor or the Compliance Manager.

SECTION 6.

QUALITY OF CARE

Section 6.1 **In General**. All Company employees, volunteers, independent contractors and agents must work toward providing each resident with the level of care necessary to attain or maintain each patient's care, comfort and dignity at end of life. To meet this goal, you must assist The Company in complying with the standards set forth in the Medicare conditions and with applicable state standards.

Section 6.2 **State Survey and Certification**. The Compliance Manager and other supervisory staff shall take immediate steps to address any deficiencies identified in the state survey and certification process or any survey and certification by an independent agency. You

are responsible for ensuring that deficiencies are adequately addressed in a timely manner in your area of responsibility.

Section 6.3 **Specific Risk Areas**. You should monitor all risk areas that have been identified by the Company or that have been identified through survey and certification as areas requiring attention. You should report any identified deficiencies to your supervisor or to the Compliance Manager. Your review should include attention to the following specific risk areas, whenever applicable to your area of responsibility:

- Absence of a comprehensive Plan of Care that includes measurable objectives and timetables to meet the patient's medical, nursing, mental, psychosocial, spiritual and comfort needs;

- Failure to properly prescribe, administer and monitor drug medication usage, including psychotropic and anti-depressant medications;

- Inadequate or insufficiently trained staff to provide medical, nursing, and related services;

- Failure to provide appropriate therapy services;

- Failure to provide appropriate services to assist patients with activities of daily living (e.g., feeding, dressing, bathing, etc.); and

- Failure to report incidents of mistreatment, neglect, or abuse to your supervisor or Compliance Manager or the administrator of the Medical facility and other officials as required by law.

The specific risk areas discussed above are provided so as to help give you guidance. They are by no means intended to be complete explanations or statements as to what is legal or illegal. To the extent you have any further questions, you should contact your supervisor or the Compliance Manager.

SECTION 7.

RELATIONSHIPS WITH PHYSICIANS AND OTHER PROVIDERS/SUPPLIERS

Section 7.1 **In General**. No agreement between the Company and a physician or other provider/supplier shall be signed by a representative of the Company without the approval of the Compliance Manager or general counsel.

Examples of such agreements include:

- personal service agreements (such as employment agreements, medical director agreements, and billing services agreements);

- leases for office space or for equipment;

- loans;
- recruitment agreements;
- management services agreements;
- practice acquisition agreements; and partnership or joint venture agreements.

Section 7.2 **Illustrations**. The following are some guidelines to ensure that you do not violate federal or state laws regarding kickbacks and payments for physician referrals:

- DO NOT pay a physician or other providers/suppliers to refer patients to The Company.
- DO NOT receive payments from a physician or other providers to refer patients to that physician's or provider's practice.
- DO NOT offer a physician a Medical Directorship to encourage the physician to refer patients to the Company.
- DO NOT provide free or discounted billing services to a physician or other providers/suppliers to ensure their referrals to the Company.
- DO NOT grant a physician's or other provider's/supplier's request for special treatment in return for referring patients to the Company.

The illustrations listed above are provided so as to help give you guidance. They are by no means intended to be complete explanations or statements as to what is legal or illegal. To the extent you have any further questions; you should contact your supervisor or the Compliance Manager.

SECTION 8.

MARKETING

Marketing and advertising may be used to advance the Company's goals and objectives and will support the mission of the Company. Advertising may be used to educate the public, to report to the community, to increase awareness of available services, to increase support for the organization, and to recruit employees and volunteers. Marketing and advertising shall be truthful, fair, accurate, and complete in accordance with applicable laws, regulations, and ethical standards. The Company's marketing materials will provide clear, correct, and non-deceptive information regarding eligibility and entitlement requirements. The Company shall not in the course of its advertising, publicity, or other communications, make any false or misleading statement about itself or its services or about another organization or its services.

SECTION 9.

CONFLICTS OF INTEREST

Section 9.1 **In General**.

The Company employees must at all times seek to promote, enhance, and protect the interests of the Company, and avoid taking any action which may be adverse to those interests. No Company employee shall engage in any activity that may conflict with the interests of the Company.

A conflict of interest arises when personal considerations influence an employee's or volunteer's judgment and discretion and jeopardize the interests of the Company. Each situation is different, and many factors will need to be considered to determine if there is a conflict of interest. The Company employees and volunteers must be alert to any situation that may involve even the appearance of a conflict of interest and must disclose that situation promptly to the Compliance Manager.

Section 9.2 **Illustrations: Relationships with Suppliers and Competitors**.

- If you deal with contractors, suppliers and competitors, you MUST NOT take advantage of your position with the Company to obtain personal benefits.
- DO NOT take personal advantage of a business opportunity that may be, or appears to be, of interest to the Company without the approval of the Compliance Manager.
- DO NOT conduct business on behalf of the Company with any company in which you have an interest without first disclosing that interest to the Compliance Manager.
- DO NOT do business on behalf of the Company with any relative without first disclosing that interest to the Compliance Manager.

Section 9.3 **Illustrations: Gifts and Entertainment**.

- DO NOT accept gifts or favors from any person or company that does business, or seeks to do business, with the Company, without approval from the Compliance Manager. Gifts that commemorate a holiday or personal milestone and that do not exceed $100 per year per donor are not prohibited.

Section 9.4 **Illustrations: Outside Employment and Other Activities**.

- DO NOT engage in outside activities during working hours.

- DO NOT accept employment as a consultant or independent contractor with any of the Company's competitors or third party payors, unless the Compliance Manager authorizes you to do so.

- DO NOT use the Company equipment, supplies, or information in connection with any permitted outside activities.

- DO NOT use any of the Company's confidential information (i.e., financial data, payor information, computer programs and patient information) for your own personal use.

- A Company employee or volunteer MAY NOT seek outside employment UNLESS such employment does not adversely affect the employee's job performance or create a conflict of interest with the Company.

- A director or officer of the Company MUST NOT become an officer or director of, or accept a position of responsibility with, any other company without the prior approval of the Compliance Manager.

The Compliance Manager will be available on a timely basis for discussion with the Company personnel regarding their potential conflicts of interest. These discussions will be kept confidential to the extent reasonably possible under the circumstances, unless the individual fails to eliminate the conflict within a reasonable period of time. If the conflict of interest is serious or is not eliminated within a reasonable period of time, the Compliance Manager will notify appropriate supervisory personnel. Depending on the circumstances, it may also be appropriate to notify the other entity giving rise to the conflict and law enforcement or regulatory authorities.

Section 9.5 **Political Activities and Contributions**.

The Company's political participation is limited by law. The Company funds or resources are not to be used to contribute to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. The Company resources include the use of work time and telephones to solicit for a political cause or candidate and loaning property for use in the political campaign.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. Employees may, of course, participate in the political process on personal time and at their own expense. In doing so, care should be taken to avoid giving the impression that such involvement is on behalf of or connected with the Company. Employees cannot seek to be reimbursed by the Company for any personal contributions for such purposes.

At times, the Company may ask employees to make personal contact with government officials or to write letters to present the Company's position on specific issues. In addition, it is part of the role of some the Company management to interface on a regular basis

with government officials. When making these communications on behalf of the organization, the spokesperson should be familiar with any regulatory constraints involved and observe them. Guidance is always available from the Compliance Manager and Legal Counsel as necessary.

SECTION 10.

BUSINESS INFORMATION AND CONFIDENTIALITY

Section 10.1 **Business Information**. Company employees, volunteers, independent contractors and agents will be exposed to confidential information pertaining to the Company. Confidential information includes commercially sensitive information and financial information about the Company. Examples of confidential business information include expansion or curtailment of operations, an increase or decline in business, a merger or acquisition proposal or agreement, litigation, unusual management developments, or purchases or sales of substantial assets.

Company employees, volunteers, independent contractors and agents must not use confidential business information in a manner that is not related to the Company's business activities either during or after their employment with the Company. Confidential information must not be given to competitors, suppliers, contractors or to other employees who do not have a need to know. Company employees, volunteers, independent contractors, and agents must not disclose such confidential information to unauthorized persons. If you have a question whether a person is "unauthorized" you should contact the Compliance Manager.

Section 10.2 **Patient Information**. Company employees, volunteers, independent contractors and agents have access to privileged information regarding patients and their care (such as the patient's health condition, finances, or insurance). No Company employee, volunteer, independent contractor or agent shall disclose any information pertaining to patients other than to the Company personnel who need the information or upon the consent of the patient. If a third party requests the medical record of a patient, do not release it to that third party without (1) consent from the patient or legal guardian or (2) consent of the Compliance Manager or the Vice President of Risk Management, after considering any and all applicable nondisclosure obligations imposed by law. Do not discuss patient information where it may be overheard by others (for example, in hallways or elevators). Furthermore, no medical record shall be altered or destroyed without the consent of the Compliance Manager.

Section 10.3 **Electronic Media**.

All communications systems, electronic mail, Intranet (Online Information Center), Internet access, or voice mail are the property of the Company and are to be primarily used for business purposes. Highly limited reasonable personal use of the Company communications systems is permitted; however, do not assume that these communications are private. Patient or confidential information should not be sent through Intranet or the Internet until such time that its confidentiality can be assured.

The Company reserves the right to periodically access, monitor, and disclose the contents of Intranet, Internet, e-mail, and voice mail messages.

Company employees, volunteers, independent contractors and agents may not use internal communication channels or access the Internet at work to post, store, transmit, download, or distribute any threatening; knowingly, recklessly, or maliciously false; or obscene materials, including anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Additionally, these channels of communication may not be used to send chain letters, or copyrighted documents that are not authorized for reproduction, nor are they to be used to conduct a job search or open misaddressed mail.

Employees who abuse the Company communication systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Section 10.4 **News Media Requests**.

The Company wants to be responsive to inquiries by the community and welcomes inquiries from the news media. To ensure the Company preserves the confidentiality of patients while providing accurate information, the Company has created a Marketing Communications team to handle media requests in a timely and consistent manner. Without the express permission of Marketing Communications, employees or volunteers should politely decline to answer any questions from the press or news media. All requests from the news media or proposed press releases must be forwarded immediately to Marketing Communications or the President of the Company for review during weekday business hours. Should an employee receive an inquiry during evening or weekend hours, leave a voicemail message for the President and a member of the Marketing Communications team will respond.

Section 10.5 **Financial Reporting and Records**.

The Company has established and maintains a high standard of accuracy and completeness in the documentation and reporting of all financial transactions. These records serve as a basis for managing the business and are important in meeting obligations to patients, Medicare, other third party payors, suppliers, and others. They are also necessary for compliance with tax and financial reporting requirements.

All financial information must reflect actual transactions and conform to generally accepted accounting principles. No undisclosed or unrecorded funds or assets may be established. The Company maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

SECTION 11.

EMPLOYEE RIGHTS

The Company maintains a working environment free from harassment, illegal drugs, alcohol and unlawful discrimination. It is The Company’s policy to deal with employees fairly and honestly and to respect and recognize each employee as an individual. The Company believes that direct communication between employees and their supervisors is the best method

for dealing with matters that affect each group. For further information about the Company's human resources policies, please refer to the Company Employee Handbook.

The Company is an equal opportunity employer. It will recruit, hire and/or promote employees on the basis of their skills, experience and performance without regard to age, race, ethnicity, religion, gender, sexual orientation or disability. Any Company employee who believes he or she has been unlawfully discriminated against should promptly report the facts of the incident to the Compliance Manager, the facility Executive Director/Administrator and/or the Community Business Director/HR Representative.

The Company strictly prohibits unlawful harassment, including sexual harassment. Sexual harassment includes threats or insinuations by a member of management that a subordinate's submission to or rejection of sexual advances will in any way influence a decision regarding that subordinate's employment, evaluation, wages, condition of employment or career development. Sexual harassment also includes sexual advances, requests for sexual favors, or any sexually offensive verbal, visual or physical conduct, and will not be tolerated. Any The Company employee or volunteer who believes he or she has been unlawfully harassed should promptly report the facts of the incident to the Compliance Manager, the facility Executive Director/Administrator and/or the Community Business Director/HR Representative.

The Company is committed to providing an efficient and productive working environment. The Company employees and volunteers must perform their job duties safety, competently and efficiently in a manner that protects The Company's interests and those of their co-workers. The Company employees and volunteers are expected to conduct themselves in a manner that reflects integrity, brings credit to the Company, and meets the Company's obligation to provide quality care to patients. Any involvement with illegal drugs or consumption of alcohol in the workplace by the Company employees or volunteers is prohibited and will result in corrective action, including dismissal. For further information about the types of employee behaviors that are unacceptable, please refer to the Company Employee Handbook.

The Company is committed to promoting the prevention of health and safety hazards. Company employees, who are involved in or witness an accident or occurrence that has caused or may lead to injury to a patient, co-worker or visitor, or that results in damage to any property where the patient resides, must complete an incident report form.

Some employees or volunteers routinely have access to prescription drugs, controlled substances, and other medical supplies. Many of these substances are governed and monitored by specific regulatory agencies and must be administered by physician order only. To minimize risks to residents and to the Company, it is extremely important that these items be handled properly and only by authorized individuals. If an employee or volunteer becomes aware of the diversion of drugs from the patient, the incident must be reported to your supervisor and/or the community's Executive Director/Administrator, immediately.

Company employees and volunteers may not reproduce, distribute, or alter copyrighted materials from books, trade journals, computer software, magazines, tapes, discs, or videotapes without permission of the copyright owner. Using unlicensed software or improperly

using licensed software could constitute copyright infringement. For more information, contact the Compliance Manager.

The Company must comply with all government regulations and rules and with OSHA policies that promote the protection of workplace health and safety.

The Company policies have been developed to protect employees and volunteers from potential workplace hazards. It is the responsibility of each employee and volunteer to become familiar with and understand how these policies apply to his or her specific job responsibilities and to seek advice from his or her supervisor or the community Executive Director/Administrator whenever a question or concern arises. It is important to advise management personnel of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

Employees and individuals retained as independent contractors in positions which require professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and State requirements applicable to their respective disciplines. To assure compliance, the Company may require evidence of the individual having a current license or credential status. The Company will not allow any employee or independent contractor to work without valid, current licenses or credentials.

Additionally, all employees and individuals or entities retained by the Company shall immediately disclose to the Company any exclusion, debarment, or suspension from participation in any Federal health care program or any Federal procurement or non-procurement program.

Personal Use of the Company Resources

It is the responsibility of each The Company employee and volunteer to preserve Company assets including time, materials, supplies, equipment, and information. Company assets are to be maintained for business related purposes. As a general rule, the personal use of any Company asset without the prior approval of management is prohibited. The occasional use of items, such as copying facilities or telephones, where the cost to the Company is insignificant, is permissible. Any community or charitable use of Company resources must be approved in advance by the appropriate supervisor. Any use of Company resources for personal financial gain unrelated to the Company's business is prohibited.

In the normal day-to-day functions of an organization like the Company, there are issues that arise which relate to how people in the organization deal with one another. It is impossible to foresee all of these, and many do not require explicit treatment in this Code. A few routinely arise, however. One involves gift giving among employees for certain occasions. While yhe Company wishes to avoid any strict rules, no one should ever feel compelled to give a gift to anyone, and any gifts offered or received should be appropriate to the circumstances. A lavish gift to anyone in a supervisory role would clearly violate organizational standards. Another situation, which routinely arises, is a fund-raising or similar effort, in which no one should ever be made to feel compelled to participate.

The Company must manage subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. The Company promotes competitive procurement practices. The selection of subcontractors, suppliers, and vendors will be made on the basis of objective criteria including quality, technical excellence, price, and delivery, adherence to schedules, service, and maintenance of adequate sources of supply.

The Company purchasing decisions will be made on the supplier's ability to meet needs, not on personal relationships and friendships. Company employees will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. Company employees or volunteers will not communicate to a third-party confidential information given to us by suppliers unless directed in writing to do so by the supplier. Company employees or volunteers will not disclose contract pricing and information to outside parties.

To protect the interests of employees, volunteers and patients, the Company is committed to an alcohol and drug-free work environment. All employees and volunteers must report for work free of the influence of alcohol and illegal drugs. The Company may use drug testing as a means of enforcing this policy. Individuals taking prescription and/or over-the-counter drugs that could impair judgment or other skills required in job performance should notify his or her supervisor upon reporting to work.

SECTION 12.

PATIENTS' RIGHTS AND RESPONSIBILITIES

Upon admission, each patient shall be informed both orally and in writing of his or her rights and all rules and regulations governing their care. All residents will be admitted based upon clinical indications for care and without regard to race, color, creed, sex, disability or national origin. All residents will receive the same quality and level of care based on their diagnosis, treatment needs, care planning and all other aspects of patient care, regardless of their ability to pay.

Patients have the right to make their own health care decisions after disclosure of all relevant information. Patients must be informed of their right of self-determination. This right refers to the ability of competent adults to participate in and make their own health care decisions after receiving from their physician complete disclosure of their diagnosis, prognosis and treatment alternatives. A patient has the right to accept medical care or to refuse treatment to the extent permitted by law, and to be informed of the medical consequences of such refusal. The Company employees must honor a patient's instructions regarding his or her health care decisions and must not discriminate against patients based on whether they exercise their right to self-determination or on the substance of their specific health care decisions.

If a patient has been declared incompetent by a court, is found by his or her physician to be medically incapable of understanding proposed treatment, is unable to communicate his or her views regarding treatment, or is a minor, then it is the right of the patient's guardian, health care proxy or other legally authorized responsible person to exercise,

to the extent permitted by law, the patient's rights on his or her behalf. Questions concerning a patient's competence or the right of another person to act on a patient's behalf should be referred to the facility Executive Director.

Company employees and volunteers must protect a patient's personal privacy and preserve the confidentiality of a patient's medical treatment program, including the patient's resident's medical records. Company employees and volunteers must observe the highest standards of ethical and legal conduct with respect to such information.

Company employees and volunteers must ensure that its patients are treated with dignity and respect, and that patients are never subject, at any time, to any form of verbal, mental or physical abuse, corporal punishment or involuntary seclusion. Company employees and volunteers must ensure that patients are never subject to the inappropriate use of physical or chemical restrains.

Company employees and volunteers are responsible, to the extent reasonably possible, for safeguarding patient's financial affairs.

SECTION 13.

DEALING WITH ACCREDITING AND LICENSING BODIES

The Company will deal with accrediting and licensing bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting and licensing bodies that would mislead the accreditor or its survey teams, either directly or indirectly.

Any questions or concerns that arise in dealing with an accrediting or licensing body or in preparing materials to submit to such body should be directed to a supervisor or to the Compliance Manager.