

# **Regent Management Services, LP**

## **Code of Conduct and Ethics**

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## I. GENERAL STATEMENT

Regent Management Services LP and its managed nursing home (collectively named Regent for this document) is committed to integrity as the fundamental guiding principle for the actions of all our employees and any others who act on Regent's behalf (Covered Persons).<sup>1</sup> This Code sets forth the commitment of Regent to comply with the laws, rules and regulations that apply to our operations and to provide effective, quality-oriented health care to our residents. Regent seeks through the establishment of this Code to promote its:

- Commitment to integrity, excellence, and the highest quality individualized resident care;
- Commitment to compliance with applicable federal and state laws and healthcare program requirements;
- Expectation that all Covered Persons comply with applicable federal and state laws as well as Regent's policies;
- Expectation that individuals will report any potential violations of federal and state laws and Regent's policies without fear of retaliation; and
- Compliance with Regent's CIA.

In implementing these broad goals, the Code shall be used to achieve the following:

- To articulate Regent's commitment to the highest standards of ethical business conduct and to full compliance with all federal and state health care program requirements;
- To set forth Regent's standards of legal and ethical behavior;
- To emphasize Regent's commitment to preparing and submitting accurate claims consistent with federal and state health care program requirements;
- To prevent, detect, and report violations of laws;
- To increase the sensitivity of each Covered Person to legal and ethical issues;
- To alert Covered Persons of situations in which they need to be particularly careful, and indicate where and how they can obtain help in dealing with such situations;
- To inform Covered Persons about policies and procedures for reporting known and suspected violations of standards of conduct or laws and the requirement to follow such policies and procedures;
- To maintain a work environment that encourages open communication in which all Covered Persons are aware that they can and must report compliance violations and that they can do

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<sup>1</sup> During the course of Regent's Corporate Integrity Agreement (CIA) this Code of Conduct applies, at a minimum, to the conduct of all "Covered Persons," which under Regent's CIA includes:

- All owners, officers, directors, and employees of Regent;
- All contractors, subcontractors, agents, and other persons who furnish patient care items or services or who perform billing or coding functions on behalf of Regent excluding vendors whose sole connection with Regent is selling or otherwise providing medical supplies or equipment to Regent.
- This term does not include part-time or per diem employees, contractors, subcontractors, agents, and other persons who are not reasonably expected to work more than 160 hours during a Reporting Period, except that any such individuals shall become "Covered Persons" at the point when they work more than 160 hours during a Reporting Period.

- so anonymously, in confidence, and without fear of retaliation;
- To clearly and unequivocally emphasize the obligation of all Covered Persons to report violations of law to the Compliance Officer including, but not limited to, compliance violations or credible allegations of harm;
- To review periodically Regent's Compliance Program and Code of Conduct and Ethics and modify them as necessary to conform to changes in the delivery of care, changes in the law, and to comply with Regent's Corporate Integrity Agreement (CIA);
- To ensure that our employees receive adequate and appropriate training on the Code; and
- To familiarize our employees with the resources available to assist them in the resolution of legal and ethical questions.

The guidelines contained in this Code are designed to assist us in making the right choices when confronted with difficult situations. We believe that we must conduct ourselves with the highest level of integrity. The willingness of each of us to raise ethical and legal concerns is essential. Ultimately, the responsibility for legal and ethical behavior rests with each of us in the exercise of our own judgment. We expect our employees and our outside colleagues (e.g., vendors, consultants and other Covered Persons) to adhere to the standards set forth in this Code when dealing with us, as well as with others on our behalf including federal and state health care programs. All of us have an obligation to be familiar with, and follow Regent policies covering our conduct. Any Covered Person who has a question regarding our policies or the application or interpretation of our Code, should use the procedure specified below in this document.

Regent's Code and Compliance Program are designed to identify the kinds of behavior that Regent Covered Persons must expect from themselves, their co-workers and their company.<sup>2</sup> While the Code is expected to cover many situations that Regent employees and/or agents may encounter, there may be some situations that are not expressly listed. It is every Covered Person's responsibility to apply the principles set out in this Code and exercise ethical business judgment.

## II. HEALTH CARE PROGRAM REQUIREMENTS

Regent's activities require the proper provision of care and medical treatment to hundreds of individuals each day and the proper handling of accounting for hundreds of transactions each day. To ensure the highest quality of care and consistently ethical business practices, we must have strict rules to guard against fraud, dishonesty, improper billing, and resident or patient neglect and abuse. We also need guidelines for handling these problems should they occur.

If you detect or suspect fraud, dishonesty, neglect or abuse on the part of any employee or agent of Regent or any person with whom Regent has dealings, you must report it immediately so that the appropriate investigation is initiated. ***If an individual reports, in good faith, suspected***

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<sup>2</sup> The principles contained herein are requirements of employment and doing business with Regent. This means that our employees, contractors, and agents will always seek to comply with applicable laws and ethical standards of business behavior. This Code of Conduct does not create any express or implied contractual rights in either Regent's employees or Covered Persons. This Code reflects policies and procedures that are applicable at the time of publication, although such policies and procedures are subject to change per Regent's CIA or otherwise. All employees are employed on an at-will basis. Employees have the right to terminate their employment at any time, and Regent retains the right to terminate employees from their positions with Regent. Regent's legal rights with respect to other Covered Persons are not altered by virtue of this Code of Conduct, and should the provisions of this Code of Conduct or any contract conflict, then the terms of the contract shall prevail.

***illegal or unethical activities, the individual will not be subject to retaliation by Regent. Regent will take disciplinary action against any employee or manager who engages in retaliation. Furthermore, you may report suspected illegal or unethical activities anonymously and confidentially.***

Reports to the Compliance Officer may be made by calling the Network Hotline Number at 1-877-245-6675; by emailing the Compliance Officer at [compliance@regentcare.biz](mailto:compliance@regentcare.biz); online at [reportlineweb.com/regent](http://reportlineweb.com/regent); or by writing to the Compliance Officer at 2302 Post Office Street, Galveston, TX 77550.

The Compliance Officer will review all allegations of fraud, dishonesty, neglect or abuse. If evidence of a violation of law or Regent policy is established, the involved employee or agent would be subject to disciplinary action up to and including termination. Referral may be made to an appropriate law enforcement agency for prosecution when appropriate.

#### **A. Resident Quality Care**

Through the efforts of each employee, agent, and Covered Person, Regent is committed to the provision of quality care to each of our residents. The provision of quality care has many components, including efforts to:

- Staff employees so that individual clinical care assignments are based upon specific resident needs, skill levels and individual staff abilities;
- Communicate so that clinicians can adequately inform physicians, to facilitate the interpretation and processing of diagnostic and therapeutic orders given for resident care and to provide for their implementation and coordination;
- Provide resident care so that clinicians administer appropriate therapy and medications, provide all treatments and, in general, facilitate the best possible resident outcomes;
- Maintain information received from, or about a resident in a confidential manner so that the information is only shared with appropriate facility personnel or other authorized individuals for the benefit of the individual involved and to comply with Health Insurance Portability and Accountability Act of 1996 (HIPAA) guidelines;
- Conduct care and discharge plans so that each resident is evaluated on an individual basis to determine care needs and discharge status, receives the necessary care and is encouraged and assisted to return home if at all possible;
- Provide resident education so that clinicians instruct residents and/or families as necessary concerning treatments, conditions and medications in keeping with professional and legal guidelines;
- Maintain nursing facility records, care plans and reports in accordance with facility policies and procedures;
- Address safety so that employees are able to recognize possible safety hazards and demonstrate proper protocol to follow in the event of such hazards; and
- Orient employees adequately to the appropriate policies and procedures governing their job responsibilities.

Our commitment to quality care brings with it a responsibility to recognize and bring attention to those practices or instances in which quality care could be, is, or has been jeopardized. It is a

condition of continued employment--and for other Covered Persons, a condition of doing business with Regent--that every individual bring to the attention of his or her supervisor and/or the Compliance Officer all instances of potential violation of the efforts above, including any improper billing or suspected instances of resident abuse or neglect. If a supervisor appears unresponsive to any concern regarding quality of care raised by an employee or the perceived problem involves the employee's supervisor, the employee is expected to raise the concern with the Compliance Officer.

## ***B. Compliance With Anti-Kickback Laws***

Federal and many state laws prohibit any form of kickback, bribe or rebate made directly or indirectly, overtly or covertly, 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, Medicaid and other health care programs. Civil, criminal and administrative sanctions may be brought against individuals or Regent for violation of these laws. Under the federal law, the offense is classified as a felony and is punishable by fines and imprisonment for up to five years.

The federal anti-kickback statute is extremely broad. The types of remuneration covered specifically include kickbacks, bribes and rebates made directly or indirectly, overtly or covertly, in cash or in kind. In addition, prohibited conduct includes not only remuneration intended to induce referrals of residents, but also remuneration intended to induce the purchasing, leasing, ordering or arranging for any facility goods or services or items paid for by Medicare, Medicaid and other federal health care programs. Any question concerning this statute or any business arrangement subject to anti-kickback regulations should be directed to Regent's Compliance Officer.

It is not possible to list everything that may constitute an improper inducement under these laws. Care must be taken in structuring relationships with persons not employed by Regent to avoid a situation where Regent is offering an improper inducement to those who may be in a position to refer or influence the referral of residents to Regent. For example, it would be improper and possibly illegal to offer goods or services free of charge or priced below market value, for the purpose of favorably inducing the referral of residents to Regent or choosing Regent as a provider of professional services.

Likewise, as a provider of resident care, Regent may not receive any improper inducement from its vendors to influence Regent in making decisions regarding the purchase of goods or services. Examples of such improper inducements would be the acceptance by Regent, or any of its employees or agents, of goods or services free of charge or priced below market value, from vendors, where the provision of such free or below market priced goods or services can arguably be construed as an attempt to influence Regent to refer residents, or recommend or purchase to residents particular providers of goods and services that would be paid for by the Medicare, Medicaid or other government health care programs. Before entering into any relationship with any person or organization, which may potentially contradict the above policy, you should consult with the Compliance Officer.

## ***C. Gifts and Entertainment***

You are expected to select Regent's vendors, suppliers, and consultants based on their merits, in the best interests of Regent, and not based on any non-business considerations. Employees are prohibited from offering, accepting, soliciting, or giving anything of value, including any payment, fee, loan, service, or material gift, to or from any person or entity with which Regent does business. Employees are not to imply that a person or entity with which Regent does business will gain

preferred status by offering an employee or group of employees anything of material value. Regent has established an exception for normal business courtesies, which include small gifts and promotional items of nominal value—generally not to exceed \$50.00. In all cases, costs are to be reasonable and appropriate under the circumstances. If you have questions or concerns about whether gifts are reasonable and appropriate, contact your supervisor or Regent's Compliance Officer.

Federal and state law restricts the ability to give a gratuity to government employees, including politicians. These laws specifically prohibit giving a gratuity to a government employee in connection with a business transaction. You may not provide or pay for meals of any kind, refreshments, travel or lodging expenses for government employees. Very strict guidelines prohibit any type of gratuity, with very few exceptions, and your strict compliance is required. Government employees are also well aware of these regulations and should automatically decline any gratuity that they feel could jeopardize their compliance.

You should be aware that there might also be rules in effect by state or local governments regulating the acceptance of business courtesies, such as meals and refreshments, which you must observe. The laws could be violated if anything of value is given to a government employee even if there is no intent to influence an official action or decision. Therefore, no employee should entertain a public official or otherwise engage in lobbying efforts without authorization from the Regent Compliance Officer.

#### ***D. Billing For Regent's Services***

Regent, its employees, and Covered Persons provide a wide range of services to its residents. It is imperative that all billing statements, particularly those prepared for Medicare, Medicaid and other federal health care programs accurately reflect the services actually provided and the precise charges for those services, as well as all other pertinent data relating to the residents and the medical necessity of the services including, but not limited to, therapy services. Negligently or improperly prepared claims cause significant administrative problems and may also lead to allegations of wrongdoing. Extreme care and diligence must be used in preparing claims and billing statements. Employees are prohibited from: willfully creating or presenting for payment bills or claims that contain false information; making or presenting false claims to the government or other health care payers; or using a false statement or record to obtain payment from the government or other health care payers.

#### ***E. Medicare and Medicaid Requirements***

Regent participates in the Medicare and Medicaid programs. Both programs are governed by complex laws and regulations that must be met by those who are providing healthcare to program beneficiaries. These laws and regulations impose many requirements on healthcare providers. For example, Medicare and Medicaid have complex payment guidelines. Both programs outline the amount and the circumstances in which Regent will be reimbursed for goods and services rendered to Medicare and Medicaid beneficiaries. These guidelines are often different than directives received from other third party payers. Violation of Medicare and Medicaid laws and regulations can result in criminal sanctions imposed not only on the persons involved, but also on the organization on whose behalf those persons act. Moreover, if Regent were found to be involved, it could be precluded from participating entirely in the Medicare and Medicaid programs.

It is essential, therefore, that there is strict compliance with all Medicare and Medicaid laws and regulations while providing services under these government programs.

Examples of areas of specific concern to the Medicare and Medicaid program include:

- Improperly waiving deductibles and co-payments;
- Failing to comply with state and federal reporting requirements for elder abuse or neglect;
- Knowingly billing for inadequate, substandard, or unnecessary care given to program beneficiaries;
- Paying or receiving kickbacks or inappropriate rebates;
- Knowingly billing for services or supplies that were not provided or were not medically necessary;
- Misrepresenting the diagnosis or condition of a resident to justify services or equipment furnished;
- Providing more or different care than medically necessary, including, but not limited to, therapy care;
- Altering billing or claim forms to obtain an inappropriate payment amount;
- Applying for duplicative payments in an attempt to get paid twice;
- Misrepresenting the services rendered, amounts charged for services rendered, identity of the person receiving the services, dates of services, etc.;
- Billing for non-covered services as covered services;
- Billing based on improper or contrived visit schedules by a physician, therapist, or another provider;
- Failing to purchase items as a prudent buyer;
- Engaging in annual cost report fraud;
- Using unlicensed, untrained or inadequate staff;
- Falsifying plans of care or false-dating records;
- Forging physician signatures on plans of care;
- Submitting claims to Medicare Part B for items and services that are not medically necessary or were provided as part of routine nursing services;
- Failing to adjust cost report figures to properly reflect related party transactions;
- Inappropriately receiving free items or services from vendors or suppliers in exchange for doing other business with the vendor or supplier;
- Failing to maintain and retain accurate books, records and other documentation to prove that reimbursable services were performed;
- Employing or contracting with individuals or entities who are listed by a federal agency as excluded, debarred or otherwise ineligible for federal programs;
- Hiring or retaining nurse aides or professional or other staff who have been reported for abuse, neglect or misappropriation of an individual's property;
- Co-mingling or theft of resident funds, including resident trust funds and credit accounts; and
- Illegally discriminating in the admission or discharge of program beneficiaries.

Employees and Covered Persons take care to avoid engaging in any of the activities listed above or other activities that violate state and federal health care program requirements.

### **III. OTHER REQUIREMENTS**

#### **A. *Environment, Health, and Safety***

In the course of Regent's operations, hazardous materials and infectious wastes are often used or generated. Regent is responsible for the proper handling and disposal of these materials. Environmental responsibility is also an important component of our duty to the public and our good reputation. It is essential that everyone at Regent who deals with hazardous materials and infectious waste complies with environmental laws and regulations, and follows the environmental safety procedures explained in Regent's programs and manuals.

No Regent employee may participate in concealing improper discharge or disposal of hazardous materials, pollutants or infectious wastes. Any employee who has reason to believe that there have been violations of this or any other aspect of Regent's environmental compliance procedures should report immediately to the Compliance Officer, who will initiate an investigation and, if appropriate, notify appropriate government agencies as required by law.

Both federal and state laws regarding the promotion of occupational safety and avoidance of job-related hazards are designed to ensure that each of us works in a safe environment and that our residents live in a safe environment. Careful attention should be given to these laws and regulations. Each of us plays a valuable role in providing safe services for Regent. Should you notice a potential or actual infringement of the laws and rules regarding occupational safety, notify your supervisor or Regent's Compliance Officer immediately.

#### **B. *Pharmaceuticals, Prescription Drugs, Controlled Substances***

Many of Regent's employees are responsible for, or have access to, prescription drugs, controlled substances, drug samples and other regulated pharmaceuticals. Regent is responsible for the proper distribution and handling of these pharmaceutical products. Federal, state and local laws covering prescription drugs and controlled substances are intended to protect consumers by assuring that prescription drugs are safe, properly labeled and administered to the proper residents.

These laws include prohibitions against diversion of any prescription drug or controlled substance, including a drug sample, in any amount and for any reason, to an unauthorized individual or entity. The distribution of adulterated, misbranded, mislabeled, expired or diverted pharmaceuticals is a violation of federal and state law for which severe criminal penalties may be imposed on individual violators as well as on Regent.

Every employee authorized to prescribe, dispense, or handle prescription drugs or controlled substances is expected to maintain the highest professional standards in safeguarding pharmaceuticals of all kinds and in preventing unauthorized access to them. This includes adherence to laws and regulations governing procedures for securing scheduled controlled substances and for their return or destruction.

#### **C. *Trade Practices and Antitrust***

Antitrust laws are designed to protect and promote competition by creating a level playing field for

all competitors. With growing competition in the health care industry, antitrust laws have an increasingly important role to play.

Regent is committed to competing vigorously while complying with all applicable federal and state antitrust laws and regulations. Examples of conduct forbidden by antitrust and related laws include:

- Agreements to fix prices, divide markets, or collude with competitors, including price sharing;
- Boycotts and exclusive dealing arrangements; and
- Unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair business practices.

Employees are to seek advice from Regent's Compliance Officer, who will consult with legal counsel as needed, regarding any arrangement that may have antitrust implications. If a discussion of an improper topic is attempted, particularly during a meeting with a competitor, the employee should leave the meeting and immediately report the incident to Regent's Compliance Officer.

#### ***D. Proper Use of Regent's Assets***

Regent's assets are to be used only for lawful purposes. The property and supplies of Regent generally are to be used only for business purposes. Employees are expected to utilize Regent's assets in a prudent manner. Employees are to perform only work related to Regent's business while at work.

Established accounting practices and procedures are to be followed to ensure the complete and accurate recording of all transactions in Regent's financial books and records. All of Regent's assets and liabilities are to be recorded in the regular books of account. No undisclosed or unrecorded funds or assets are to be maintained in any account for any purpose. False or artificial entries are prohibited for any purpose. No payments are to be made, or purchases agreed to, with the intention or understanding that any part of such payments are for anything other than what is described in the documents supporting the payments. Costs are to be allocated and billed to government contracts, programs, and other entities properly according to all applicable laws and regulations. If you become aware of any improper use of, or accounting for, Regent's resources, you should report the matter immediately to your supervisor or to Regent's Compliance Officer.

**All managers are responsible for the establishment of appropriate internal accounting controls over all areas under their supervision to ensure the safeguarding of Regent's assets and the accuracy of its financial records and reports. All employees, within their respective areas of responsibility, are expected to adhere to these established controls. Anything that would constitute improper or questionable behavior on the part of an employee is also unacceptable if engaged in through a third party, such as a spouse, family member, friend or any other person or entity with whom the employee is closely identified or in which he or she has any significant ownership or financial interest or position.**

#### **IV. EMPLOYEE LOYALTY AND CONFLICTS OF INTEREST**

Employees and Covered Persons are expected to act in the best interest of Regent in making all business judgments on behalf of Regent. Employees and Covered Persons are to avoid situations in which their personal interests reasonably could be expected to influence their independent judgment on behalf of Regent. Potential conflicts of interest may be created by, but are not limited to the following:

- Financial interests,
- Outside of work activities,
- Gifts, or
- Business opportunities.

All employees are to consider themselves to be persons in positions of trust who owe Regent a duty of loyalty and should act accordingly. You should put Regent's interests ahead of any other business or commercial interest you may have as an individual.

#### **V. USE OF REGENT INFORMATION**

##### ***A. Safeguarding the Privacy of Our Residents and Employees***

The services we provide require that we gather a great deal of personal information about individuals. Therefore, we must carefully avoid any unwarranted invasion of the individual's right to privacy. This applies to information about our residents and our employees. For this reason, and to assure the accuracy of the information we retain, and to comply with federal and state privacy laws, the following guidelines apply:

- To protect individuals against misuse of information identifiable to them, limit access to that information, without the individual's express written consent, to the following:
  - Regent employees;
  - Authorized Business Associates with a legitimate health-related need to know;
  - Authorized government or insurance regulators; and
  - Others only as required by law, including subpoena or other legal process; as approved by Regent's legal counsel.

Employees must use only legitimate means to collect the information and, whenever practical, obtain it directly from the individual concerned. Because special confidentiality rules apply to an individual's drug, alcohol treatment, and mental health information, as well as disclosure of information regarding that individual's HIV status, disclosure of this information should only be made under circumstances consistent with Regent's policy and as authorized by Regent's Counsel. Employees are expected to follow the regulations contained in HIPAA policies, which is part of administrative policies and procedures.

##### ***B. Confidentiality of Regent Healthcare Information***

One of Regent's most valuable assets is its body of confidential information. Failure to adequately protect this information can lead to the loss of highly confidential data that places Regent at a

competitive disadvantage. Because of this, no employee or Covered Person shall, without Regent's written consent during the term of employment or thereafter, use for the benefit of such employee or others or disclose to others, any confidential information obtained during the course of employment.

Confidential information includes Regent's methods, processes, techniques, computer software, equipment, copyrights, research data, clinical data, marketing and sales information, personnel data, resident lists, financial data, plans and all other know-how and trade secrets which are in Regent's possession and which have not been published or disclosed to the general public, without specific approval from the Compliance Officer.

### ***C. Information Owned By Others***

Like Regent, other organizations, as well as individuals, have intellectual property they want to protect. Also like Regent, these other parties are sometimes willing to disclose their confidential information. If you are on the receiving end of another party's confidential information, you must proceed with caution to prevent any accusations that Regent misappropriated or misused the confidential information.

Special care should be taken in acquiring software from others. As intellectual property, software is protected by copyright laws and may also be protected by patent or trade secret laws, or as confidential information. Such software includes computer programs, databases and related documentation owned by the party with whom you are dealing or by another party. Before you accept software or sign a license agreement, you must follow established Regent procedures. The terms and conditions of such license agreements such as provisions not to copy or distribute programs must be strictly followed. Also, if you acquire software for your personally owned equipment, you should not copy any part of such software in any work you do for Regent, place such software on any Regent-owned computer system, or generally bring such software onto Regent premises.

### ***D. Records Retention / Destruction***

Regent is required by law to maintain certain types of medical and business records, usually for a specified period of time. Failure to retain such documents for such minimum period could subject Regent to penalties and fines, cause the loss of rights, obstruct justice, place Regent in contempt of court, or put Regent at a serious disadvantage in litigation. Accordingly, Regent has established controls to assure retention for required periods of retrievable records, such as hard copies and records on computers, electronic systems, microfiche and microfilm. Even if a document is retained for the minimum period, legal liability could still result if a document is destroyed before its scheduled destruction date.

## **VI. HUMAN RESOURCES**

It is Regent's policy:

- To provide equal opportunity for employment and advancement on the basis of ability and aptitude without regard to race, color, creed, age, sex, disability, religion, or national origin;
- To protect the health and safety of employees in their work environment;
- To compensate employees fairly, according to their performance, and to provide equitable

- benefits within the framework of current industry practices; and
- To hire only those individuals who present appropriate documentation of permission to work in the U.S., such as a Permanent Residence Card or a proof of citizenship.

Regent has prepared an extensive manual of policies and Handbook of Employment designed to implement the above-stated goals of Regent. Each employee must be familiar with, and adherence to Regent's human resource policies.

## **VII. POLITICAL PARTICIPATION**

Federal and many state laws prohibit contributions by corporations to political parties and candidates for political offices. Regent is committed to complying with all applicable campaign finance laws. Regent encourages associates to participate in the American political process as they so desire. They may make personal political contributions, or communicate their personal beliefs to elected officials. It is important, however, to distinguish between personal and organizational political activities. Regent occasionally will speak out on issues of importance to it. Senior management is responsible for developing Regent's position on relevant legislative and regulatory issues.

Unless you are specifically requested by Regent to represent it before legislative or other governmental bodies, be sure you clearly label any personal communication with legislators as your own beliefs. If you are contacted by legislators or regulators regarding Regent's position on public issues, you should refer them to the Regent Compliance Officer.

## **VIII. COMPLIANCE WITH THE CODE AND COMPLIANCE HOTLINE**

### ***A. Questions Regarding The Code of Conduct***

The Compliance Officer is responsible for implementation of Regent's Compliance Program, including this Code of Conduct. The Compliance Officer will work with others in Regent, as necessary, with respect to elements of implementation including training concerning and enforcement of this Code of Conduct. An employee who has a question regarding the applicability or interpretation of this Code should direct the question to Regent's Compliance Officer in person, in writing, by calling the Hotline Number at 1-877-245-6675, or by reporting online at [reportlineweb.com/regent](http://reportlineweb.com/regent). Correspondence relating to this Code should be addressed to Regent's Compliance Officer and marked "CONFIDENTIAL TO BE OPENED ONLY BY THE COMPLIANCE OFFICER."

### ***B. Acknowledgment and Certification of Compliance***

Regent requires that employees sign an acknowledgment confirming that they have received and read this Code and understand it; and requires that supervisors sign an acknowledgment that this Code has been communicated to all associates and agents under their supervision. In addition, each year employees will be asked to submit an updated Code acknowledgment reaffirming that they understand the Code and have no knowledge of any violation of the Code that has not been reported. Finally, from time to time throughout the year, Regent may supplement or augment portions of this Code. Employees must submit an updated Code acknowledgment and Compliance

form indicating that they have received, read, and understand any such supplementation or augmentation.

### **C. Individual Judgment**

The foregoing guidelines are to help all of us better understand what we believe to be in the best interest of our residents, employees, those with whom we do business and the public at large. Ultimately, however, you are left to depend upon your own individual judgment in deciding the correct course of action.

As you contemplate a particular situation, consideration of the following factors may help you arrive at a satisfactory answer:

- Is my action consistent with Regent's practices?
- Does my action violate any law?
- Does my action give the appearance of impropriety?
- Will the action bring discredit to any employee or to Regent, if it is disclosed to the public?
- Can I defend my action to my supervisor, other associates and employees, and to the general public?
- Does my action meet my personal code of behavior?
- Does my action conform to the spirit of this Code of Conduct?

Remember to always use good judgment and common sense. If you are unsure about company policy or the law, then you should ask questions of your supervisor, Administrator or the Compliance Officer. Whenever you see a situation that does not seem consistent with this Code, you have the responsibility to ask why it is not, so that it can be evaluated and changed if appropriate.

## **IX. REPORTING AND INVESTIGATION OF POTENTIAL VIOLATIONS**

### **A. Reporting of Potential Violations**

As part of Regent's commitment to ethical and legal conduct, all employees and Covered Persons have an obligation to report information regarding suspected improper conduct or violations of this Code, any other Regent policy, a federal or state health care program requirement, or any law. Reports can be made to the Compliance Officer or to the employee's immediate supervisor. If the report contains information concerning the reporter's supervisor, the report may be made to the Human Resources Director, the Administrator, or to any appropriate person designated by our Compliance Officer. Employees and Covered Persons are required to come forward with any such information, without regard to the identity or position of the suspected offender. Reports to the Compliance Officer may be made by calling the Network Hotline Number at 1-877-245-6675; by emailing the Compliance Officer at [compliance@regentcare.biz](mailto:compliance@regentcare.biz); online at [reportlineweb.com/regent](http://reportlineweb.com/regent); or by writing to the Compliance Officer at 2302 Post Office Street, Galveston, TX 77550.

Reports, either in writing or by Hotline, shall remain confidential to the extent permitted by law. If an employee makes any report, they will be given the opportunity to receive follow-up information relative to the outcome of any investigation conducted by our Compliance Officer. Failure to report knowledge of wrongdoing may itself result in disciplinary action against those who fail to report.

Any manager or director receiving a report of a potential Code violation must likewise immediately advise our Compliance Officer of such violation or possible violation. There shall be no retaliation for reporting of actual or possible violations of the Code of Conduct.

### ***B. Investigation of Violations***

All reported violations of this Code will be promptly investigated by Regent and will be treated confidentially. Anonymous reports will also be treated seriously and investigated thoroughly.

Regent's Compliance Officer will direct all investigations of wrongdoing. Employees and Covered Persons are expected to cooperate in the investigation of any alleged violation of this Code.

### ***C. Discipline for Violations***

All employees are expected to adhere to the Code. If the Compliance Officer concludes, after appropriate investigation, that this Code has been violated (whether by unlawful actions, condoning or failing to report information as to unlawful actions by others, retaliation against those who report suspected wrongdoing, or otherwise), the Compliance Officer is authorized to recommend appropriate discipline, up to and including discharge. In considering what discipline is appropriate, our Compliance Officer will treat with appropriate leniency employees who come forward to inform our Compliance Officer about their own violations of law or of this policy.

Disciplinary actions may be taken for the following and other violations:

- Authorization or participation in actions that violate this Code;
- Failure to report a known violation of this Code;
- Refusal to report a known violation of this Code;
- Failure by a violator's supervisor(s) to detect and report a violation of this Code, if such failure reflects inadequate supervision or lack of oversight; and
- Retaliation against any individual for reporting a violation or possible violation of this Code.