



THE CODE OF ETHICAL CONDUCT: A COMMITMENT TO COMPLIANCE

At Las Mercedes Medical Centers, we are committed to fostering a culture of integrity, accountability, and ethical behavior throughout every facet of our operations. This Code of Ethical Conduct policy serves as a guiding framework for all employees, officers, directors, and stakeholders, reflecting our dedication to upholding the highest standards of ethical conduct and responsible business practices.

This policy applies to all company employees pertaining to Las Mercedes Medical Centers (Clinica Las Mercedes), Las Mercedes Management, Las Mercedes Pharmacy, Clinica Las Mercedes Transportation, Las Mercedes Adult Day Cares, Las Mercedes Research, and Burgos Dental Services. For the purpose of this guide, the employees from the combined companies listed above will be referred to as employees of Las Mercedes Medical Centers, LMMC, or the Company. The statements provided in this handbook are intended to cover ethics and compliance standards for the Company, in a general sense, and may or may not directly impact your specific employment duties and responsibilities.

MISSION AND VALUES STATEMENT

Las Mercedes Medical Centers is committed to the care and improvement of human life. In recognition of this commitment, we will strive to deliver high-quality, cost-effective healthcare and complimentary services that aim to improve the well-being of the communities we serve. In pursuit of our mission, we believe the following value statements are essential and timeless:

- We recognize and affirm the unique and intrinsic worth of everyone.
- We treat all those we serve with respect, dignity, compassion, and kindness.
- We act with absolute honesty, integrity, and fairness in the way we conduct our business.
- We trust our colleagues as valuable members of our team and pledge to treat one another with loyalty, respect, and dignity.

OUR FUNDAMENTAL COMMITMENT TO OUR STAKEHOLDERS

We affirm the following commitments to Las Mercedes Medical Centers stakeholders:

- **To our patients and members:** We are committed to providing high-quality care, treatment, and attention that is sensitive, compassionate, and promptly delivered.
- **To our colleagues:** We are committed to a work setting that treats all colleagues with fairness, dignity, and respect and affords them an opportunity to grow, develop professionally, and work in a collaborative environment where all ideas are considered.
- **To our affiliated physicians and clinical staff:** We are committed to providing a work environment that has excellent operational facilities, modern equipment, and outstanding professional support.
- **To our regulators:** We are committed to an environment in which compliance with rules, regulations, and sound business practices is woven into the corporate culture. We

accept the responsibility to aggressively self-govern and monitor adherence to the requirements of the law and to our Code of Conduct.

- **To the communities we serve:** We are committed to understanding the needs of the communities we serve and providing high-quality healthcare and attention.
- **To our suppliers:** We are committed to fair competition among prospective suppliers and the sense of responsibility required of a good customer.

COMMITMENT TO COMPLIANCE

Las Mercedes Medical Centers provides a variety of services. These services may be provided only in accordance with applicable federal, state, and local laws and regulations. Such laws and regulations include Medicare and Medicaid regulations and may also involve requirements relating to certificates, licenses, permits, accreditation, access to treatment, consent to treatment, medical record-keeping, access to medical records, confidentiality, patients' rights, terminal care decision-making, medical staff membership and clinical privileges, and restrictions relating to the corporate practice of medicine, healthcare, research, pharmaceuticals, etc. We offer many other services including but not limited to transportation to and from medical appointments, Adult Day Care or Social Center services, and a Pharmacy in which the Company must abide by all associated regulations and applicable laws.

All employees, colleagues, privileged practitioners, contract service providers, vendors, other healthcare partners, and agents (hereafter or "Employees") must:

- Be knowledgeable about and ensure compliance with all laws and regulations; and
- Must immediately report violations or suspected violations to the Compliance Department or a Supervisor.

The Compliance Department will provide guidelines to follow if contacted by government auditors, regulators, surveyors, or inspectors. These guidelines are designed to ensure that all information and communication is truthful and accurate and that the legal rights of the organization, its employees, and patients are protected.

Las Mercedes Medical Centers will be forthright when dealing with any billing or claim inquiries. Requests for information will be answered with complete, factual, and accurate information. We will cooperate with and be courteous to all government inspectors and provide them with the information to which they are entitled to during an inspection.

During a government review or inspection, an employee must never conceal, destroy, or alter any documents, lie, or make misleading statements to any government representative. He/she/they should not attempt to cause another colleague to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a violation of the law.

To ensure that the Company fully meets all regulatory obligations, all employees must stay informed about areas of potential compliance concern. The Department of Health and Human Services, and particularly its Office of Inspector General (OIG), routinely notifies healthcare providers of areas in which these government representatives believe that insufficient attention is being accorded to government regulations. Las Mercedes Medical Centers should be diligent in the face of such guidance about reviewing these elements to ensure compliance.

GUIDING PRINCIPLES

Care and Respect for Everyone

Each interaction you have with a patient, member, family member, guest, co-worker, vendor, visitor, or member of our community must begin and end in a caring and respectful manner. Each person must be treated with the same care and respect we expect for ourselves. You must ensure that your actions do not create harm to others.

Honesty in All Communications

In every communication – written or verbal – you must express yourself honestly. This principle applies equally to the completion of your job application, patient records, patient billing and coding documents, and other non-mentioned business records. You may not make false or misleading statements to insurance companies, the government, regulatory, or accrediting agencies, etc. You may not knowingly submit claims for service that are false, inaccurate, fraudulent, or fictitious.

Integrity in All Business Transactions

You must comply with both the letter and spirit of the laws and regulations that govern our business. If you are ever unsure about whether something you are doing or have been asked to do is correct, you should contact your supervisor or the Compliance Department, immediately.

Accuracy in Everything We Do

You must take extra care to ensure your work is accurate and complete. For example, you must only submit claims for services, medications, or materials we have actually provided. You must correct any errors as soon as you discover them, if possible, and inform your supervisor. If you are ever unsure about the appropriateness of any claim or billing information, we encourage you to ask for help.

Preface and Purpose of Our Code of Conduct

The purpose of our Code of Conduct (hereafter “The Code”) is two-fold:

- To provide guidance to all employees; and
- To assist us in carrying out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with patients, affiliated providers, third-party payers, subcontractors, independent contractors, vendors, consultants, and one another.

The Code is a critical component of our overall Compliance program. We have developed the Code to ensure that we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be a statement that is comprehensive and easily understood. In many instances, the Code deals fully with the subject covered. In other cases, however, additional guidance may be necessary to ensure that employees fully understand the subject discussed. The policies set forth in this Code are mandatory and must be followed.

LEADERSHIP RESPONSIBILITIES

While all employees are obligated to follow our Code, we expect our leaders (executives, directors, managers, supervisors, etc.) to set an example, and to be, in every respect, a model.

- They must ensure that those on their team have enough information to comply with the law, regulations, and policies, and the resources to resolve ethical and compliance dilemmas.
- They must help to create and maintain a culture within Las Mercedes Medical Centers that promotes the highest standards of ethics and compliance. This culture must encourage everyone in Las Mercedes Medical Centers to raise concerns when they arise.

COMPLIANCE WITH THE CODE OF CONDUCT

Employees are prohibited from engaging in any activity that violates or is inconsistent with any requirement contained within the Code and are prohibited from engaging in any activity considered fraudulent or abusive billing under federal and state laws. Any deviation from the requirements contained within the Code, may subject you to disciplinary action, up to and including termination of employment, affiliation, contract, staff privileges, any other relationship with Las Mercedes Medical Centers, or even legal action. To ensure you are familiar with the Code's requirements, you should review its contents at least once a year.

Compliance Representation

Employees may contact the Compliance Department to ask questions about the Code's requirements and related policies or to report an actual, suspected, or potential violation of the Code. The Compliance Department is responsible for coordinating compliance efforts and responding, in part, to individual concerns and reports of suspected misconduct or non-compliance. If you have a question regarding billing or coding, you should contact the Quality Assurance Department.

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 Department. Multiple reporting tools have been implemented to ensure that you have multiple ways to report non-compliant behavior and allow you to do so anonymously, if desired. The following reporting tools are available:

- Compliance Hotline – (844) 304-7483
- Employee Intranet
- Compliance Email: compliance@clmmail.com
- Directly to the Compliance Representative or to your Supervisor

You will not be punished or retaliated against for reporting a matter or violation in good faith. You may report violations anonymously if you wish to do so. To the extent possible, Las Mercedes Medical Centers will maintain the confidentiality of your identity. There may be instances, however, where your identity may need to be revealed in order for us to fulfill our obligation to investigate employee concerns and take necessary corrective action.

If you do not report conduct that you know, or suspect violates the Code's requirements, you may be subject to disciplinary action, up to and including termination of employment, affiliation, contract, privileges, or any other relationship with Las Mercedes Medical Centers.

*For further information regarding the compliance reporting policy, please refer to your **Compliance Department** or the **Compliance Reporting and Resolution of Issues Policy**.*

Disciplinary Action for Code Violations

If you have violated the law, Code, or related policies, you may be disciplined. The resulting discipline may include one or more of the following:

- Oral Warning
- Written Warning
- Disciplinary Counseling
- Suspension
- Privilege Revocation
- Termination of Employment or Business Relationship

Performance Evaluations

The extent to which you comply with the Code and support and participate with related policies may be factors considered in evaluating your overall job performance. For all employees, attendance at any training seminars Las Mercedes Medical Centers offers pertaining to compliance, and coding, documentation, or billing is **mandatory**. Patient Information: All employees having access to protected health information (PHI), are responsible for safeguarding that information. No employee shall use or disclose any information pertaining to patients other than disclosures that are permitted by HIPAA, authorized by the patient, or required by law.

CONFIDENTIALITY

Patient Information: All employees having access to protected health information (PHI), are responsible for safeguarding that information. No employee shall use or disclose any information pertaining to patients other than disclosures that are permitted by HIPAA, authorized by the patient, or required by law.

Business Information: All employees may be exposed to confidential information pertaining to Las Mercedes Medical Centers. Confidential information includes commercially sensitive information and financial information about Las Mercedes Medical Centers. Confidential business information may include but is not limited to:

- Purchases or sales of substantial assets
- Expansion or curtailment of operations
- A merger or acquisition proposal or agreement Contractual terms, provisions, pricing, etc. with any contract counterparty
- Client/prospect lists and contact information
- Sensitive Employee information
- Litigation Unusual management developments

All employees are prohibited from using confidential business information in a manner that is not related to business activities either during or after their employment with Las Mercedes Medical

Centers. Confidential information must not be provided to competitors, suppliers, contractors, or to other employees who do not have a need or authorization to know. **All employees are prohibited from disclosing such confidential information to unauthorized persons.**

Each employee will sign a Confidentiality Agreement upon hire. Unauthorized use or disclosure, even if inadvertent, compromises the employee and the Company. You may not disclose or duplicate any confidential information except as required in your duties or as permitted by HIPAA laws and regulations. Failure to comply with this policy may result in disciplinary action, including dismissal, termination, or possible legal action.

FRAUD AND ABUSE LAWS – AN OVERVIEW

Las Mercedes Medical Centers expressly prohibits all employees from engaging in any activity that violates the fraud and abuse laws. For purposes of the overall Compliance Program and its policies, the phrase "fraud and abuse laws" consists of federal and state laws that prohibit false claims, illegal physician referrals, and kickbacks. The following is a summary of the fraud and abuse laws, although there may be other laws governing our operations as well.

- **Fraud** is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program. In other words, fraud is intentionally submitting false information to the Government or a Government contractor to get money or a benefit. The Health Care Fraud Statute makes it a criminal offense to knowingly and willfully execute a scheme to defraud a health care benefit program. Healthcare fraud is punishable by imprisonment for up to 10 years. It is also subject to criminal fines of up to \$250,000.
 - Examples of actions that may constitute Medicare fraud include:
 - Knowingly billing for services not furnished or supplies not provided, including billing Medicare for appointments the patient failed to keep
 - Billing for nonexistent prescriptions Knowingly altering claim forms, medical records, or receipts to receive a higher payment
- **Waste** includes overusing services or other practices that, directly or indirectly, result in unnecessary costs to the Medicare Program. Waste is generally not considered to be caused by criminally negligent actions but rather by the misuse of resources.
 - Examples of actions that may constitute Medicare waste include:
 - Excessive office visits or writing excessive prescriptions
 - Prescribing more medications than necessary for treating a specific condition
 - Ordering excessive laboratory tests
- **Abuse** includes actions that may, directly or indirectly, result in unnecessary costs to the Medicare Program. Abuse involves payment for items or services when there is no legal entitlement to that payment, and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.
 - Examples of actions that may constitute Medicare abuse include:
 - Unknowingly billing for unnecessary medical services
 - Unknowingly billing for brand name drugs when generics are dispensed
 - Unknowingly excessively charging for services or supplies
 - Unknowingly misusing codes on a claim, such as upcoding or unbundling codes

False Claims

The False Claims Act imposes fines and possible imprisonment on any person who knowingly presents a false or fraudulent claim for payment or approval to the U.S. government.

A practice could knowingly submit a false claim if a person:

- Has actual knowledge that a claim is false
- Acts in deliberate ignorance of the truth or falsity of the information.
- Acts in reckless disregard.

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/themself or to some other person or entity. It is illegal for any person to intentionally make a false statement or a misrepresentation in any claim for benefits or payments covered by any government health insurance program (including Medicare and Medicaid), or any private health insurance program (including commercial health insurance). All statements made on behalf of Las Mercedes Medical Centers must be backed by an adequate basis for belief or made in a context in which the lack of such basis is clearly understood.

Anti-Kickback Law

It is illegal for any person to intentionally offer, pay, ask for, or receive any type of payment (including money, gifts, or services) in exchange for either:

- Referring a patient or arranging for the provision of an item (e.g., a test or a prescription) or service (e.g., physician services) covered by any payer (including the Medicare and Medicaid programs or any private insurance program), or
- Purchasing, leasing, or ordering any item or service covered by any payer.

Note that such kickbacks can include cash as well as "in kind" consideration such as subsidized rent, subsidies for office personnel, medical directorships, medical supplies or equipment, or other gifts. Although certain exemptions (called "Safe Harbors") may apply to the kickback prohibition, no significant transaction should be undertaken that might implicate the kickback prohibition without prior review and approval of the Compliance Representative and any attorney Las Mercedes Medical Centers may choose to consult, retain or employ.

Physician Self-Referral Prohibition

A physician may not refer a Medicare or 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:

- 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 furnishing the designated health services; or
- Compensation arrangement involving any remuneration to the 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 (intravenous, subcutaneous etc. vs. the digestive tract), equipment and supplies, home health services, outpatient prescription drugs, and nuclear medicine.

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 review and approval of the Compliance Department and any attorney Las Mercedes Medical Centers may choose to consult, retain, or employ.

Penalties (Civil Monetary Penalties Law and the Exclusion Statute):

False claims and kickbacks can be punished with criminal and civil penalties. A federal criminal conviction for making a false claim or providing kickbacks is punishable by imprisonment and/or monetary fines.

The Civil Monetary Penalties Law (CMP) provides a different way for the government to pursue fraud. The OIG has the authority to use the CMP for many reasons, such as presenting a false claim, employing an excluded individual, or making false statements on a provider enrollment application. Penalties can range from \$10,000 to \$50,000 per violation, and up to three (3) times the amount claimed for the item or service. Providing a kickback may also subject an individual or entity to a civil penalty 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 as well.

In addition, under the Exclusion Statute, the government may exclude the individual or entity (such as a physician, the practice, a hospital, a laboratory, etc.) that violates the false claims laws, the anti-kickback laws, and/or the self-referral prohibition from the Medicare and Medicaid programs.

An exclusion means that federal health care programs will not pay a provider for services performed or ordered by an excluded party. Excluded physicians may not bill Medicare or Medicaid directly or indirectly through an employer or group practice.

OIG is legally required to exclude from participation in all federal health care program individuals and entities convicted of the following types of criminal offenses:

- Medicare or Medicaid fraud, as well as any other offenses related to the delivery of items or services under Medicare or Medicaid
- Patient abuse or neglect
- Felony convictions for other healthcare-related fraud, theft, or other financial misconduct
- Felony convictions for unlawful manufacture, distribution, prescription, or dispensing of controlled substances

If you are faced with a situation that appears to be questionable under the fraud and abuse laws, you must report it to your supervisor or the Compliance Representative. If you suspect or know that a violation of the fraud and abuse laws has occurred, you are expected to report it to your supervisor or to the Compliance Department.

PROPER BILLING AND REIMBURSEMENT PROCEDURE

Las Mercedes Medical Centers is committed to maintaining the accuracy of every claim it processes and submits. Employees are responsible for understanding and applying the proper billing procedures when claiming payment from any payer for services provided by Las Mercedes Medical Centers. All employees should follow the organization's billing policies and contact their supervisor or the Compliance Department with any suspected or known violations of law or practice policy.

Las Mercedes Medical Centers houses a *Quality Assurance Department* that specializes in reviewing and auditing claims prior to submission. Great efforts are placed in ensuring that honest and accurate claims are submitted to payers for services rendered. For questions regarding procedures and workflows related to billing, please redirect them to the Quality Assurance Department.

Up-coding or Over-coding

All employees who bill or code for services that Las Mercedes Medical Centers provides must follow the current year national coding requirements and documentation guidelines under Medicare/Medicaid or under the appropriate contract. Billing 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 necessary to obtain greater reimbursement is also strictly prohibited.

Coding of Claims

All individuals involved in the coding of services (including physicians who code their own services) shall ensure that the codes used to bill Medicare/Medicaid (i.e., CPT, ICD-9 or HCPCS) accurately describe the services and/or tests 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.

Co-Payment Requirements

Las Mercedes Medical Centers will not routinely waive deductibles or co-payments. The routine use of "financial hardship" forms, which state that the beneficiary is unable to pay the co-insurance/deductible, is considered by Medicare and Medicaid to result in improper overpayments by those programs. The financial hardship exception can only be used when the patient's financial condition warrants the waiver. If you have any questions about the application of this requirement, ask the Compliance Representative or the Director of Pharmacy.

Bad Debts

Las Mercedes Medical Centers shall monitor periodically whether it is properly reporting bad debts to Medicare.

Other General Guidelines

The following are some guidelines to ensure proper billing:

- DO NOT bill for services, supplies or equipment that were not provided
- DO NOT alter claim forms so that they are false or inaccurate to increase payments
- DO NOT misrepresent the services actually rendered to increase reimbursement (for instance, providing and documenting a higher level of care than is medically necessary)

- DO NOT manipulate claims to increase payments (for example, upcoding). Reporting inaccurate diagnosis codes is fraudulent
- DO NOT bill for a service or item that is not reasonable and necessary
- DO NOT attempt to get paid twice for the same service
- DO NOT bill for a service performed by a physician, who has not yet been issued a national provider identifier number or use another physician's Medicare provider number
- DO NOT "unbundle" services. For example, if dressing and instruments are included in a fee for a minor procedure, you may not also bill separately for the dressing and instruments
- DO NOT bill Medicare for medical equipment and supplies without the required Certification of Medical Necessity by the physician
- DO NOT bill Medicare using critical care codes unless the patient is critically ill and meets all criteria for critical care under the CMS/CPT guidelines.
- DO NOT submit a claim for a physician service that was provided by someone else
There are instances where a nurse practitioner may provide services to the patient and bill the service under the provider's name. This is called "incident to" billing and is allowed as long as certain criteria are met
- DO NOT bill for services over a period of days when all treatment occurred during one visit
- DO NOT increase or decrease charges to Medicare/Medicaid patients merely because they are Medicare/Medicaid beneficiaries
- DO NOT waive a patient's insurance co-payment or deductible unless the patient meets the waiver criteria
- DO NOT provide a patient with free prescriptions or other free services to encourage the patient to use our services

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PROPER DOCUMENTATION

Timely, accurate and complete documentation is important to clinical patient care. It also verifies the accuracy of any bill submitted for payment. Claims for services or items provided by Las Mercedes Medical Centers should be submitted for reimbursement only when appropriate documentation supports the claims and when all payer billing requirements have been met.

A properly documented medical record should:

- Be complete and legible
- Include the reason for the encounter, any relevant history, physical examination findings, prior diagnostic test results, assessment, clinical impressions or diagnosis, plan for care, the date and identity of the observer
- Include the rationale for ordering diagnostic and other ancillary services
- Support the CPT and ICD codes used for claims submission
- Identify appropriate health risk factors
- Document the patient's progress, response to or changes in treatment, or any revision in diagnosis.

Specific attention should be given to the areas discussed below.

Medical Necessity and Non-Covered Services

Medicare, Medicaid, and other payers will pay for treatment, services, or items **only** if they determine them to be "reasonable and necessary." Medical necessity is based on the accepted professional standards of the relevant healthcare profession and is often determined by reference to the Local Coverage Determinations (LCD's) of the local carrier, typically released in the Medicare intermediaries' newsletters. For example, if Medicare/Medicaid determines that a particular service, although it would otherwise be covered, is "not reasonable and necessary" under their program standards, Medicare/Medicaid will deny payment for that service. Our organization will only seek reimbursement for services that we reasonably believe to be medically necessary, and which were ordered by a physician or other appropriately licensed individual. Our organization will ensure 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. Our organization will follow the appropriate contract terms or accepted practice in applying medical necessity for other payers.

Release of Information and Assignment/Reassignment of Benefits

All patients are required to sign a release of information and assignment of benefits form before they receive services from Las Mercedes Medical Centers. These forms should be placed in the patient's chart or record after the patient and/or the responsible party signs them. Medicare and Medicaid each have strict rules regarding the assignment and reassignment of billing rights.

Other General Guidelines

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)
- DO NOT falsely certify that services were medically necessary (for instance, order a series of diagnostic tests when, based on diagnosis, only two or three of the tests are necessary)
- DO NOT change 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 and the date next to the signature. Always check to be certain that you are permitted to sign for a physician. On some forms, only 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 other insurance company or payer
- DO NOT enter into a rental agreement with another provider of healthcare items or services without the review and approval of the Executive team

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regarding a particular matter, you should contact your supervisor or the Compliance Department.

RELATIONSHIPS WITH PHYSICIANS AND OTHER PROVIDERS OR SUPPLIERS

No agreement between Las Mercedes Medical Centers and a physician or other provider/supplier shall be signed or entered into without the prior review and approval of the appropriate department, the Compliance Department, Executives, or any attorney Las Mercedes Medical Centers may wish to consult, retain or employ.

Examples of such agreements include:

- Personal service agreements (such as employment agreements, medical director agreements, and billing service agreements)
- Leases for office space or equipment
- Loans
- Recruitment agreements
- Management service agreements
- Practice acquisition agreements
- Partnership or joint venture agreements

Other General Guidelines

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 Las Mercedes Medical Centers
- DO NOT receive or accept payments from a physician or other providers to refer patients to that physician or provider's practice
- DO NOT offer a physician a Medical Directorship to encourage the physician to refer patients to Las Mercedes Medical Centers rather than to some other healthcare provider
- DO NOT provide physicians or other providers/suppliers with free items to encourage referrals to Las Mercedes Medical Centers or an affiliate
- DO NOT provide free or discounted administrative or support services to a physician or other providers/suppliers to ensure their referrals to Las Mercedes Medical Centers.
- DO NOT grant a physician's or other provider's/supplier's request for special treatment in return for referring patients to Las Mercedes Medical Centers
- DO NOT pay a physician an amount that exceeds the fair market value for a physician's tangible and intangible assets used to operate his or her medical practice
- DO NOT enter into a rental agreement with another provider of healthcare items or services without the review and approval of the Company Executives, Compliance Representative, and any attorney our organization may wish to consult, retain or employ

These listed illustrations are provided as a guide only. They are by no means intended to be complete explanations or statements as to what is legal or illegal.

MARKETING PRACTICES

Marketing and advertising may be used to advance our goals, objectives, and mission. Advertising may be used to educate the public, to report to the community, to increase awareness of available services, increase support for our organization, and to recruit employees. We will present only truthful, fully informative, and non-deceptive information in these materials and announcements. During our advertising, publicity, or other communications, we will never make any false or misleading statements about our services or ourselves, or about another organization or its services. All marketing materials will reflect the services available and the level of licensure and certification.

Marketing Practices – Antitrust

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. These laws could be violated by discussing our business with a competitor, such as how our prices are set, disclosing the terms of supplier relationships, allocating markets among competitors, or agreeing with a competitor to refuse to deal with a supplier. Our competitors are other physician practices, health systems, and facilities in markets where we operate.

At trade association meetings, be alert to potential situations where it may not be appropriate for you to participate in discussions regarding prohibited subjects with our competitors. Prohibited subjects include any aspect of our services in the market, key costs such as labor costs, and marketing plans. If a competitor raises a prohibited subject, end the conversation immediately. Document your refusal to participate in the conversation by requesting that your objection be reflected in the meeting minutes and notify the Compliance Representative and any attorneys our organization may wish to retain, consult, or employ.

In general, avoid discussing sensitive topics with competitors or suppliers, unless you are proceeding with the advice and consent of the appropriate staff, the Compliance Department or any attorneys the Company may wish to retain, consult or employ. You must also not provide any information in response to an oral or written inquiry concerning an antitrust matter without first consulting the Compliance Department or any attorneys Las Mercedes Medical Centers may wish to retain, consult, or employ.

Gathering Information about Competitors

It is not unusual to obtain information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, it is not acceptable for you to obtain proprietary or confidential information about a competitor through illegal means. It is also not acceptable to seek proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer.

Advertisements Suggesting Government Endorsement

Our marketing material will not use the names, abbreviations, symbols, or emblems of the Social Security Administration, Centers for Medicare and Medicaid Services, Department of Health and Human Services, Medicare, Medicaid, or any combination or variation of such words abbreviations, symbols or emblems, in a manner that would suggest that our organization or services are endorsed by those entities.

Other General Guidelines

The following are some guidelines to ensure that you do not violate federal and state laws regarding marketing.

- DO NOT make any false or misleading statements about our organization in our marketing material
- DO NOT place an ad in the newspaper that reads, "Our physicians are approved by both the Medicare and Medicaid programs."

CONFLICTS OF INTEREST

All employees must seek to promote, enhance, and protect the interests of Las Mercedes Medical Centers, and avoid taking any action that may be averse to those interests. No employee shall engage in any activity that may conflict with the interests of Las Mercedes Medical Centers or its affiliated entities.

A conflict of interest arises when personal considerations influence an employee's judgment and discretion and jeopardize the interests of Las Mercedes Medical Centers. Each situation is different, and many factors need to be considered to determine if there is a conflict of interest. All employees 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 Representative.

No "presumption of an ethical conflict" is created by the mere existence of a relationship with outside firms however if the employees have any influence on transactions involving purchases, contracts or leases, it is imperative that they disclose to a Supervisor or Management staff member of Las Mercedes Medical Centers, as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result in cases where an employee or relative has a significant ownership in a firm with which Las Mercedes Medical Centers does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business involving Las Mercedes Medical Centers.

Outside Employment

Employees may hold outside jobs as long as they meet performance standards of their job with Las Mercedes Medical Centers and any employee seeking or already having outside employment advises the Human Resources department. This is required for Management to determine if a conflict of interest or potential conflict of interest exists with the interests of Las Mercedes Medical Centers. All employees will be judged by the same performance standards and will be subject to Las Mercedes Medical Centers scheduling demands, regardless of any existing outside work requirements. Additional employment that directly or indirectly competes with or disrupts the business or the interests of the Company is strictly prohibited.

If Las Mercedes Medical Centers determines that an employee's outside work interferes with performance or the ability to meet requirements of Las Mercedes Medical Centers as they are modified from time to time, the employee may be asked to terminate the outside employment if he/she/they wish to maintain employment with Las Mercedes Medical Centers.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside Las Mercedes Medical Centers for material produced or services rendered while performing their jobs.

Employment of Relatives

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

If the relative relationship is established after employment, the individuals concerned may be given the opportunity to decide who will be transferred to a different department. If that decision to transfer is not made by the affected employees within 30 calendar days, Management will make the decision to transfer. Management reserves the right to make the final decision based on what is in the best interest of the Company at any time.

In other cases where a familial conflict of interest or the potential for a familial conflict of interest arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or termination. his decision will be left to management's discretion based on what is in the best interest of the company at any time.

For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employees is similar to that of persons who are related by blood or marriage.

Employee Fraternization and Dating Policy

LMMC strongly believes that a work environment where employees maintain respectful and clear boundaries between employee personal and business interactions is necessary for effective business operations. Although this policy does not prevent the development of friendships or romantic relationships between co-workers, it does establish boundaries as to how relationships are conducted during working hours and within the working environment.

Individuals in supervisory or managerial roles, and those with authority over others' terms and conditions of employment, are subject to more stringent requirements under this policy due to their status as role models, their access to sensitive information, and their ability to affect the employment of individuals in subordinate positions.

This policy does not preclude or interfere with the rights of employees protected by the National Labor Relations Act or any other applicable statute concerning the employment relationship.

Procedures to follow:

- During working time and in working areas, employees are expected to conduct themselves in an appropriate workplace manner that does not interfere with others or with overall productivity.
- During nonworking time, such as lunches, breaks, and before and after work periods, employees engaging in personal exchanges in nonwork areas should observe an appropriate workplace manner to avoid offending other workers or putting others in an uncomfortable position.

- Employees are strictly prohibited from engaging in physical contact that would in any way be deemed inappropriate in the workplace by a reasonable person while anywhere on Company premises, during working hours or not.
- Employees who allow personal relationships with co-workers to adversely affect the work environment will be subject to LMMC's disciplinary policy, including counseling for minor problems. Failure to change behavior and maintain expected work responsibilities is viewed as a serious disciplinary matter.
- Employee off-duty conduct is generally regarded as private, as long as such conduct does not create problems within the workplace. An exception to this principle, however, is romantic or sexual relationships between supervisors and subordinates.
- Any supervisor, manager, or company official in a sensitive or influential position with LMMC must disclose the existence of a romantic or sexual relationship with another co-worker. Disclosure is to be made to the Human Resources Department. LMMC will review the circumstances to determine whether any conflict of interest exists.
- When a conflict of interest or potential risk is identified due to company official's relationship with a co-worker, LMMC will work with the parties involved to consider options for resolving the problem. The initial solution may be to make sure the parties no longer work together on matters where one is able to influence the other. Matters such as hiring, firing, promotions, performance management, compensation decisions and financial transactions are examples of situations that may require reallocation of duties to avoid any actual or perceived reward or disadvantage. In some cases, other measures may be necessary, such as transfer of one or both parties to other positions or departments. If one or both parties refuse to accept a reasonable solution, such refusal will be deemed a voluntary resignation.
- Failure to cooperate with LMMC to resolve a conflict or problem caused by a romantic or sexual relationship between co-workers or among managers, supervisors, or others in positions of authority in a mutually agreeable fashion may be deemed as insubordination and result in disciplinary action up to and including termination.
- The provisions of this policy apply regardless of the sexual orientation of the parties involved.

Where doubt exists as to the specific meaning of the terms used above, employees should make judgments based on the overall spirit and intent of the policy. Any concerns about the administration of this policy should be addressed to the Director of Human Resources (HR).

Other General Guidelines

If you deal with contractors, suppliers, and competitors, you **MUST NOT** take advantage of your position with our organization to obtain personal benefits.

- DO NOT take personal advantage of a business opportunity that may be, or appears to be, of interest to Las Mercedes Medical Centers without the approval of the Compliance Department
- DO NOT conduct business on behalf of Las Mercedes Medical Centers with any company in which you have an interest without first disclosing that interest to the Compliance Department
- DO NOT conduct business on behalf of Las Mercedes Medical Centers with any relative without first disclosing that interest to the Compliance Department

Gifts and Entertainment

- DO NOT accept gifts or favors from any person or company that does business or seeks to do business with Las Mercedes Medical Centers, without approval from the Compliance Department. Gifts that commemorate a holiday or personal milestone and that do not exceed \$100 per year per donor are allowed

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 competitor or third-party payer, unless otherwise authorized by Human Resources, the Compliance Department, and the Executive Team
- DO NOT use company equipment, supplies or information in connection with any permitted outside activity
- DO NOT use confidential information (i.e., financial data, payer information, computer programs, and patient information) for your own personal use
- DO NOT seek outside employment UNLESS such employment does not adversely affect your job performance or create a conflict of interest with Las Mercedes Medical Centers
- DO NOT become an Officer or Director of, or accept a position of responsibility with, any other company without prior notice and approval of the Compliance Department, Human Resources, and the Executive Team

The Compliance Department will be available to all employees on a timely basis to discuss 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. Conflicts of interest shall be discussed with the Human Resources Department and the Executive team, if deemed necessary. If the conflict of interest is serious or is not eliminated within a reasonable period, the Compliance Representative will notify other appropriate supervisory personnel.

EMPLOYEE RIGHTS

Las Mercedes Medical Centers maintains a working environment free from harassment, illegal drugs, alcohol and unlawful discrimination. It is our policy to deal with employees fairly and honestly and to respect and recognize each employee as an individual. Las Mercedes Medical Centers believes that direct communication between employees and their supervisors is the best method for dealing with matters that affect employees.

Las Mercedes Medical Centers is an equal-opportunity employer. We will recruit, hire, and promote employees on the basis of their skills, experience and performance without regard to age, race, ethnicity, religion, gender, sexual orientation or disability. Any employee who believes they have been unlawfully discriminated against should promptly report the matter to their supervisor, the Human Resources Department, or the Compliance Department.

Las Mercedes Medical Centers 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 employee who believes they have been unlawfully harassed should promptly report the matter to their supervisor, the Human Resources Department, or the Compliance Department.

Las Mercedes Medical Centers is committed to providing an efficient, productive, safe, and healthy work environment. All employees must perform their job duties safely, competently, and efficiently in a manner that protects the organization's interests and those of their co-workers. All employees are expected to conduct themselves in a manner that reflects integrity, brings credit to our organization, and meets our obligation to provide high-quality care to patients and members. Smoking is strictly prohibited everywhere in our organization. Any involvement with illegal drugs or consumption of alcohol in the workplace by our employees is prohibited and will result in disciplinary action, up to and including termination.

Las Mercedes Medical Centers is committed to promoting the prevention of health and safety hazards. All 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 the Company's property, must complete the facility's incident report form.

PATIENT AND MEMBER RIGHTS

All members and patients of Las Mercedes Medical Centers will be treated with dignity, respect, and compassion without regard to race, color, creed, sex, disability, or national origin. All patients will receive the same quality and level of care based on their diagnosis, treatment needs, care planning, and all other aspects of patient care.

Patients have the right to make their own healthcare decisions after the disclosure of all relevant information. Patients must be informed of their right to self-determination. This right refers to the ability to participate in and make their own healthcare 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. All 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 their 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 another 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 Compliance Department.

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

A patient may be transferred to another healthcare facility for a valid medical reason or by a clearly expressed and documented patient/family choice. The inability to care for the patient because of the absence of certain services at our operational facility shall be considered a valid medical reason.

CLOSING STATEMENTS

In upholding these principles, we commit ourselves to fostering an environment of trust, respect, professionalism, and integrity. We also strengthen our organization and contribute positively to the community and those we serve. Let us strive for excellence and be guided by ethical standards in our endeavors.

DISCLAIMER:

This Code of Ethical Conduct applies to all company employees pertaining to Las Mercedes Medical Centers (Clinica Las Mercedes), Las Mercedes Management, Las Mercedes Pharmacy, Las Mercedes Research, Clinica Las Mercedes Transportation, Las Mercedes Adult Day Cares, and Burgos Dental Services. For the purpose of this guide, the employees from the combined companies listed above will be referred to as employees of Las Mercedes Medical Centers, LMMC, or the Company. The statements provided in this handbook are intended to cover ethics and compliance standards for the Company in a general sense, and may or may not directly impact your employment duties and responsibilities.

This Handbook was created with the assistance of ChatGPT, a language model developed by OpenAI, and resources provided by HCP (Healthcare Compliance Pros). Las Mercedes Medical Centers credits HCP and OpenAI for any information and verbiage utilized to generate this handbook. Reproduction of this handbook and its contents is strictly prohibited.

Las Mercedes Medical Centers reserves the right to revise, modify, delete, or add any policies, procedures, rules, or benefits stated in this handbook or in any other relevant document. If any changes are made, the Company will notify the employees of these changes and distribute the new version, accordingly. The Company will make reasonable efforts to ensure that changes are notified to the best of our ability.

If you have any questions or comments regarding the contents of this guidebook, please redirect them to your Compliance Department at compliance@clmmail.com.