

Code of Conduct

OUR MISSION AND VALUES STATEMENT

Mission Statement

“A team of professionals dedicated to maintaining our position as a leader in providing the highest quality care and satisfaction for our residents, families and communities.”

Values

- Professionalism:*** Behavior that exhibits the qualities that are connected with trained and skilled people
- Dedication:*** Commitment to the Facility and its customers – involves much energy and time
- Integrity:*** Qualities of being honest and having strong moral principles
- Accountability:*** Accept responsibility for what we do and give satisfactory reasons for it
- Mutual Respect:*** Accept each other's importance and do nothing that would harm or cause personal offense

PURPOSE OF OUR CODE OF CONDUCT

Our Code of Conduct has been adopted to provide guidance and standards by which we will conduct ourselves in order to protect and promote integrity and to enhance our ability to achieve our mission. This code will assist us in carrying out our daily activities within appropriate ethical, regulatory and legal standards. These obligations will apply to our relationships with our residents, physicians, third-party payers, subcontractors, independent contractors, vendors, consultants and one another. This code shall be provided initially to all newly-hired or contracted employees, contractors and vendors.

This code shall be provided to all employees, Officers, vendors and medical staff members periodically and/or when changes occur. Everyone is responsible to ensure that his or her behavior and activity is consistent with our Code. This Code is a critical component of our Compliance Program and was developed to ensure that we meet our ethical standards and comply with applicable laws and regulations. The Code is neither exclusive nor complete.

Rehab Synergies is dedicated to providing the highest quality and most effective care to our Residents. The Company sets goals and targets based upon past performance, industry data and trends to achieve efficient operations in providing care. As set forth in OT/PT/ST Board Rules and Regulations and Compliance/code of conduct Policies, Rehab Synergies is committed to ethical business practices and compliance with all laws, rules, regulations and policies that govern our industry. Rehab Synergies has zero tolerance for fraud and abuse and for any actions that are not conducted in accordance with responsible and ethical behavior.

All individuals are required to comply with all applicable laws, whether or not specifically addressed in the code or facility policies. If you have questions regarding the existence of, interpretation or application of

any law, you should immediately contact your immediate supervisor or the Compliance Officer. The Compliance Hotline number is: 1-800-215-9822

PRINCIPLE 1

DIRECTOR'S RESPONSIBILITY

Directors of this organization must be cognizant of their fiduciary duty when acting on behalf of Rehab Synergies. A copy may be found in Rehab Synergies Policy and Procedure Manual, Section 2; Personnel.

This Code of Conduct, the policies and procedures of Rehab Synergies, its compliance infrastructure, including without limitation, the roles and responsibilities of the Compliance Officer and its training and education programs, are intended to address generally the issues raised in the Guidance and to provide a meaningful framework for an effective compliance program.

Rehab Synergies is committed to the highest standards of ethics and compliance. Our ethics and compliance program includes the following elements:

- setting standards (this Code of Conduct and other Policies and Procedures);
- communicating the standards
- providing a mechanism for reporting potential exceptions
- monitoring and auditing
- maintaining an organizational structure that supports the furtherance of the program.

These are set forth in the Rehab Synergies Policies and Procedures.

PRINCIPLE 2

LEADERSHIP RESPONSIBILITIES

While all individuals are obligated to follow our Code, we expect our leaders to set the example, to be in every respect, a model. They must ensure that those on their team have sufficient information to comply with law, regulation and policy, as well as the resources to resolve ethical dilemmas. They must help create a culture within Rehab Synergies which promotes the highest standards of ethics and compliance. This culture must encourage everyone within our organization to share concerns when they arise without fear of intimidation or retaliation. We must never sacrifice ethical and compliant behavior in the pursuit of business objectives.

PRINCIPLE 3

PERSONAL OBLIGATION TO REPORT

Rehab Synergies is committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrong doing wherever it may occur. Rehab Synergies personnel and contractors have an individual responsibility for reporting any activity that appears to violate applicable laws, rules, regulations or standards of practice.

Rehab Synergies personnel and contractors can report any concerns to the Compliance Hotline anonymously, 24 hours a day.

Rehab Synergies is committed to investigating all reported concerns promptly and confidentially to the extent possible and to taking corrective actions as necessary, including disciplinary action.

No person shall intimidate or retaliate against someone who reports an alleged breach of conduct.

PRINCIPLE 4

RELATIONSHIPS WITH RESIDENTS

Resident Care and Rights

Our mission is to provide quality healthcare to all our residents. We treat all residents with respect and dignity and provide care that is both necessary and appropriate. We make no distinction in the admission, transfer or discharge of residents or in the care we provide based on race, religion, color, age, gender, sexual orientation, disability or national origin. Clinical care is based on identified resident healthcare needs, not on resident payment source.

Upon admission, each resident is provided with an individualized treatment plan and is given the opportunity to participate and approve the treatment plan. Each resident or resident representative is provided with a clear explanation of the right to refuse or accept care, care decision dilemmas, advance directive options, organ donation and procurement, and an explanation of the benefits, risks and alternatives.

Residents are informed of their right to make advance directives. Resident advance directives will be honored within the limits of the law and mission, philosophy and capabilities of Rehab Synergies.

Residents and their representatives will be accorded appropriate confidentiality, privacy, security, and protective services, opportunity for resolution of complaints, and pastoral counseling. Any restriction on a residents' visitors, mail, telephone or other communications must be evaluated for their therapeutic effectiveness and fully explained to and agreed upon by the resident or resident representatives. Residents have the right to refuse to perform tasks in or for this facility.

Residents are treated in a manner that preserves their dignity, autonomy, self-esteem, civil rights, and involvement in their own care. All staff will receive training about resident rights in order to clearly understand their role in supporting them.

Compassion and care are part of our commitment to the community we serve. We strive to provide health education, health promotion and illness prevention programs as part of our efforts to improve the quality of life of our residents and our community.

Resident Rights

Residents and patients receiving healthcare services have clearly-defined rights. To honor these rights, we must:

- provide the same quality care to everyone, regardless of race, color, age, religion, national origin, gender, sexual orientation or disability

- treat all residents/patients with compassion, courtesy, professionalism and respect
- protect every resident/patient from physical, emotional, verbal or sexual abuse or neglect
- protect all aspects of resident/patient privacy and confidentiality
- protect the resident's/patient's right to be free from physical and chemical restraints
- Employees must respect resident's/patient's personal property and protect it from loss, theft, damage or misuse. Employees who have access to property or funds must maintain accurate records and accounts.

Resident Information

We collect information about the resident's medical condition, history, medication and family illness to provide the best possible care. We realize the sensitive nature of this information and are committed to maintaining its confidentiality. We do not release or discuss resident-specific information with others unless it is necessary to serve the resident or required by law.

No one at Rehab Synergies may ever disclose confidential information that violates the privacy rights of our residents. No staff, volunteer, vendor, physician or other healthcare partner has right to any resident information other than that necessary to perform his/her job.

Residents can expect that their privacy will be protected and that resident-specific information will be released only to persons authorized by law or by the resident's consent. In an emergency situation, when requested by an institution or physician when treating the resident, the resident's consent is not required, but the name of the institution and the person requesting the information must be verified.

- Respect the rights of resident/patient and/or legal representative(s) to access their medical records as requested.
- Obtain written permission from resident/patient or legal representative(s) before releasing personal, financial or medical information to anyone outside.

Gifts From/To Residents

Personnel do not solicit or request tips, personal gratuities or other types of gifts from residents or other parties with whom they do business. Personnel do not accept cash tips nor do they accept gratuities.

1. While doing their jobs, personnel must not ever seek or accept cash or other types of gifts from others that is not part of an official, documented business transaction.
2. Special Rules Regarding Residents
 - a. From time to time, residents offer personnel gifts to express gratitude for the care they receive. Although the gift might have been offered with the best of intentions, personnel need to refuse such gifts. The practice of accepting gifts can lead to a perception that residents who give gifts receive better care than those who do not give gifts. That perception may pressure residents into offering gifts they

might not have otherwise given in order to receive care they deserve. Accepting gifts can also lead to conflicts with family members or residents who do not have reliable, short-term memories. If a resident or family member offers a gift, the appropriate response is to politely decline the gift and inform the renderer that Rehab Synergies has a policy against receiving gifts from residents to reassure people that everyone gets the same level of quality care. If flowers or other perishables are delivered to a facility and it is not possible to decline them, they should be used in resident areas.

PRINCIPLE 5

WORKPLACE CONDUCT AND EMPLOYMENT PRACTICES

Conflict of Interest

A conflict of interest may occur if outside activities or personal interests influence or appear to influence your ability to make objective decisions in the course of your job responsibilities. A conflict of interest may also exist if the demands of any outside activities hinder or distract you from the performance of your job or cause you to use Rehab Synergies resources for other than this facility's purposes. It is your obligation to ensure that you remain free of conflicts of interest in the performance of your responsibilities at this facility. If you have any question about whether an outside activity might constitute a conflict of interest, you must obtain approval of your supervisor before pursuing the activity.

Outside Financial Investments

Personnel and Contractors must disclose to their supervisors their or their immediate family's participation or ownership in or employment with any contractor or party with which Rehab Synergies does business.

Below are some examples of conflicts of interest. Conflicts of interest may involve Rehab Synergies Personnel and Contractors or their immediate family members.

- Ownership or Employment Interests. Participation or ownership in, or employment by any outside concern that either competes or does business with Rehab Synergies may create a conflict of interest.
- Conduct of Outside Business. Conducting any business not on behalf of Rehab Synergies with any of its vendors, suppliers, contractors, agencies, or any of their officers or employees can create a conflict of interest.
- Interested Transactions. Rehab Synergies Personnel and Contractors who represent Rehab Synergies in any transaction in which they or an immediate family member has a substantial personal interest have a conflict of interest.
- Use of Proprietary Information. Rehab Synergies Personnel or Contractors who disclose or use confidential, special or inside information of or about Rehab Synergies, particularly for their or a family member's personal advantage or profit, have a conflict of interest.

- Competition for Opportunities. Rehab Synergies Personnel or Contractors who compete with Rehab Synergies, directly or indirectly, to purchase, sell or own property, property rights or interests, or business investment opportunities have a conflict of interests.
- Non-Financial Interests. Rehab Synergies Personnel or Contractors who manage or oversee any outside concern that does business or competes with the services Rehab Synergies offers may have a conflict of interests.
- Appearance of Impropriety. Rehab Synergies Personnel or Contractors who make public disclosures or publicize their personal views regarding Rehab Synergies matters may appear to represent Rehab Synergies views and create a conflict of interests.

Honest Communication

Rehab Synergies Personnel and Contractors respond truthfully to all questions.

Rehab Synergies expects the Personnel and Contractors who work for it to tell the truth when doing their jobs. They must be honest with facility attorneys, auditors, outside consultants and all others who do business with Rehab Synergies.

- Employee Screening. Rehab Synergies does not contract with, employ or bill for services rendered by an individual or entity that is excluded or ineligible to participate in federal healthcare programs; suspended or debarred from federal government contracts; or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a federal healthcare program after a period of exclusion, suspension, department of ineligibility; provided that Rehab Synergies is aware of such criminal offense.

Rehab Synergies routinely searches the Department of Health and Human Services' Office of Inspector General and General Services Administration's list of such excluded and ineligible persons.

Rehab Synergies Personnel and Contractors are required to report to Rehab Synergies Human Resource Services if you become excluded, debarred or ineligible to participate in federal healthcare programs; or have been convicted of a criminal offense related to the provision of healthcare items or services.

- Credentials. Rehab Synergies Personnel and Contractors who hold professional licenses, certifications, or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and State requirements applicable to their respective disciplines, including completion of the required CEU hours. Rehab Synergies does not allow any Rehab Synergies Personnel or Contractors to work without valid, current licenses or credentials.

Individuals retained as independent contractors in positions which require professional licenses, certifications or other credentials are responsible for maintaining the current status of their credentials and shall comply at all times with Federal and State requirements applicable to their respective disciplines. To assure compliance, Rehab Synergies requires evidence of the individual having a current license or credential status. Rehab Synergies

will not allow any independent contractor to work without valid, current licenses or credentials.

Diversity and Equal Employment Opportunity

Our staff provides us with a wide complement of talents, which contribute greatly to our success. We are committed to providing an equal opportunity working environment where everyone is treated with fairness, dignity and respect. We will comply with all laws; regulations and policies related to non-discrimination in all our personnel actions. Such actions include hiring, staff reductions, transfers, terminations, evaluations, recruiting, compensation, corrective action, discipline and promotions. Our employment policy is based on the employee's own ability, achievement, experience and conduct without regard to race, color, religion, sex, ethnic origin, age or disability or any other classification prohibited by law.

No one shall discriminate against any individual with a disability with respect to offer any, or term or condition of employment. We will make reasonable accommodations to the known physical and mental limitations of otherwise qualified individuals with disabilities.

PRINCIPLE 6 WORKPLACE SAFETY

Everyone has the right to work in an environment free of harassment. We will not tolerate harassment by anyone based on the diverse characteristics or cultural backgrounds of those who work with us. Degrading or humiliating jokes, slurs, intimidation or other harassing conduct is not acceptable in our workplace.

Any form of sexual harassment is strictly prohibited. This prohibition includes unwelcome sexual advances or requests for sexual favors in conjunction with employment decisions. Moreover, verbal or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment has no place at this facility.

Harassment also includes incidents of workplace violence. Workplace violence includes robbery and other commercial crimes, stalking cases, violence directed at the employer, terrorism, and hate crimes committed by current or former colleagues. As part of our commitment to a safe workplace for our colleagues, we prohibit colleagues from possessing firearms, other weapons, explosive devices or other harmful instruments. If you experience any form of harassment or violence, you should report to your supervisor, a member of management, the Corporate Compliance Officer or the Compliance Hot Line: 800-215-9822

No form of harassment or discrimination on the basis of sex, color, race, disability, age, religion, ethnic origin, disability, or any other classification prohibited by law will be permitted. Each allegation of harassment or discrimination will be promptly investigated.

Health and Safety

Everyone must comply with all government regulations and rules and with Rehab Synergies policies that promote the protections of workplace health and safety. Our policies have been developed to protect you from potential workplace hazards. You should become familiar with and understand how these policies apply to your specific job responsibilities and seek advice from your supervisor whenever you have a question or concern. It is important for you to advise your supervisor of any serious workplace injury or any situation presenting a danger of injury so that timely corrective action may be taken to resolve the issue.

Controlled Substances

Colleagues may have access to prescription drugs, controlled substances and other medical supplies. Many of these substances are governed by specific regulatory organizations and must be administered by physician order only. It is extremely important that these items be handled properly and only by authorized individuals to minimize risks. Should you become aware of the diversion of drugs from this organization, you must report the incident immediately.

Substance Abuse and Mental Acuity

To protect the interest of our colleagues and residents, we are committed to an alcohol- and drug-free environment. All individuals must report for work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in your system, or using, possession of, or selling illegal drugs while on this facility's work time or property may result in immediate termination.

It is also recognized that individuals may be taking prescription drugs that could impair judgment or other skills required in job performance. If you have questions about the effect of such medication on your performance, consult with your supervisor.

PRINCIPLE 7

EMPLOYEE BUSINESS PRACTICES

Misappropriation or Inappropriate Disclosure of Proprietary Information

This standard applies to intellectual property and proprietary information. Intellectual property is a broad term that includes ideas, interventions, software, books, music, and systems. Proprietary Information is information that belongs to someone. It can also be financial statement, plans, discussions, lists of customers or anything else that a business would not want a competitor to know.

- Rehab Synergies Personnel and contractors only share facility proprietary information (information about Rehab Synergies finances, business plans and strategies, payments and business negotiations) with individuals who work for Rehab Synergies and who need to know the information to do their jobs.
- Rehab Synergies Personnel and Contractors do not use or disclose another business' proprietary information without permission from that business.
- Rehab Synergies expects its Personnel and Contractors to honor any confidentiality agreement between Rehab Synergies and a third party regarding third party's proprietary information.
- Rehab Synergies expects its Personnel and Contractors to respect the privacy of others.

Personal Use of Rehab Synergies Resources

It is the responsibility of each individual to preserve our organization's assets including time, materials, supplies, equipment and information. Organizational assets are to be maintained for business-related purposes. As a general rule, the personal use of items such as facility copy machines or telephones, where the cost to this facility is insignificant, is permissible. Your supervisor must approve any community or charitable use of our resources in advance. Any use of our resources for personal, financial gain unrelated to our facility business is prohibited.

- Rehab Synergies Personnel and Contractors do not conduct non-Rehab Synergies business during working hours without prior approval from a supervisor.
- Rehab Synergies Personnel and Contractors follow the specific Rehab Synergies policies related to the use of software, internet access and telephones.

Relationships among Colleagues

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

Relationships with Subcontractors, Suppliers and Vendors

We must manage our subcontractor and supplier relationships in a fair and reasonable manner, consistent with all applicable laws and good business practices. We promote competitive procurement to the maximum extent practicable. Our selection of subcontractors, suppliers and vendors will be made on the basis of objective criteria, including quality, technical excellence, price, delivery, adherence to schedules, service and maintenance or adequate sources of supply. Our purchasing decisions will be made on the supplier's ability to meet our needs and not on personal relationships and friendships. We will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. We will not communicate to third party confidential information given to us by our suppliers unless directed in writing to do so by the supplier. We will not disclose contract pricing and information to any outside parties.

PRINCIPLE 8 BUSINESS RELATIONSHIPS

Rehab Synergies and its Personnel are expected to deal with vendors, contractors and other parties at arms' length and avoid transactions that appear improper.

Rehab Synergies neither requests, gives nor accepts any gifts, favors or improper inducement in exchange for a referral or to influence a referral of business.

This principle and guidance provides boundaries to help Rehab Synergies Personnel to decide whether relationships involving residents, customers, vendors, providers, contractor, third-party payors and

government are appropriate. If there is any doubt about whether a specific activity or transaction is ethical or otherwise appropriate, Rehab Synergies Personnel need to discuss it with the Compliance Officer.

Consistent with these principles and guidelines, Rehab Synergies Personnel and Contractors should use common sense and good judgment in accepting or refusing gifts, gratuities and other inducements offered to or by vendors, contractors and customers.

Gifts

Rehab Synergies Personnel do not solicit or request tips, personal gratuities or other types of gifts from residents or other parties with whom they do business. Rehab Synergies Personnel do not accept cash tips nor do they accept gratuities.

Rehab Synergies Personnel and Contractors do not solicit or offer gifts, favors, services, entertainment or other things of value that is given or made to influence or arrange for a referral of business, resident admission or services.

Rehab Synergies competes fairly for its business. Rehab Synergies does not tolerate unfair business practices based upon influencing decision-makers by giving them benefits that are not part of an official, documented business transaction.

Rehab Synergies Personnel and contractors may keep gifts of a nominal value from vendors only when keeping a gift does not create an appearance of impropriety.

- Rehab Synergies views gifts from vendors as different from gifts from residents. There is an established and commonly-accepted practice of vendors providing small gifts to customers, although that practice has been decreasing as businesses have become increasingly concerned with anti-kickback laws. Still, gifts such as inexpensive pens, small pads of paper and flowers on special occasions are common courtesies that typically do not raise an appearance of impropriety. Rehab Synergies Personnel and contractors may accept meals, refreshments and occasional attendance at a local theater or local sporting event from a vendor only when accepting these things does not create an appearance of impropriety.
- Nothing in this Code of Conduct prevents a business unit or supervisor from establishing stricter rules concerning gifts. Anyone who violates this Principle or its Standards or who does not report a violation may be disciplined. Anyone with questions about gifts and whether they create an actual or appearance of impropriety should contact the Compliance Officer.

PRINCIPLE 9

WORKSHOPS, SEMINARS AND TRAINING SESSIONS

Rehab Synergies Personnel may attend local workshops, seminars and training sessions that vendors pay for only if the training is based on the product or service offered by the vendor and the appropriate facility supervisor approves it in advance.

The qualification that training must be “local” is to prevent situations where vendors sponsor individuals for attendance at distant or exotic locations that could appear to be more of a vacation than a training event. If there is a question about whether a training event is local, it should be directed to the Chief Compliance Officer prior to acceptance.

Contracting

All contracts must be in writing and approved by Rehab Synergies Senior Management.

- There are to be no unwritten deals, “handshake” agreements, or verbal agreements made that modify or conflict with written contracts. If contract modifications are necessary, they must be in writing and coordinated with legal counsel.
- Rehab Synergies Personnel are required to disclose to their supervisor personal relationships and business activities with contractor personnel that could create an appearance of impropriety. Rehab Synergies Personnel need to let their supervisor know when one of their family members, a significant other, or close friend works for a contractor that they do business with in order to avoid any appearance of impropriety. Rehab Synergies Personnel also need to inform their supervisor, in writing, if they have a financial interest in a contractor they do business with for Rehab Synergies.

Business Inducements

Rehab Synergies Personnel and Contractors do not gain a business advantage by paying bribes, offering business courtesies or making any other improper payments.

Fully-disclosed commissions, rebates, discounts and allowances are customary and acceptable business inducements as long as Rehab Synergies management approves them and they do not violate a law or regulation. Appropriate payments are reasonable in value, competitively justified, properly documented, and made to the business entity to which the original agreement or invoice was made or issued. Appropriate payments are not made to individual employees or agents of business entities. Anyone with a question about whether a payment is appropriate should contact the Chief Compliance Officer before accepting it.

PRINCIPLE 10 MARKETING PRACTICES

Marketing and Advertising

We may use marketing and advertising activities to educate the public, provide information to the community, and increase awareness of our services and recruit staff. We will present only truthful, fully informative and non-descriptive information in our materials and announcements. All marketing materials will reflect services available and the level of licensure and certification.

Referrals

In order to ethically and legally meet all standards regarding referrals and admissions, we will adhere strictly to two primary rules:

- We do not pay for referrals. We accept resident referrals and admissions based solely on the resident's clinical needs and our ability to render the needed services. We do not pay or offer to pay anyone for referral of patients. Violation of this policy may have grave consequences for this organization and the individual(s) involved, including civil and criminal penalties and possible exclusion from participation in federally-funded healthcare programs.
- We do not accept payments for referrals we make. No person acting on behalf of Rehab Synergies is permitted to solicit or receive anything of value, directly or indirectly in exchange for the referral of a resident. Similarly, when making resident referrals to another healthcare provider, we do not take into account the volume or value of referrals that the provider has made (or may make) to us.

Antitrust

Antitrust laws are designed to create a level playing field in the marketplace and to promote fair competition. All employees must comply with applicable antitrust and similar laws that regulate competition. These laws could be violated by discussing Rehab Synergies 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 long-term care facilities and health systems and facilities in the area where we operate.

Prohibited subjects include any aspect of pricing, our services in the market, key costs such as labor costs, and marketing plans. Other examples of conduct prohibited by the laws included:

- (1) agreements to fix prices, bid rigging, collusion (including price sharing with competitors);
- (2) boycotts, certain exclusive dealing and price discrimination agreements; and
- (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair practices.

Avoid discussing sensitive topics with competitors or suppliers. You must also not provide any information in response to oral or written inquiry concerning an antitrust matter without first consulting the Corporate Compliance Officer.

General 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 representations, 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 employee.

PRINCIPLE 11

LEGAL AND ETHICAL COMPLIANCE

Rehab Synergies Personnel and Contractors comply with all federal and state laws and regulations and conduct themselves ethically.

This principle explains in broad terms how to comply with some of the important laws and regulations that commonly apply to Rehab Synergies business. Whether or not guidance addresses a specific law, Rehab Synergies does not want any of its Personnel or Contractors to do anything they believe would violate any statute, rule or regulation. No Code of Conduct can substitute for an individual's own internal sense of fairness, honesty and integrity. If you encounter a situation or are considering a course of action that does not feel right, please discuss the situation with your supervisor or the Compliance Officer.

Medicare and Medicaid

There are federal and state laws and regulations concerning the Medicare and Medicaid programs that prohibit fraud and abuse, false claims, certain patient referrals from physicians and other practices that could impact the government programs. These laws and regulations generally prohibit the following:

- Offering, requesting, giving or receiving any payment or gift (remuneration) in return for a patient referral or the purchase, lease or order of a good or service. Similarly, when making patient referrals to another healthcare provider, it is prohibited to take into account the volume or value of referrals that the provider has made or may make.
- Submitting false, fraudulent or misleading claims to the government or a Third Party Payor. Such claims include claims for services no one performed, claims for more services than what someone actually performed, claims that are not medically necessary, and claims for services that the programs do not cover.
- Making false or misleading statements in order to get paid for a service or to participate in Medicare, Medicaid or a related government program.

Billing Third Party Payers

Rehab Synergies Personnel and Contractors do not misrepresent charges to, or on behalf of, a resident or payer.

- Rehab Synergies Personnel and Contractors do not make false statement to a government agency or any other payer.
- Rehab Synergies expects that all bills submitted to Residents or Third Party Payors will be accurate, honest and will comply with federal and state laws and regulations.
- Failure to comply with applicable laws can subject individuals to significant penalties.

Documentation

Rehab Synergies expects that medical records will provide accurate documentation of services rendered and that all individuals who contribute, including physicians, provide timely information and do not destroy or alter any information considered part of the medical record.

Program Cost Reports

Rehab Synergies Personnel and Contractors must provide financial and operating information that is accurate, reliable and honest.

Rehab Synergies must submit reports to the government that show how much it costs to run the facilities. All Personnel and Contractors must ensure that information given to bookkeepers, accountants; reimbursement staff and auditors are accurate and complete. Rehab Synergies expects that cost reports are accurate, honest and comply with all applicable federal and state laws and regulations, including those relating to related party transactions.

Facility Licensure and Certification Surveys

Rehab Synergies Personnel and Contractors do not mislead a Medicare or Medicaid surveyor in any way, either directly or indirectly.

Rehab Synergies cooperates and complies with all Medicaid and Medicare surveys and surveyors in a direct and honest manner.

Responding to Government Investigations

Rehab Synergies cooperates with government investigations. All responses to inquiries will be honest and truthful. To ensure that Rehab Synergies protects the privacy of residents, proprietary or privileged information that should not be disclosed, Rehab Synergies has established the following guidance.

Rehab Synergies Personnel must:

- Immediately inform the most facility official in the entity being investigated to ensure the investigation is monitored from the beginning.
- Be polite and courteous to the investigators.
- Obtain the name, agency, proof of identity and phone numbers of the investigator.
- Request the purpose of the investigator's visit and inquire with whom they specifically wish to speak.

Personnel must *not*:

- Hide, destroy or change any documents to conceal them from investigators.
- Lie or make misleading statements to government representatives.
- Aid in any attempt to provide inaccurate or misleading information or obstruct, mislead or delay the communication of information or records relating to a possible violation of law.

Any time Rehab Synergies Personnel or Contractors receive an inquiry, subpoena or other legal documents concerning Rehab Synergies business, his/her supervisor and the Compliance Officer must be notified.

Notifying supervisors and the Compliance Officer is important for protecting resident confidentiality and ensuring the information is properly released. It also protects Rehab Synergies legal rights by responding to legal notices in a timely manner.

Nothing in this policy is intended to:

- Prevent, obstruct, mislead or delay the communication of information or records relating to a violation of a federal or state healthcare offense to a criminal investigator.
- Prevent employees from making inappropriate reports to government agencies.
- Discourage employees from truthfully participating in a governmental investigation.

On occasion, state or federal investigators may approach Rehab Synergies employees for interviews in the course of an investigation about matters that could have criminal or civil consequences. Examples of these investigations include inquiries into Medicare/Medicaid fraud and abuse, illegal kickbacks for patient referrals, inappropriate third-party billing, etc. *Investigations* for the purpose of this section do not include routine surveys from regulatory agencies in response to a patient care complaint or other regulatory requirement that requires inspections at regular intervals. If confronted by an investigator, Rehab Synergies Personnel and Contractors need to understand their legal rights as well as Rehab Synergies legal rights.

Employees may:

- Decline to be interviewed by investigators until they have reviewed their legal rights with an attorney. If they so decline, government investigators may subpoena employees to testify later.
- Schedule interviews for a future day or time that is mutually agreed upon or during business hours.
- Request assistance of their own counsel or Rehab Synergies General Counsel who will determine whether representation is appropriate.

Former employees are requested to notify the Rehab Synergies Compliance Officer if an investigator interviews them regarding a matter related to Rehab Synergies.

Discrimination

Rehab Synergies is committed to providing an equal opportunity work environment where everyone is treated with fairness, dignity and respect. Rehab Synergies Personnel and Contractors follow Rehab Synergies policy and procedures concerning discrimination.

Rehab Synergies Personnel and Contractors, who believe they are the subject of discrimination or observe discrimination that violates any Rehab Synergies policy, report it immediately in writing to their supervisor, their supervisor's supervisor, or Human Resources.

Rehab Synergies policy against unlawful discrimination is in the Human Resources Manual. Rehab Synergies expects all of its employees to follow the policy. Rehab Synergies will investigate allegations of harassment or discrimination, and, if appropriate, discipline offenders. For additional information about this policy, please refer to the Human Resources Manual or contact Human Resources Services.

Rehab Synergies *supports the principle that every employee or contractor has the right to work in an environment conducive to equal opportunity and free from discriminatory practices.*

Confidentiality of Resident Records

Rehab Synergies Personnel keep residents' records confidential according to legal and ethical standards.

- Rehab Synergies Personnel and Contractors are required to keep Personal Health Information (PHI), Electronic PHI (EPHI) and other records confidential in accordance with federal, state, legal and ethical standards.
- Rehab Synergies Personnel and Contractors possess or have access to a wide variety of confidential and proprietary information. Releasing resident information without the appropriate consent and/or authorization is strictly prohibited.
- Information can be disclosed when:
 - The requestor is an employee or other healthcare partner and who needs to know the information and it is limited to that which is necessary to do his/her job.
 - The resident has given written consent/authorization for release of the information.
 - A federal, state or local law or regulation requires the release of information. If there is any doubt about whether you should release information, ***DO NOT RELEASE IT.*** Please consult your supervisor and/or the Compliance Officer.

Regulatory Compliance

Many of the services we provide may be provided only pursuant to appropriate federal, state and local laws and regulations. Such laws and regulations may include subjects such as licenses, permits, accreditation, access to treatment, medical record keeping, access to medical records and confidentiality, residents' rights, terminal care, decision making, medical staff membership and clinical privileges, and Medicare and Medicaid regulations. Rehab Synergies is subject to numerous laws in addition to these healthcare regulations, including those of the Occupational Safety and Health Administration.

We will comply with all applicable laws and regulations. All staff, medical staff members, privileged practitioners, and contract service providers must be knowledgeable about and ensure compliance with all laws and regulations, and should immediately report violations or suspected violations to a supervisor or member of management or the Compliance Hotline: 800-215-9822

We will be forthright in dealing with any billing inquiries. Request 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 during and inspection.

During a government inspection, you must never conceal, destroy or alter documents, or lie to make misleading statements to the government representatives.

Political Activities and Contributions

Rehab Synergies political participation is limited by law. The facility's funds or resources are not to be used to contribute to political campaigns or for gifts or payments to any political party or any of their affiliated organizations. Our resources include financial and non-financial donations such as using work time and telephones to solicit for a political cause or candidate or the loaning of Rehab Synergies property for use in the political campaign. The conduct of any political action committee is to be consistent with relevant laws and regulations.

It is important to separate personal and corporate political activities in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. You may, of course, participate in the political process on your own time and at your own expense. While you are doing so, it is important not to give the impression that you are speaking on behalf of or representing Rehab Synergies in these activities. You cannot seek to be reimbursed by Rehab Synergies for any personal contributions for such purposes.

At times, Rehab Synergies may ask colleagues to make personal contact with government officials or to write letters to present our position on specific issues. In addition, it is part of the role of some Rehab Synergies management staff to interface on a regular basis with government officials. If you are making these communications on behalf of the organization, be certain that you are familiar with any regulatory constraints and observe them. Guidance is always available from the Corporate Compliance Officer, as necessary.

Environmental Compliance

It is our policy to comply with all environmental laws and regulations as they relate to Rehab Synergies operations. We will act to preserve our natural resources to the full extent reasonably possible. We will comply with all environmental laws and operate with the necessary permits, approvals and controls. We will diligently employ the proper procedures with respect to handling and disposing of hazardous and bio-hazardous waste, including but not limited to medical waste.

In helping Rehab Synergies comply with these laws and regulations, we must understand how job duties may impact the environment, adhere to all requirements for the proper handling of hazardous materials and immediately alert your supervisor to any situation that poses a risk to the facility and its residents and employees.

Code of Conduct Receipt Certification and Training Acknowledgement

I certify that I have received a copy of the code of Conduct. Along with receiving a copy I acknowledge that I received Code of Conduct Training and I certify that I understand the following.

- It is my responsibility to read the code. If I have any questions about the code it is my responsibility to seek guidance promptly from my supervisor or Facility Compliance Officer (Administrator)
- The code contains principles that all employees need to follow. Violation of the Code could result in discipline up to and including termination.
- In addition to following the principles in the code, I have a responsibility to report violations of the Code to one or more of the following: my supervisor, the Facility Compliance Officer (Administrator), or the Compliance Hotline (1-800-215-9822)
- An employee may be criminally liable for failure to report abuse; and under the Health and Safety Code, Title 4, 242.133, the employee has a cause of action against a facility, its owner(s), or employee (s) if he/she is terminated, disciplined, or discriminated or retaliated against as a result of:
 - A. Reporting to the employee's supervisor, the administrator, DADS, or a law enforcement agency a violation of law, including a violation of laws or regulations regarding nursing facilities; or
 - B. For initiating or cooperating in any investigation or proceeding of a Governmental entity relating to care, services or conditions at the nursing facility.
- Supervisors, managers or employees will not engage in retaliation, retribution or any other form of harassment directed against an employee who reports a concern or Code violation in good faith. Promptly inform the Facility Compliance Officer or Compliance Hotline if you are a victim of retaliation for reporting a concern.

Employee Signature

Date

Employee Printed Name