

CODE OF CONDUCT

Compliance...
The Allied Way!!!



Compliance Line 1-800-619-7685

A MESSAGE FROM THE PRESIDENT/CHIEF EXECUTIVE OFFICER

Allied Services is committed to conducting business with integrity and in accordance with federal, state and local laws. We are proud of our honest reputation due largely to employees like you. To continue this tradition, we have established a Code of Conduct that sets our standards and rules for ethical business practices for all employees, members of our board of directors and our business partners. The standards contained in this Code of Conduct are also included within the Corporate Compliance Program kept in the office of our Compliance Officer.

This document provides general guidelines to help you understand how Allied wishes to conduct business and, as such, governs the conduct of all Allied employees. We want to ensure that employees understand Allied Services Compliance Program and that all violations are reported, fully reviewed, and the appropriate actions are taken. While this document may be a valuable guide, it may not provide answers to all issues. You should all be familiar with the policies and procedures described in this document and seek clarification or advice, as needed, from your manager, supervisor or Allied Services Compliance Officer, Judy Oprisko, SPHR, CEBS. Your dedication to these standards will allow us to continue to provide compassionate, cost-effective care to those in need. Thanks for helping us maintain our fine tradition of integrity.



William P. Conaboy

Sincerely,

A handwritten signature in black ink that reads "William P. Conaboy". The signature is fluid and cursive, with the first name being particularly prominent.

William P. Conaboy
President/Chief Executive Officer

TABLE OF CONTENTS

CODE OF CONDUCT

I.	GENERAL STATEMENT	1
II.	CONDUCTING ALLIED SERVICES BUSINESS	2
	• Proper Use of Allied Services Assets/Selecting Business Partners	
	• Trade Practices/Antitrust	
	• Compliance With Anti-Kickback and Corrupt Influence Statutes	
	• Billing for Allied Services Patient and Community Services	
	• Tax	
	• Bond Covenants	
	• Gifts and Entertainment	
	• Fund Raising	
	• Labor and Employee Relations Matters	
	• Immigration	
	• Open Admissions	
	• Regulatory Approvals/Licensure	
	• Environment, Health and Safety	
	• Occupational Health and Safety	
	• Pharmaceuticals, Prescription Drugs and Controlled Substances	
	• Federal False Claims Act	
III.	RESEARCH GRANT REQUIREMENTS	7
	• Research Involving Human Subjects	
	• Conflicts of Interest and Improper Referrals	
	• Scientific Misconduct	
IV.	POLITICAL PARTICIPATION	8
	• Lobbying	
V.	DOING BUSINESS WITH THE GOVERNMENT	8
	• Medicare and Medicaid Requirements	
	• Hiring of Former Government Employees	
	• No Gifts, Meals or Gratuities for Government Personnel	
VI.	EMPLOYEE LOYALTY AND CONFLICTS OF INTEREST	9
VII.	USE OF ALLIED SERVICES INFORMATION	9
	• Safeguarding the Privacy of Our Patients	
	• Confidentiality of Allied Services and Allied Services Employee Information	
	• Information Owned by Others/Copyrighted Material	
	• Records Retention/Destruction	
	• Government Inquiries	
VIII.	HUMAN RESOURCES	11
	• Commitment to Fairness	
IX.	COMPLIANCE WITH THE CODE	11
	• Questions Regarding the Code	
	• Reporting of Violations	
	• Investigation of Violations	
	• Discipline for Violations	
	• Acknowledgment and Certification of Compliance	
X.	INDIVIDUAL JUDGEMENT	12

ALLIED SERVICES CODE OF CONDUCT

I. GENERAL STATEMENT

Allied Services has an outstanding reputation for integrity and is committed to integrity as the fundamental guiding principle for its employees and others who act on its behalf. This Code of Conduct reaffirms that commitment.

Integrity must govern our actions in all relationships. It includes compliance with all laws and regulations to ensure the highest levels of quality care and service. Allied Services expects each employee to recognize and strictly adhere to this code of conduct.

The guidelines contained are designed to assist Allied employees in making the right choices when confronted with difficult situations. This Code imposes requirements that are often more exacting than those mandated by law, reflecting our goal of conducting ourselves with the highest level of integrity and excellence. Ultimately, the responsibility for ethical behavior rests with each of us in the exercise of our independent judgement.

Allied Services expects each employee to recognize and avoid activities and relationships that involve or might appear to involve conflicts of interest, may cause embarrassment to Allied Services or compromise its integrity.

The following principles are intended to guide employees in recognizing these situations:

- Allied Services, its employees and vendors will abide by the letter and spirit of all applicable regulations and will act in such a manner that full disclosure of all facts related to any activity will reflect favorably upon Allied Services.
- Allied Services and its employees will adhere to the highest ethical standards of conduct in all business activities.
- Allied Services will deal fairly and honestly with those who are affected by its actions.
- Allied Services will undertake only those activities that will withstand public scrutiny.
- Allied Services will promote relationships based on mutual trust and respect and provide an environment in which individuals may question a practice without fear of adverse consequences.
- Each of us will abide by Allied Services Conflict of Interest Policy and will disclose any potential conflict.

It is the policy of Allied Services to prevent the occurrence of unethical or unlawful behavior; to halt such behavior as soon as reasonably possible after its discovery; and to discipline its personnel who violate the standards contained in the Code, including individuals who have knowledge or should have knowledge of a violation. No Code of Conduct can cover all circumstances. Consequently, employees encountering situations not addressed specifically should apply the overall philosophy and concepts of this Code to the situation. We expect outside colleagues, eg, vendors, consultants and others whose actions could be attributed to Allied Services, to adhere to these same standards. An employee who has a question regarding the application or interpretation of the Code should use the procedure specified in the Corporate Compliance Plan or contact the Compliance Officer.

II. CONDUCTING ALLIED SERVICES BUSINESS

Allied Services activities involve thousands of transactions each day. Obviously, we must have strict rules to guard against fraud or dishonesty and guidelines for addressing possible problems that may arise.

If you detect or suspect any behavior which you believe is or may be improper, you should report it immediately so that the appropriate review is initiated. (See Section X of the Compliance Program, Voluntary Reporting Mechanisms). If evidence of a violation of this Code is established, any involved employee or agent is subject to disciplinary action. Any such evidence will be reviewed by the Compliance Officer. Referral by Allied Services for prosecution will be made when appropriate after review by the Compliance Officer.

Proper Use of Allied Services Assets

All managers should establish appropriate internal accounting controls over all areas of their responsibility to ensure the safeguarding of Allied Services assets and the accuracy of financial records and reports. These established accounting practices and procedures must be followed to assure the complete and accurate recording of all transactions. Allied Services has adopted these controls in accordance with the Generally Accepted Accounting Principles (“GAAP”), the guidelines of the Financial Accounting Standards Board (“FASB”), internal needs and the requirements of other applicable laws and regulations. All employees, within their areas of responsibility, are expected to adhere to these established controls.

To be certain Allied Services policies on proper use of resources are carried out, you are expected to observe the following long-standing accounting rules:

- Make outside payments only with a draft or check or through other properly documented sources. No payment on behalf of Allied Services should be approved or made without adequate supporting documentation or with the intention or understanding that any part is to be used in any way other than described in the supporting documents.
- Do not establish any undisclosed or unrecorded corporate account, fund or asset for any purpose.
- Get proper authorization before opening any new account, either on Allied Services books or with an outside agency, such as a bank.
- Do not use any account for a misleading purpose or to conceal the existence or use of any corporate resource.
- Record every payment to and every transaction with an outside party on Allied Services books promptly, accurately and through normal financial reporting channels. If you are involved in or accountable for any such transaction, you are expected to make sure a prompt and accurate accounting is made.

Selecting Business Partners

Allied personnel are also expected to select Allied Services business partners solely on their merits, in the best interest of Allied Services, and without regard to non-business related considerations. The following is an example of the kinds of relationships with business partners that are prohibited:

- Personal financial involvement or ownership of a substantial interest that has not been disclosed and approved in accordance with Allied Services Conflict of Interest Policy in organizations with whom Allied Services does business, such as vendors, suppliers, agents, customers, contractors, licensees or sponsors. Anything that would constitute improper or questionable behavior on the part of an employee is also unacceptable if engaged in through a third party, such as a spouse, other family member, friend or any other person or entity with whom the employee is closely identified or in which he or she has any significant ownership or financial interest or position.

Trade Practices/Antitrust

Antitrust laws are designed to preserve and foster fair and honest competition within the free enterprise system. To accomplish this goal, the language of these laws is deliberately broad, prohibiting such activities as “unfair methods of competition” and agreements “in restraint of trade.” Such language gives enforcement agencies the right to examine many different business activities to judge the effect on competition.

Allied Services policy requires full compliance with all antitrust laws. Penalties for antitrust violations are severe for both the corporations involved and the individual. They include the following:

- Imprisonment of individuals.
- Substantial fines against the violating entity and against the individual for each criminal offense.
- Payment of treble damages, plus attorneys’ fees and litigation costs, to firms or individuals injured by the violation.
- Injunctions or consent decrees prohibiting certain activities. Consent decrees can seriously limit a company’s future freedom to engage in business activity and can be applied across a broader scope than was involved in the original alleged violation. It is important that you have a basic knowledge and understanding of the requirements of antitrust laws. The greatest danger for violations of antitrust laws rests in contacts with competitors. Antitrust laws make illegal any agreement or understanding, expressed or implied, written or oral, which restricts competition or interferes with the ability of the free market system to function properly. In the eyes of the law, good intentions, customer benefits or consumer benefits do not justify or excuse violations. For Allied Services, a “competitor” may be another hospital

or, depending on the circumstances, any other health care provider. You should not have any discussions, conversations or other communications with known competitors about the division of either patients, geographic areas, or services; the circumstances under which business will be conducted with suppliers, insurance companies, patients or customers (including boycotts).

One activity of particular sensitivity in the area of antitrust laws is participation in professional and trade associations. Allied Services encourages such participation and the antitrust laws recognize the legitimate function of these associations. Essentially, though, these associations are comprised of individuals and organizations which may compete with one another. Thus, the collective action of members of such associations are not immune from the application of the antitrust laws. Therefore, all activities of Allied Services personnel undertaken in connection with these associations are subject to the standards discussed above. Care should always be taken to avoid discussing the above identified areas at association meetings. You can, of course, discuss proposed legislation or regulations concerning sensitive matters if it is for the purpose of developing the association's position. If you have questions, contact the Corporate Compliance Officer.

Compliance With Anti-Kickback and Corrupt Influence Statutes

Both federal and state laws specifically prohibit any form of kickback, bribe or rebate made directly or indirectly, overtly or covertly, in cash or in kind to induce the purchase, recommendation to purchase or referral of any kind of health care goods, services or items paid for by Medicare or the Medicaid program. The term "kickback," as defined in these statutes, means the giving of remuneration, which is interpreted under the law as anything of value. Under the federal law, the offense is classified as a felony and is punishable by fines and imprisonment for up to five years. Federal and state "anti-referral" laws impose substantial penalties relative to billing for services referred by physicians or other health care practitioners who have a contractual or business relationship with a provider. You should become familiar with these statutes and assure that all of your activities are conducted in such a manner that no question may arise as to whether any of these laws have been violated.

To list everything that may constitute an improper inducement under the anti-kickback laws would not be possible. But one thing is clear: Allied Services must scrupulously avoid being either the offeror or the recipient of an improper inducement. Care must be taken in structuring relationships with persons not employed by Allied Services so as not to create a situation where Allied Services appears to be offering an improper inducement to those who may be in a position to refer or influ-

ence the referral of patients to Allied Services. As a provider of patient care, Allied Services also should not receive any improper inducement from its vendors to influence it in making decisions regarding the use of particular products or the referral or recommendation of patients to other providers of goods and services paid for by Medicare or Medicaid.

Before entering into any business or contractual relationship with any person or organization which may raise a question under the anti-kickback laws, or with any physician or other health care practitioner who makes or may make referrals to Allied Services, please consult with the Corporate Compliance Officer. Likewise, it is a violation of Allied Services policy, and an offense for which dismissal will be considered, for any officer, employee or any other person acting on behalf of or in the name of Allied Services to make or authorize the paying of any bribe, any payment for an illegal act or any other use of Allied Services resources which, although arguably not illegal, could be interpreted as improper or unwarranted. A useful test to apply in determining whether a payment, or any other transaction, is proper is whether such transaction, if disclosed publicly, could adversely affect the reputation of Allied Services.

Billing for Allied Services Patient and Community Services

Allied Services and its staff provide a wide range of services to patients and the community. Because of our mission, some of these services are provided at no charge, or reduced rates. In most cases, however, billing statements are provided to the patient or a third party payor responsible for payment. It is imperative that these statements accurately reflect the services actually provided; who performed the service; and the precise charges for those services, as well as all other pertinent data relating to the patient.

It is of course fundamental that no one at or acting on behalf of Allied Services would intentionally falsify a claim. Negligently prepared bills cause significant administrative problems as well as tarnish Allied Services reputation for professionalism. Billing errors, as well as billing improprieties of any kind, may expose Allied Services to civil or criminal liability. Medicare, Medicaid and other payers may only be billed for medically necessary services that are properly documented. Under the Medicare and Medicaid programs, an erroneous bill could, in certain circumstances, be deemed to be a "false claim."

Accordingly, all health care professionals who provide billing information and all employees who perform technical or clerical tasks in connection with preparing or submitting billing statements are required to become familiar with and abide by Allied Services billing rules. Each employee must use his or her best efforts to prevent and, where appropriate, report errors, improprieties or suspicious

circumstances in billing that could violate applicable laws and regulations. If you have knowledge of any billing errors or improprieties, or if you suspect that an individual's conduct with regard to billing is inconsistent with Allied Services billing rules, this information must be reported to your supervisor, Allied Services Corporate Compliance Officer or the Compliance Line at 800-619-7685.

Tax

Allied Services Foundation and its affiliated corporations are 501(c)(3) corporations which are exempt from taxation by federal, state and local governments. In order to maintain this exemption, which is critical to Allied Services' survival, Allied Services must operate for the benefit of the community and must avoid what the tax law calls "private inurement" and "private benefit."

All individuals or entities must pay fair market value for the use of Allied Services programs or property. Care must also be taken to insure that Allied Services sales tax exemption is used only for legitimate Allied Services activities. Personal items should not be purchased through Allied Services even if Allied Services is reimbursed by the employee. All appropriate taxes must be withheld from employees' wages, and the use of a purchase order to compensate individuals must be limited to true independent contractors.

Bond Covenants

Allied Services has issued tax exempt bonds which are secured by mortgages covering much of its property. These bonds contain restrictions on the use of this property and on other Allied Services activities which, if violated, could jeopardize Allied Services ability to borrow money in the future.

Gifts and Entertainment

Gifts and entertainment represent an area of potential conflict in situations where a competitive, regulatory or adversarial relationship could exist. Giving or accepting gifts and entertainment can sometimes be construed as an attempt to unduly influence the relationship. See the following section concerning contributions/gifts to Allied Services. No personal gifts should be offered or received if done under circumstances that would raise a reasonable question concerning whether the gift was offered or received to improperly influence a person in the exercise of proper business judgment. Please keep in mind that a gift from a program-related vendor may raise anti-kickback issues. There may be circumstances where the offer, receipt or exchange of gifts is appropriate when done without regard to an attempt to influence any professional or business activity. However, gifts of money to an individual are never permissible. Your judgment should tell you when a gift is improper and when a gift should be refused to avoid even the appearance of impropriety. When in question, Allied employees should contact their Supervisor or the Compliance Officer. Federal and state law restrict the ability to give a gratuity to government employees, including politicians. Please see Section V., Gifts,

Meals or Gratuities for Government Personnel, which deals with the giving of gratuities to government employees.

Fund Raising

Allied Services relies heavily on contributions from donors to support its many activities. Employees are encouraged to support this fund raising effort but are required to coordinate all activities with the Development Office. Monies or other items received on behalf of Allied Services as gifts should be deposited immediately in the Allied Services Foundation Account. Charitable contributions from vendors to Allied Services may raise issues implicating federal and state anti-kickback laws. Care should be taken when soliciting or receiving contributions that the contributor not be led to believe, either directly or indirectly, that the contribution will affect Allied Services professional judgment. All contributions and gifts to Allied Services, including grants, must be handled through and accepted on behalf of Allied Services by the Development Office.

Labor and Employee Relations Matters

It is Allied Services policy to comply fully with all applicable wage and hour laws and other statutes regulating the employer-employee relationship and the workplace environment. Under federal and state law, it is illegal for Allied Services employees to pay or receive any money or other thing of value from any labor organization. No Allied Services employee may interfere or retaliate against another employee who seeks to invoke his or her rights under those laws. If you have any questions about the laws governing labor and employee relations matter, please contact the Human Resources Department or the Corporate Compliance Officer.

Immigration

Federal law prohibits employers from hiring employees who are not legally authorized to work in this country. Unless an employee is a U.S. citizen or has a "green card" or visa which authorizes him or her to work in the position in question, Allied Services may be subject to civil or criminal penalties if he or she is placed on the payroll. All prospective employees must present appropriate documentation of their citizenship status to Allied Services. Wherever possible, this should be done well in advance of the employee's first day of work to avoid hardship or embarrassment. Questions on immigration issues should be referred to the Human Resources Department or the Corporate Compliance Officer.

Open Admissions

Allied Services provides services regardless of patients' abilities to pay and utilizes an open admissions policy in all divisions.

Regulatory Approvals/Licensure

State law may require Allied Services to

obtain the prior approval of various state and federal agencies before purchasing certain major medical equipment, changing the services it provides or making other significant capital expenditures. Allied Services is licensed by various departments of the Commonwealth of Pennsylvania and accredited by numerous independent accrediting bodies. These agencies have numerous requirements that determine the manner in which Allied Services delivers its services. Each employee is expected to be familiar with the regulations governing his or her area, to stay abreast of new developments and to alert his or her supervisor to possible noncompliance. Questions regarding regulatory requirements should be referred to your supervisor or the Corporate Compliance Officer.

Environment, Health and Safety

In the course of Allied Services operations, hazardous materials may be used or generated. Allied Services is financially and legally responsible for the proper handling and disposal of these materials. Environmental responsibility is also an important component of our duty to the public and our good reputation. It is essential that everyone at Allied Services who deals with hazardous materials complies with environmental laws and regulations and follows the environmental safety procedures explained in Allied Services programs and manuals. Allied Services and its staff are expected to:

- comply with all laws and regulations governing the handling, storage and use of hazardous materials, other pollutants and infectious wastes;
- comply with its permits that allow it to safely discharge pollutants into the air, sewage systems, water pollution control facilities, or onto or into land;
- hire only reputable licensed services to transport and dispose of hazardous and polluted materials and infectious wastes; and
- accurately maintain the records required by the environmental laws and regulations, including those that require precise description of the amount, concentration and make-up of hazardous materials or other regulated pollutants and infectious wastes that are used, stored, discharged or generated; and the time, place of origin, destination and transporter of hazardous materials, and discharge of pollutants. These records should be handled pursuant to proper Allied Services policy. No one at Allied Services may participate in concealing improper discharge or disposal of hazardous materials, pollutants or infectious wastes. Before proceeding to act on any instruction of questionable propriety, or to take any environment-related action about which they are unsure, employees are expected to discuss their questions with Facility Services Department or the Compliance Officer.

Occupational Health and Safety

Both federal and state laws regarding the promotion of occupational safety and avoidance of job related hazards are designed to ensure that each of us works in a safe environment. Due regard and attention should be paid to those laws and regulations. Without a safe and non-hazardous environment in which to work, none of us can achieve the goals of community service to which we strive. Questions regarding occupational health and safety matters should be directed to your supervisor or the Human Resources Department.

Pharmaceuticals, Prescription Drugs and Controlled Substances

Many Allied Services employees have responsibility for or access to prescription drugs, controlled substances, hypodermic needles, drug samples and other regulated pharmaceuticals. Allied Services is legally responsible for the proper distribution and handling of these pharmaceutical products. Federal, state and local laws covering prescription drugs and controlled substances are intended to maintain the integrity of our national drug distribution system and protect consumers by assuring that prescription drugs are safe and properly labeled.

These laws include prohibitions against diversion of any prescription drug or controlled substance, including a drug sample, in any amount for any reason to an unauthorized individual or entity. The distribution of adulterated, misbranded, mislabeled, expired or diverted pharmaceuticals is a violation of federal and state law for which severe criminal penalties may be imposed on individual violators as well as on Allied Services. It is Allied Services policy that all employees be both diligent and vigilant in carrying out their obligations to handle and dispense Allied Services prescription drugs and controlled substances in accordance with all applicable laws, regulations and internal procedures. These internal procedures and policies are available in written form from the Vice President of Medical Affairs.

Every employee, whether physician, nurse, pharmacist or any other licensed individual authorized to prescribe, dispense, or handle prescription drugs or controlled substances, is expected to maintain the highest professional standards in safeguarding pharmaceuticals of all kinds and in preventing unauthorized access to such pharmaceuticals. No prescription drug or controlled substance may be sold, transferred or otherwise distributed unless authorized by a written Allied Services policy or the appropriate individual charged with such responsibility. Nonprofit healthcare organizations, including Allied Services, are permitted by an exception to federal antitrust and price discrimination laws to purchase drugs at a specially discounted price. Any violation of law or of any Allied Services policy involving prescription drugs, controlled substances or other pharmaceuticals will constitute grounds for dismissal. Each employee is expected to protect the integrity of Allied Services by safeguarding the drugs entrusted to us for appropriate institutional medical use.

Federal False Claims Act

Allied Services strictly prohibits health care fraud and abuse. Any allegation or report of possible health care fraud or abuse will be taken very seriously, promptly investigated and addressed as warranted.

What is the Federal False Claims Act?

It allows a civil action to be brought against a health care provider who:

1. Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval to any federal employee;
2. Knowingly makes, uses or causes to be get a false or fraudulent claim paid; or
3. Conspires to defraud the government by getting a false or fraudulent claim allowed or paid (31 USC sec. 3729(a)).

Examples of a false claim are: Billing for procedures not performed, violation of another law, for example a claim was submitted appropriately but the service was the result of an illegal relationship between a physician and Allied Services (physician received kickbacks for referrals), Falsifying information in the medical record.

Remedies:

1. A federal false claims action may be brought by the U.S Department of Justice Civil Division, the United States Attorney.
2. An individual may bring what is called a qui-tam action. This means the individual files an action on behalf of the government.
3. Violation of the federal False claims Act is punishable by a civil penalty of between \$5,500 and \$11,000 per false claim, plus three times the amount of damages incurred by the government.
4. A statute of limitations says how much time may pass before an action may no longer be brought for violation of the law. Under the False Claims Act, the statute of limitations is six years after the date of violation or three years after the date when material facts are known or should have been known by the government, but no later than ten years after the date on which the violation was committed.

The Federal law prohibits an employer from discriminating against an employee in the terms or conditions of his or her employment because the employee initiated or otherwise assisted in a false claims action. The employee is entitled to all relief necessary to make the employee whole. 31 USC 3730(h)

While Pennsylvania does not have an express False Claims Act, it does have criminal and civil penalties to punish fraud in general as well as specific sanctions in Title 55 of the PA Administrative Code to punish fraudulent behavior related to medical assistance.

What you should do if you believe a false claim has been made:

1. If you see something that raises a concern about a claim, or looks like one of the examples of a false claim discussed above, Allied Services requires you to immediately report it to your supervisor for further investigation. If you are not comfortable doing this or do not see action in response to your report, then report it to Allied Services Corporate Compliance Officer, Judy Oprisko, SPHR, CEBS at 348-1208, or call the Allied Services Compliance Line at 1-800-619-7685.
2. You are not required to report a possible false claims act violation to Allied Services first. You may report directly to the federal Department of Justice.
3. Allied Services will not retaliate against you if you inform us or the federal government of a possible false claims act violation or for otherwise participating in the investigation of a reported/possible false claim.

Allied Services makes more detailed information about the False Claims Act available. Copies may be obtained on the Allied Services Intranet, from a Department Head or the Human Resources Department at 348-1348.

If you have any questions about this information, contact your supervisor or the Corporate Compliance Officer.

III. RESEARCH GRANT REQUIREMENTS

The commitment of Allied Services to integrity encompasses all research grant proposals and activities, whether funded by government agencies, such as the National Institutes of Health, the United States Public Health Service or the Federal Food and Drug Administration, or by private sources. Allied Services has established policies and procedures to insure that research grants and their implementation are consistent with federal, state, local and Allied Services rules and regulations. It is expected that as members of the scientific community, all faculty and staff will become familiar with the requirement for research grants.

Research Involving Human Subjects

The Institutional Review Board (the IRB) of Allied Services has oversight authority for establishing and maintaining research standards that are consistent with federal and state law for protecting human subjects of research. "Human subject" means a living individual about whom an investigator conducting research obtains data through intervention or interaction with the individual, or identifiable private information. Allied Services has obligations under federal and state law to monitor all its federal grants and report violations to the appropriate governmental agency applies these standards to all Allied Services research activity.

All grant proposals involving human subjects must be submitted to Allied's IRB for review and approval. To assure the integrity of research conducted under the auspices of Allied Services, wherever the actual research is carried out, all grant proposals and research must conform to IRB standards and to Allied Services Informed Consent Policy. Grant recipients must be certain that funds are used in accordance with the approved research protocol.

Conflicts of Interest and Improper Referrals

It is extremely important to identify as early as possible in the grant writing process any conflicts of interest between sources of grant funds and Allied Services recipients. Conflicts of interest would include any actual or potential financial interest of a grant recipient in the outcome of the research. Such conflicts are particularly likely to arise where grants are funded by private sources, which may include pharmaceutical companies and vendors of health care products or services. Researchers must abide by Allied Services Conflict of Interest Policy, a copy of which is available from Allied's Internal Auditor and the American Medical Association guidelines on clinical investigation (Code of Medical Ethics, Section 2.07 (1994 Edition)). A copy of the AMA guidelines is available from the Vice President of Medical Affairs. All conflicts must be disclosed to Allied's IRB. Where conflicts cannot be resolved to the satisfaction of the IRB, a grant application must be withdrawn or redrafted.

Researchers must be vigilant in considering whether grants could involve improper inducements for the referrals of patients to Allied Services. Care must be taken to be sure that the purpose of the research and the protocol are consistent with proper objectives, and that research is conducted so as to adhere to the approved protocol.

Scientific Misconduct

"Scientific misconduct" means fabrication, falsification, plagiarism or other practices that seriously deviate from practices that are commonly accepted within the scientific community for proposing, conducting or reporting research. It does not include honest error or honest differences in interpretation or judgments of data.

Allied Services defines "scientific misconduct" also to include failure to submit research projects for IRB approval, to obtain informed consent in accordance with Allied Services Informed Consent Policy, or to comply with the Conflict of Interest Policy or any other Allied Services policy on research activities. Fiscal improprieties and issues concerning the ethical treatment of human subjects are also included in Allied Services definition of scientific misconduct. In addition to the risk of serious federal and state penalties, scientific misconduct is a violation of Allied Services policy, and an offense for which dismissal will be considered. Each person employed by or doing research under the auspices of Allied Services must report to the Vice President of Medical Affairs any instance of scientific misconduct which he or she believes may have occurred or any allegations of scientific misconduct which are brought to his or her attention.

IV. POLITICAL PARTICIPATION

Participation in the political process is one of every American's most basic rights. Federal and state laws, however, limit the nature and extent of organizational political participation. For example, both federal and state law prohibit not-for-profit organizations from contributing to political candidates or officeholders. Federal law and Allied Services policy also state that no one will be reimbursed for personal political contributions. Personal compensation will not be altered in any way under any circumstances to reflect such contributions. Unless you are specifically requested by Allied Services to represent it before legislative or other governmental bodies, be sure you clearly label any personal communication with legislators as your own belief. If you are contacted by legislators or regulators regarding Allied Services position on public issues, you should refer them to the Corporate Compliance Officer.

Lobbying

Certain management personnel may periodically be called upon by Allied Services to make contact with members of city, county, state or federal legislative bodies and other officials to set forth and advocate for Allied Services positions on issues. These persons are expected to abide by all applicable laws at all times. Any person who attempts to influence any legislative, executive or other governmental action, official or employee on behalf of Allied Services may be required to register as a lobbyist and file certain reports concerning his or her activities. There are also registration and reporting requirements as well as explicit limitations on lobbying that apply to Allied Services. In addition, separate laws provide rules of conduct for lobbyists. To assure that both state and federal laws and policies are fully complied with, it is expected that no employee will engage in lobbying without prior authorization from the Corporate Compliance Officer. Please see Section V which further addresses dealing with government personnel.

Allied Services may periodically engage lobbyists or lobbying firms to help promote its interests. Allied Services requires these individuals or firms to assure that all lobbying activities are legal. Authorization must be obtained prior to engaging any lobbyist, outside legal counsel or consultant to lobby for or otherwise promote Allied Services interests on any legislative, regulatory or other governmental issue. The following evidence must be submitted along with the proper request for authorization to justify the engagement:

- The purpose for the engagement and the nature and extent of services to be performed.
- The basis for selecting the proposed individual, firm or company.
- The agreed-upon fee and the means by which the fee was determined to be reasonable and appropriate for the services to be performed.

V. DOING BUSINESS WITH THE GOVERNMENT

Medicare and Medicaid Requirements

Allied Services participates in both the Medicare and Medicaid programs. Both programs are governed by complicated laws and regulations which impose strict requirements on providers that are significantly different from and more extensive than those one encounters in non-government commercial contracts. For example, Medicare and Medicaid have very complex payment guidelines that identify not only the circumstances under which, but also how much, those programs will reimburse Allied Services for goods and services rendered to patients covered under those programs. These guidelines are oftentimes different than directives received from other third party payers. Violation of Medicare and Medicaid laws and regulations can result in criminal sanctions being imposed not only on the persons actively involved but also the organization on whose behalf those persons act. Moreover, if Allied Services was found to be involved, it would be precluded from participating entirely in the Medicare and Medicaid programs. It is essential, therefore, that there be strict compliance with all Medicare and Medicaid laws and regulations while providing services under these government programs.

Hiring of Former Government Employees

Very specific rules exist to eliminate even the appearance of a conflict of interest by former government employees who upon termination of their government service seek employment with those who do business with the government. You should obtain clearance from the Human Resources Department or Corporate Compliance Officer prior to discussing the employment or possible retention as a consultant of any current or former government employee. Both Allied Services and any employee or consultant who was a former government employee must comply with all applicable rules while working on Allied Services behalf.

No Gifts, Meals or Gratuities for Government Personnel

Government personnel operate under specific guidelines which regulate the receipt of gratuities and/or having anyone pay for items such as meals, refreshments, travel or lodging expenses. To the best of your ability care should always be taken to assure that payment for any of these items does not violate the operating guidelines of that particular government employee. Your judgment should tell you when the giving of a gratuity or when paying for items such as meals, refreshments, travel or lodging expense is improper and should not be done to avoid even the appearance of impropriety. When in question Allied personnel should contact their Supervisor or the Compliance Officer.

VI. EMPLOYEE LOYALTY AND CONFLICTS OF INTEREST

Allied Services expects its employees to serve the organization in a professional manner. You should put Allied Services interests ahead of any other business and commercial interest you may have as an individual. (See also Section II, Conducting Allied Services Business). You should avoid situations in which a conflict of interest, or the appearance of a conflict, could arise. For more complete guidance as to Allied Services policy on these types of issues, please refer to the Conflict of Interest section included herein.

VII. USE OF ALLIED SERVICES INFORMATION

Safeguarding the Privacy of Our Patients

Our professions require that we gather a great deal of personal information about individuals. Therefore, we must carefully avoid any unwarranted invasion of the individuals right to privacy. This applies to information about our patients and our employees. For this reason, and to assure the accuracy of the information we retain, the following guidelines apply:

- To protect individuals against misuse of information identifiable to them, limit access to that information, except to the extent permitted by Allied Services policy.
- Use only legitimate means to collect the information and, whenever practical, obtain it directly from the individual concerned.
- Special confidentiality rules apply to patients in programs as well as disclosure of information regarding a patient's HIV status. When release of any information with respect to patients with these illnesses is contemplated, these rules must be adhered to carefully.

Unauthorized access or disclosure of patient information will not be tolerated and will result in termination of employment, as well as, possible civil and/or criminal action being taken against the person accessing or disclosing such information.

Confidentiality of Allied Services and Employee Information

One of Allied Services most valuable assets is its body of confidential information. The widespread use of computer terminals and computer systems has caused this information to be accessible to many employees. Failure to protect this information adequately can lead to the loss of highly confidential data that may place Allied Services legally at risk. Because of this risk of harm to Allied Services, its employees and patients, no employee shall, without the written consent of Allied Services during the term of employment or thereafter, use for the benefit of such employee or others or disclose to others any confidential information obtained during the course of employment

Confidential information includes Allied Services methods, processes, techniques, computer software, equipment, service marks, copyrights, research data, clinical and pharmacological data, marketing and sales information, personnel data, patient lists, financial data, plans and all other know-how and trade secrets which are in the possession of Allied Services and which have not been published or disclosed to the general public. As an employee, you are responsible and accountable for the integrity and protection of business information and must take steps to protect information that has been entrusted to you. For example, you must not make inappropriate modifications of information or destroy or disclose information except as authorized. Documents containing sensitive data, including information concerning patients and employees, should be handled carefully during work hours and must be properly secured at the end of the business day. Particular attention must be paid to the security of data stored on the computer system.

Information Owned by Others and Copyrighted Material

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

Special care should be taken in acquiring software from others. As intellectual property, software is protected by copyright laws and may also be protected by patent, trade secret laws or as confidential information. Such software includes computer programs, databases and related documentation owned by the party with whom you are dealing or by another party. Before you accept software or sign a license agreement, you must follow established Allied Services procedures. The terms and conditions of such license agreements - such as provisions not to copy or distribute programs - must be strictly followed. Also, if you acquire software for your personally-owned equipment, you should not copy any part of such software in any work you do for Allied Services, place such software on any Allied Services-owned computer system, or generally bring such software onto Allied Services premises. Inquiries in this area should be directed to Allied Services Internal Auditor or the Compliance Officer. Special care must also be taken concerning the reproduction (copying) of copyrighted material. Many, if not most, publications including books, manuals, periodicals, newsletters, etc. are protected by copyright. This copyright protection prevents unauthorized reproduction of the copyrighted material. You should first determine if the material you are interested in reproducing is copyrighted prior to reproduction. If the material is copyrighted Allied Services requires that you receive written authorization to reproduce the material prior to any reproduction.

Records Retention/Destruction

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

It is likewise critical to the successful accomplishment of Allied Services professional goals that its records be fully and accurately completed and maintained consistent with proper business practices. Many of Allied Services records serve as a basis for treatment decisions for its patients, as a compilation of goods and services rendered for billing purposes and as a record of historical courses of treatment. Each of these functions serves an indispensable role in enabling Allied Services to fulfill its obligations to its patients, the medical and nursing staff and the various payors for goods and services. Consequently, the proper creation of accurate and complete records is a duty of each employee of Allied Services.

Government Inquiries

Given the increased vigilance by government agencies in the health care arena, it is important that Allied Services establish definitive guidelines on how and when to respond to government inquiries. Inaccurate or incomplete information provided to government officials in response to their inquiries will more often than not generate complications for Allied Services and possibly frustrate the legitimate purposes of the inquiry. Unauthorized disclosure of information may jeopardize our patients rights to privacy and expose the organization to liability. Therefore, we must adhere to the following procedures to ensure Allied Services responds in a proper manner to all government inquiries. Any employee of Allied Services who is approached by any federal or state agency seeking information about any aspect of the operations of Allied Services or the job-related activities of any of Allied Services officers, employees, or agents should immediately contact the Corporate Compliance Officer and your supervisor.

To ensure that government agencies are provided with the information to which they are entitled on a timely basis and, at the same time, to prevent the improper disclosure of private information, it is imperative that you contact your Supervisor and the Corporate Compliance Officer as promptly as possible after receipt of any request for information that you receive. In addition, please be certain to (1) obtain the name and organizational affiliation of all persons from whom a request for access to information is received or to whom access is permitted before any access is allowed, (2) maintain a written record of each and every document to which access is given, (3) keep a detailed record of all telephone contacts made, including specifically the name and affiliation of the parties to each conversation, the information requested and the response given during the conversation. Specific federal and state confidentiality laws relating to medical records pertaining to AIDS and substance abuse (controlled drugs and alcohol) and to psychiatric records may limit the general authority of government investigators. Employees should be certain that any disclosure of such records complies with the policies and procedures of Allied Services.

VIII. HUMAN RESOURCES

Commitment to Fairness

Allied Services recognizes that its greatest strength lies in the talent and ability of its employees. These goals have been established to guide Allied Services activities in employee relations. It is Allied Services on-going policy:

- To provide equal opportunity for employment and advancement on the basis of ability and aptitude without regard to race, color, creed, age, sex, sexual orientation, disability, national origin, ancestry, special disabled veteran, veteran status or other lawfully protected trait, except where age, sex or physical status is a bona fide occupational qualification.
- To protect the health and safety of employees in their work environment.
- To compensate employees according to their performance, and to provide equitable benefits within the framework of prevailing practices.

Allied Services is committed to a work environment in which all individuals are treated with respect and dignity. Each person has the right to work in a professional atmosphere that promotes equal opportunities and prohibits discriminatory practices, including sexual harassment. Familiarity with and adherence to Allied Services Human Resources policy is a responsibility of each employee.

IX. COMPLIANCE WITH THE CODE

Questions Regarding the Code

The Compliance Officer is responsible for implementation of Allied Services Corporate Compliance Plan, including the Code of Conduct. The Compliance Officer will work with others in Allied Services, as necessary, with respect to elements of implementation, including training concerning and enforcement of this Code of Conduct. An employee who has a question regarding the applicability or interpretation of the Code should direct the question to the Compliance Officer in person, in writing, or by calling the Compliance Line at 1-800-619-7685. Correspondence relating to the Code should be addressed to the Compliance Officer and marked "CONFIDENTIAL."

Reporting of Violations

As part of its commitment to ethical and legal conduct, Allied Services expects its employees to bring to the attention of the Compliance Officer, or any appropriate person designated by the Compliance Officer, information regarding suspected improper conduct. The employee must immediately report such information to his or her supervisor and the Corporate Compliance Officer. Employees are required to come forward with any such information, without regard to the identity or position of the suspected offender. Reports to the Corporate Compliance Officer may be made by calling the Compliance Line at 1-800-619-7685 or (570) 348-1208.

Because failure to report criminal conduct can itself be understood to condone the crime, we emphasize the importance of reporting. Failure to report knowledge of wrongdoing may itself result in disciplinary action against those who fail to report. Any manager or employee relations representative receiving a report of a potential Code violation must likewise immediately advise the Compliance Officer of such violation or possible violation. There will be no reprisals for good faith reporting of actual or possible violations of the Code. Where possible, the identity of the employee making the report will be kept confidential.

Investigation of Violations

The Compliance Officer will initiate an investigation within one (1) business day of all reported violations of the Code. The report will be treated confidentially to the extent consistent with Allied Services interests and its legal obligations.

Employees are required to cooperate in the investigation of an alleged violation of the Code. If the result of the investigation indicates that corrective action is required, Allied Services will decide what steps it should take to rectify the problem and avoid the likelihood of recurrence.

Discipline for Violations

Disciplinary actions may be taken for:

- Authorization of or participation in actions that violate the Code.
- Failure to report a violation of the Code or to cooperate in an investigation.
- Failure by a violator's supervisor(s) to detect and report a violation of the Code if such failure reflects inadequate supervision or lack of oversight
- Retaliation against an individual for reporting a violation or possible violation of the Code.

Disciplinary action may, when appropriate, include dismissal. With respect to disciplinary action, principles of fairness will apply, including, when appropriate, review of a disciplinary decision.

Acknowledgment and Certification of Compliance

Allied Services requires that all employees including the President, Vice Presidents, Assistant Vice Presidents, Department heads and all supervisors sign an acknowledgment confirming that they have received and read the Code and understand it, and acknowledge that the Code has been communicated to all employees and agents under their supervision. In addition, each year these employees will be required to review the Code of Conduct and the Compliance Program.

X. INDIVIDUAL JUDGMENT

The foregoing guidelines are to help all of us better understand what we believe to be in the best interest of our employees, patients, those with whom we do business and the public at large. Ultimately, however, you are left to depend on your own individual judgment in deciding on the correct course of action. As you contemplate a particular situation, consideration of the following factors may help you arrive at a satisfactory answer:

- Is my action consistent with Allied Services practices?
- Could my action give the appearance of impropriety?
- Will the action bring discredit to any employee or to Allied Services if disclosed fully to the public?
- Can I defend my action to my supervisor, other employees and to the public?
- Does my action meet my personal code of behavior?
- Does my action conform to the spirit of this Code?

Remember always use good judgment and common sense. This Code is intended to reflect the collective good judgment and common sense of all of us. Whenever you see a situation where this purpose does not appear to be served by the Code, you have the responsibility to bring your concern to the attention of the Compliance Officer. Please indicate that you have received, read and will abide by this Code of Conduct by signing your name and dating the attached acknowledgment and returning it promptly to the Corporate Compliance Officer.

The **Corporate Compliance Officer** is **Judy Oprisko**, she can be reached at **(570) 348-1208**.

The **Corporate Compliance Toll Free number** is **1-800-619-7685**.

