

Liberty's Reputation...

DEPENDS ON



YOU

**Code of Conduct and
Business Ethics**



Our Mission...Enhancing Life

Our Values... • Trust • Accountability • Communication • Excellence • Teamwork

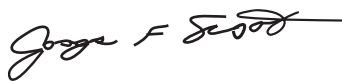



Dear Colleagues,

LibertyHealth has a reputation for ethical behavior, which you and your fellow employees have earned over the years. In an increasingly complex health care environment, we must continue to merit the trust of our patients, the community, government regulators, and each other.

The Board of Trustees has approved a Compliance Program designed to ensure that Liberty maintains its commitment to legal and ethical conduct by all employees and members of the medical/dental staff. This is your personal copy of Liberty's Code of Ethics and Business Conduct, which sets forth our general standards.

I expect all Liberty employees and members of the medical/dental staff to uphold these principles without exception. To do so, we must read this Code carefully and apply it to our work. If you have any questions about how our principles, standards or policies apply, seek answers from your supervisor or the Compliance Hotline. Remember that violations of legal or ethical requirements jeopardize the welfare of Liberty, its employees and patients, and the communities it serves. Remember too that standards of conduct mean little without personal commitment. The responsibility for ethical behavior, and Liberty's reputation, rests largely in our hands.



Joseph F. Scott
President & CEO



INTRODUCTION

LibertyHealth System, Inc. (LibertyHealth) has adopted a Corporate Compliance Program to ensure that LibertyHealth operates in full compliance with applicable laws. An important component of the program is a Code of Conduct (referred to as the "Code"), which sets out basic principles which all of LibertyHealth and LibertyHealth's subsidiaries, trustees, officers, and employees (referred to as "Personnel") must follow.

The Office of Corporate Compliance is the product of LibertyHealth's commitment to providing patient care and conducting business at the highest ethical, business, and legal standards. At the request of the LibertyHealth governing board members and executive officers, the Office of Corporate Compliance serves as a resource to LibertyHealth so that all members of LibertyHealth will continue to uphold Liberty's reputation by exhibiting proper ethical and legal behavior.

Ensuring compliance with the innumerable laws, rules, regulations, and industry standards that govern LibertyHealth requires teamwork. For this effort to be successful, everyone who is employed by, or associated with LibertyHealth, must work together towards the commitment of excellence in the Code. LibertyHealth cannot continue to uphold our reputation for honesty and integrity in our business and medical dealings with others without your help.

The Office of Corporate Compliance is here to assist you to understand what it means to put Liberty's reputation "In Our Hands". If you are unsure of a proper course of conduct in a specific situation, or believe that any standards of conduct may have been violated, then you are urged to contact the LibertyHealth Office of Corporate Compliance. **Please feel comfortable about using the Hotline, or the internal office number.** You may leave an anonymous voicemail or identify yourself, either way we will respond to your concerns promptly.

SCOPE

This Code applies to all LibertyHealth employees and individuals and entities conducting business with LibertyHealth (Personnel). Personnel include all employees, vendors, contractors, external advisors and consultants of LibertyHealth. As a condition of doing business with LibertyHealth, Personnel must conduct themselves in a manner consistent with this Code when they are acting on behalf of LibertyHealth. If you have any questions about the Code or its applicability to a particular situation, please contact your supervisor or the Office of Corporate Compliance.

The Corporate Compliance Program and this Code are not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any Personnel or to any third parties.

GENERAL STANDARDS

We expect and require all Personnel to conduct themselves in a law-abiding, honest, and trustworthy manner. However, we realize that there are some situations where guidance will help you Do the Right Thing. The Code of Conduct serves the purpose of providing guidance to all of the employees within all the entities of LibertyHealth.

Code of Conduct and Business Ethics

This Code is the heart of the Compliance Program and will assist Personnel in carrying out their daily activities within appropriate moral, ethical and legal standards. This Code is not intended to cover every situation but it is intended to help Personnel make the right decisions or ask the right questions. This Code and associated policies also apply to LibertyHealth relationships with subcontractors, independent contractors, vendors, consultants and virtually everyone the Personnel come in contact with LibertyHealth.

If you believe that there is fraud, waste or abuse in Medicaid, Medicare or other health care program receiving federal funds, or in any health care program involving just state funds, you can do one of the following in addition to the current procedures that you follow:

- You may report directly to LibertyHealth Corporate Compliance Officer, 355 Grand Street, 3 East, Jersey City, NJ 07306, **Direct Phone: 201-915-2789, Anonymous Independent Hotline: 877-432-4838, Website: www.mycompliancereport.com** (access id: lhe) or report your concerns to your supervisor or other administrator.
- Call the toll-free NJ Fraud and Abuse Hotline at **1-888-9FRAUD5 (1-888-937-2835)** and report any information about fraud, waste or abuse in Medicaid, NJ FamilyCare, General Assistance or any other program for which the Division of Medical Assistance and Health Services (DMAHS) is responsible in whole or in part. You can either speak to the hotline operator, or leave a message if the operator does not answer. You do not have to give your name if you do not want to. You might also receive a reward if your call leads to a recovery.
- Call the toll-free hotline established by the federal Office of Inspector General in the U.S. Department of Health and Human Services to report any fraud, waste or abuse involving Medicare or any other health care program involving only federal funds. That hotline number is **1-800-HHS-TIPS (1-800-447-8477)**. For more information about this hotline and about other ways to contact the Office of Inspector General, you can go to **<http://oig.hhs.gov/hotline.html>**.

WHERE TO GO FOR HELP

Consistent with LibertyHealth open door policies, staff has been provided with a number of places to go for assistance with compliance matters. Personnel may contact their supervisor, facility administration and the Corporate Compliance Officer. A Compliance Hotline is available 24 hours a day, seven days a week to all Personnel. We will make every effort to keep the identity of anyone reporting a suspected violation confidential to the extent permitted by law, unless doing so prevents us from fully and effectively investigating the suspected violation.

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STANDARDS OF CONDUCT

Standard 1: Compliance with Legal Requirements and Ethical Standards

One of LibertyHealth's strongest assets is a reputation for integrity and honesty. A fundamental principle on which LibertyHealth will operate its business is full compliance with applicable laws. Achieving business results by illegal acts or unethical conduct is not acceptable. All Personnel shall act in compliance with the requirements of applicable law and this Code and in a sound ethical manner when conducting business and operations.

Each supervisor and manager is responsible for ensuring that the Personnel within their supervision are acting ethically and in compliance with applicable law and the Code. All Personnel are responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to their duties and for appropriately seeking advice regarding such issues.

Standard 2: Duty to report conduct that concerns you

Personnel must report to their supervisor, the LibertyHealth Compliance Officer, or the Office of Compliance and Internal Audit, actual or suspected violations by Personnel of applicable law, rules, regulations or the Code. Personnel has the same reporting obligations for actual or suspected violations committed by a subcontractor or vendor of LibertyHealth. LibertyHealth provides multiple reporting lines to ensure that Personnel are comfortable with whom they communicate compliance issues.

It is the duty of Personnel to comply with applicable laws, rules, regulations and the Code. A failure to do so may subject Personnel to disciplinary action, up to and including termination.

Standard 3: Respect for Patients and Protection of Privacy

All patients are entitled to equal access to care and to be treated with care and respect. We must respect the privacy of patients and patient data, and comply with relevant confidentiality rules, including HIPAA regulations.

Standard 4: Avoidance of Conflict of Interest

We must avoid conduct which creates a conflict of interest between our personal interests and those of Liberty and comply fully with the Conflict of Interest Policy.

Personnel shall not offer or receive any payment, gift, or thing of value to or from any person or entity that is not consistent with the LibertyHealth Conflict of Interest Policy. Personnel must promptly report the offering or receipt of gifts above a nominal value to their supervisor. Please see the LibertyHealth Gift Policy and Conflicts of Interest Policy for more detail.

Standard 5: Adherence to Proper Business Practice

This Code has been distributed to all Personnel and vendors, and sets forth general standards applicable to all business and operations. All records, documents, and reports must be accurate, complete, and in compliance with Liberty and governmental requirements. All bills for services must be based on services actually provided, be appropriately coded, medically necessary, and supported by the required documentation. Books and records shall be created, maintained, retained, or destroyed in accordance with the LibertyHealth's records management policy.

All of LibertyHealth's business transactions shall be carried out in accordance with management's general or specific directives. All of the books and records shall be kept in accordance with generally accepted accounting standards or other applicable standards. All transactions, payments, receipts, accounts, and assets shall be completely and accurately recorded on LibertyHealth's books and records on a consistent basis.

All Personnel shall maintain the confidentiality of LibertyHealth's business information and of information relating to LibertyHealth's vendors, suppliers, providers, customers, and persons covered by any of LibertyHealth's products. Personnel shall not use any such confidential or proprietary information except as is appropriate for business. Personnel shall not seek to improperly obtain or to misuse confidential information of LibertyHealth's competitors.

Standard 6: Government Relations

Personnel shall be completely honest in all dealings with government agencies and representatives. No misrepresentations shall be made, and no false bills or requests for payment or other documents shall be submitted to government agencies or representatives. Personnel

certifying the correctness of records submitted to government agencies, including bills or requests for payment, shall have knowledge that the information is accurate and complete before giving such certification.

Personnel shall not directly or indirectly authorize, pay, promise, deliver, or solicit any payment, gratuity, or favor for the purpose of influencing any political official or government employee in the discharge of that person's responsibilities.

All political activities relating to LibertyHealth shall be conducted in full compliance with applicable law. No LibertyHealth funds or property shall be used for any political contribution. Personnel may make direct contributions of their own money to political candidates and activities, but these contributions will not be reimbursed by LibertyHealth.

Standard 7: Behavioral Standards

All Personnel are responsible for adhering to LibertyHealth's Behavioral Standards: including ensuring that the work environment is free of discrimination or harassment due to age, race, gender, color, religion, national origin, disability, sexual orientation, ethnicity, or veteran status. Any form of sexual harassment, including the creation of a hostile working environment, is completely prohibited.

Standard 8: Occupational Safety

All Personnel shall follow safe work practices and comply with all applicable safety standards and health regulations.

Standard 9: False Claims

All Personnel shall review the LibertyHealth Policy Regarding Claim Submission, False Claims, And Whistleblower Protections, and understand that the Federal government has a False Claims Act that provides for penalties for anyone submitting false claims.

It is the policy of LibertyHealth to submit claims to all payers that accurately reflect the services provided, and comply with all applicable billing laws, rules, regulations and standards, and to prevent and detect inaccurate claims submission through education, auditing, and monitoring. In the event that inaccurate claim submission is discovered, LibertyHealth will take any and all actions to remediate the non-compliance including repaying any overpayments received.

Employees are expected to report any suspected violations of the False Claims Act and other irregularities to their supervisor, Corporate Compliance Officer, or any other executive, or anonymously through the Compliance Hotline. LibertyHealth will attempt to treat all reports confidentially and protect the identity of the reporting employee to the extent allowable by the investigation.

LibertyHealth has a strict non-retaliation policy to protect employees and others who report problems and concerns in good faith from retaliation.

The Office of Corporate Compliance is here to assist you to understand what it means to Do the Right Thing. If you are unsure of a proper course of conduct in a specific situation, or believe that any standards of conduct may have been violated, then you are urged to contact the LibertyHealth Office of Corporate Compliance.

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