

## Code of Conduct Standards

### Policy Statement

Alameda County Behavioral Health Care Services and its Behavioral Health Plan expects that personnel and contractors will conduct themselves in a manner consistent with the highest professional standards and the ethical codes of their profession.

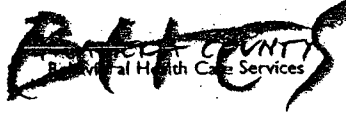
Alameda County Behavioral Health Care Services and its Behavioral Health Plan have adopted a Compliance Program to ensure that we operate in full compliance with applicable laws. An important component of the program is a Code of Conduct (referred to as the "Code") which sets out basic principles which all of ACBHCS/BHP's county-operated, contract providers and other employees (referred to as "personnel") must follow. This Code applies to all business operations and personnel. Non-personnel representatives of the ACBHCS/BHP such as external advisors and consultants should also be directed to conduct themselves in a manner consistent with this Code when they are acting on behalf of ACBHCS/BHP. If you have any questions about the Code or its applicability to a particular situation, please contact your supervisor.

This Code has been distributed to all personnel. It includes general standards applicable to all business and operations. In addition, there are a number of more detailed and specific policies covering particular business units or subject matters. ACBHCS/BHP will communicate those specific policies to personnel who are particularly affected by and who must comply with them in the course of the ACBHCS/BHP's business. A current set of such policies is available at the ACBHCS/BHP's work sites. If you wish to review them, please contact your supervisor or a member of the legal service staff.

The 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.

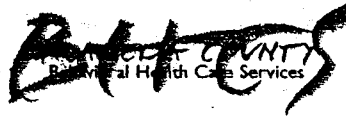
### Standards of Conduct

1. One of ACBHCS/BHP's strongest assets is a reputation for integrity and honesty. A fundamental principle on which this organization will operate its business in full compliance with applicable laws, including, but not limited to, laws concerning conflicts of interest. ACBHC/BHP will also conduct its business in conformance with sound ethical standards. Achieving business results by illegal acts or unethical conduct is not acceptable.
2. 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.

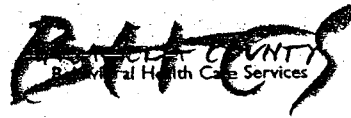


3. Each supervisor and manager is responsible for ensuring that the personnel within their supervision are acting ethically and in compliance with applicable law and the Code. Supervisors shall be responsible for acquiring sufficient knowledge to enable them to inform and assist personnel in the implementation of requirements.
4. Personnel shall not:
  - offer or give any bribe, payment, gift, or thing of value to any person or entity with whom ACBHCS/BHP has or is seeking any business or regulatory relationship except for gifts of a nominal value which are legal and given in the ordinary course of business.
  - accept or receive any bribe, payment, gift, item, or thing of more than a nominal value from any person or entity with whom ACBHCS/BHP has or is seeking any business or regulatory relationship. Personnel must promptly report the offering or receipt of gifts above a nominal value to their supervisor.
  - directly or indirectly authorize, pay, promise, deliver, or solicit any payment, gratuity, or favor for the purpose of influencing a political official or government employee in the discharge of that person's responsibilities.
5. Personnel shall be completely honest in all dealings with government agencies and representatives.
  - No knowing 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.
6. All authorized political activities relating to ACBHCS/BHP shall be conducted in full compliance with applicable law, and no ACBHCS/BHP funds or property shall be used for any political contribution or purpose unless first approved by the Supervisor.

Participation in political activity during personal time shall not be done in the name of ACBHCS/BHP or the County of Alameda. Personnel may make direct contributions of their own money to political candidates and activities, but these contributions will not be reimbursed.



7. Other than compensation from ACBHCS/BHP and as consistent with conflict of interest laws, personnel shall not have financial or other personal interest in a transaction between ACBHCS/BHP or any of its business units and a vendor, supplier, provider, or customer.
8. Personnel shall not engage in any financial, business, or other activity which competes with ACBHCS/BHP business which may interfere or appear to interfere with the performance of their duties or that involve the use of ACBHCS/BHP property, facilities, or resources, except to the extent consistent with the conflict of interest policies.
9. All ACBHCS/BHP's business transactions shall be carried out in accordance with management's general or specific directives.
10. All books and records shall be created and maintained in accordance with generally accepted accounting standards, the ACBHCS/BHP's records management policy and other applicable standards. All transactions, payments, receipts, accounts, and assets shall be completely and accurately recorded on the ACBHCS/BHP's books and records on a consistent basis. No payment shall be approved or made with the intention or understanding that it will be used for any purpose other than that described in the supporting documentation for the payment. All information recorded and submitted to other persons must not be used to mislead those who receive the information or to conceal anything that is improper.
11. Personnel shall not knowingly violate antitrust laws and fair competition laws.
  - There shall be no discussions or agreements with competitors regarding price or other terms for product sales, prices paid to suppliers or providers, dividing customers or geographic markets, or joint action to boycott or coerce certain customers, suppliers, or providers.
  - ACBHCS/BHP and its personnel shall not engage in unfair competition or deceptive trade practices, including misrepresentation of ACBHCS/BHP's products or operations. Personnel shall not knowingly make false statements about competitors or their products or attempt to coerce suppliers or providers into purchasing products or services.
12. All personnel shall maintain the confidentiality of ACBHCS/BHP's business information and of information relating to ACBHCS/BHP vendors, suppliers, providers, customers, and persons covered by any of ACBHCS/BHP'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 ACBHCS/BHP's competitors.



## Reporting Violations

1. Illegal acts or improper conduct may subject ACBHCS/BHP to severe civil and criminal penalties, including large fines and being barred from certain types of business. It is, therefore, very important that any illegal activity or violations of the Code be promptly brought to ACBHCS/BHP's attention. In many cases, if ACBHCS/BHP discovers and reports illegal acts to the appropriate governmental authorities, ACBHCS/BHP may be subject to lesser penalties.
2. Any director, officer, or employee who believes or becomes aware of any violation of the Code or any illegal activity by a director, officer, or employee or another person acting on ACBHCS/BHP's behalf shall promptly report the violation or illegal activity in person, by phone, or in writing, to one the appropriate department head or any other senior manager.

A report may also be made by calling the Compliance Hotline at 1-800-805-5811.

3. Personnel may report illegal acts or a violation of this Code anonymously. To the extent permitted by law, the ACBHCS/BHP will take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or violations of this Code and of those individuals involved in the alleged improper activity, whether or not it turns out that improper acts occurred. Failure to abide by this confidentiality obligation is a violation of this Code.
4. It is a violation of this Code for personnel not to report a known violation of the Code or any illegal activity. It is a violation of this Code for personnel to whom a potential illegal act or violation of the Code is reported to not ensure that the illegal act or violation of the Code comes to the attention of those responsible for investigating such reports. If the illegal acts or conduct in violation of the Code involve a person to whom such illegal acts or violations might otherwise be reported, the illegal acts or violation should be reported to another person to whom reporting is appropriate.
5. It is ACBHCS/BHP's policy to promptly and thoroughly investigate reports in accordance with BHCS policy of illegal activity or violations of this Code. Personnel must cooperate with these investigations. You must not take any actions to prevent, hinder, or delay discovery and full investigation of illegal acts or violations of this Code. It is a violation of this Code for personnel to prevent, hinder, or delay discovery and full investigation of illegal acts or violations of this Code.
6. No reprisals or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of, illegal acts or violations of this Code. It is a violation of this Code for personnel to punish or conduct reprisals in regard to



personnel who have made a good faith report of, or cooperated in the investigation of, illegal acts or violations of this Code.

7. Personnel who violate the Code or commit illegal acts are subject to discipline up to and including dismissal. Personnel who report their own illegal acts or improper conduct, however, will have such self-reporting taken into account in determining the appropriate disciplinary action.

#### **Government Interviews or Investigations**

Please refer to the BHCS policy entitled: "Response to Federal Government Investigations for Management Personnel."



Code of Conduct Standards (Continued)  
Medicare / Medi-Cal Claims and Billing

Employees and contractors of Alameda County Behavioral Health Care Services are prohibited from engaging or participating in any of the following:

1) Improper Claims

Presenting or causing to be presented to any payer:

a. A Claim for an Item or Service Not Provided as Claimed

A claim for a mental health service or other item or service that such person knows or should know was not provided as claimed, including a pattern or practice of presenting or causing to be presented a claim for an item or service that is based on a code that such person knows or should know will result in a greater payment to ACBHCS than the code such person knows or should know is applicable to the item or service actually provided.

2) A False Claim

A claim for a mental health service or other item or service that such person knows or should know the claim is false or fraudulent.

3) Claim from an Excluded Provider

A claim for mental health service or other item or service furnished during a period when such person knows or should know that the provider who furnished the services was excluded from the program under which the claim was made.

4) Claim for Services that are Not Medically Necessary

A claim for mental health service or other item or service that the person knows or should know is not medically necessary — items or services which are not warranted by the patient's current and documented medical condition.

**Medi-Cal:** Alameda County Behavioral Health Care Services operates under a State waiver implementing the managed care plan as construed in Chapter 11, Title 9, CCR, which specifies Medical Necessity Requirements.

**Medicare:** Alameda County Behavioral Health Care Services complies with the Medicare Regulations specifying Medical Necessity.

Medical Necessity requirements for the two programs are as follows:

- Medi-Cal Medical Necessity: See Attachment A.
- Medicare Medical Necessity: See Attachment B.

5) False Statement in Determining Rights to Benefits

Making, using, or causing to be made or used any false record, statement, or representation of a material fact for use in determining rights to any benefit or payment under any health care program.

6) Conspiracy to Defraud

Conspiring to defraud the Federal or State government or any other health care payer by obtaining allowance of or payment for a false claim.

7) Health Care Fraud/False Statements Relating to Health Care Matters

Executing or attempting to execute a scheme to defraud any health care benefit program or to obtain, by means of false, fictitious, or fraudulent pretences, representations, or promises, any of the money or property owned by, or under the custody or control of any health care benefit program.

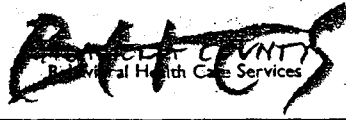
8) Prohibited Referrals

Payment or requesting payment for reimbursement to any individual, third-party payer, or other entity for items or services that were furnished pursuant to a referral by a provider to an entity with which the provider has a financial relationship except as permitted by law.

9) Kickbacks

Knowingly and wilfully:

- a. soliciting or receiving any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash, or in kind either:
- b. in return for referring an individual for the furnishing of any item or service for which payment may be made in whole, or in part, under a Federal health care program; or
- c. in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made, in whole or in part, under a Federal health care program; or
- d. offering or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person either:



- e. to refer an individual for the furnishing of any item or service for which payment may be made, in whole or in part, under a Federal health care program; or
- f. to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made, in whole or in part, under a Federal health care program.

**10) Failure to Report Known Violations to the Compliance Office**

Failing to promptly report to the Compliance Office any instance of non-compliant conduct, with respect to Alameda County Behavioral Health Care Services or any of its employees or contractors may be grounds for progressive disciplinary action up to and including termination for employee or termination of contract for contractor.