



# Code of Conduct

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Surgery Partners Compliance Program

Changed September, 2015

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**Mission:**

To deliver high quality and convenient healthcare services to the communities we serve, creating exceptional value for our customers and partners.

**SURGERY PARTNERS 10 GUIDING PRINCIPLES**

Act with integrity  
Have a plan  
Take ownership  
Focus with passion  
Show up and never quit

Do not blame or judge  
Pitch in  
Be big not little  
Laugh and celebrate  
Be grateful

**INTRODUCTION**

Surgery Center Holdings, Inc. (“Surgery Partners” or the “Company”) was founded by several healthcare executives who shared a vision of creating an outstanding healthcare company that has employees who conduct themselves with the highest standards of business and personal ethics. These standards are not new to any of us. They are the foundation of every life (personal or corporate) built upon a *quest to do the right thing*.

The business of Surgery Partners dictates the adoption of a compliance program. Our subsidiaries which own and operate ambulatory surgery centers or hospitals (“Facilities”), must abide by state and federal law at all times. Such subsidiaries and controlled entities, as well as the management companies owned and operated by Surgery Partners, are referred to in this Compliance Program as “Affiliates.”

The adoption of a formal corporate compliance program has become a virtual necessity for healthcare companies. Infractions of Federal statutes that might have been considered technical and maybe even overlooked a few years ago are now being viewed by government regulators as healthcare fraud, and are punishable by serious sanctions such as large

civil and criminal fines, imprisonment and exclusion from participation in the Medicare and Medicaid programs.

The Surgery Partners Board of Directors has approved this Compliance Program. It is intended as a guide for each employee’s conduct so that Surgery Partners and its Affiliates may fulfill their obligations to observe the laws and public policies affecting their businesses. The standards of conduct described in this Compliance Program are intended generally to define the scope of conduct that Surgery Partners requires. In many cases these standards exceed the standards required by law. No set of standards or written rules, however, can substitute for the personal integrity, good judgment and common sense required meeting the challenges of the daily work of Surgery Partners’ employees. As is often said, “Be prepared to have every single thing you say or do appear on the front page of *The New York Times*, and be sure it won’t embarrass you, your employer or your fellow employees.”

The standards of conduct described in this Compliance Program cannot, nor were they intended to, cover every situation which a Surgery Partners employee encounters. When the best course of action is unclear or if a Surgery Partners employee observes a violation

of these standards, employees are urged to seek the guidance of or report the violations to their supervisors, an officer at Surgery Partners' Corporate Office in Nashville, Surgery Partners' Compliance Officer, or the Compliance Hotline. Calls to the Compliance Hotline will be treated confidentially, and may, at the caller's request, be anonymous, as discussed in the Section of this Compliance Program entitled *Compliance Hotline*.

Failure to observe the provisions of the Compliance Program can result in serious consequences to the employee, such as termination and criminal charges, and to the Company, such as criminal prosecution, substantial monetary fines and, of primary importance, the loss of the Company's reputation for integrity.

This Compliance Program is a "living" document which will be updated or otherwise changed periodically to keep Surgery Partners employees abreast of the most current information available on these topics. If a Surgery Partners employee has suggestions for improvements in this Compliance Program, please call Surgery Partners' Hotline or corporate office and ask for the Compliance Officer.

This Compliance Program is not intended to, nor does it; create any type of contractual agreement between any employee and Surgery Partners. Your employment with the Company is at-will, and the duration of your employment is at the discretion of the Company. Employees may be terminated at any time, with or without cause. No employee other than the President of the Company has any authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the foregoing.

This Compliance Program is intended to provide a comprehensive *overview* of Surgery Partners' ethical standards. In many situations, however, additional guidance may be needed on a specific subject. To provide additional

guidance, Surgery Partners has developed a comprehensive set of compliance policies and procedures ("Compliance Policies") which may be accessed through our intranet. ***All employees should consult the Surgery Partners Compliance Policies in addition to this Compliance Program to ensure that they follow any specific guidance on a particular subject.*** In addition, Surgery Partners periodically distributes memoranda and policy statements describing matters of interest to the Company, or prohibiting specified activities by all or some of the Company's employees. The Compliance Policies and these memoranda and policy statements should be considered a part of Surgery Partners' Compliance Program.

Each Surgery Partners employee has the responsibility to report any actions that he or she believes, in good faith, may violate the standards contained in this Compliance Program or in the Compliance Policies, or which damage the public trust. It is Surgery Partners' duty to protect those who report potential incidents of malfeasance. Employees having knowledge of retribution or retaliation resulting from reporting malfeasance should promptly report the information via the Compliance Hotline.

*If a Surgery Partners employee has concerns about improper actions of other Surgery Partners employees, the employee should contact either his or her supervisor, the Facility CEO/Administrator (referred to as the "Facility CEO/Administrator"), Surgery Partners' Compliance Officer, or the Compliance Hotline.*

## **CODE OF BUSINESS CONDUCT AND ETHICS FOR SENIOR OFFICERS AND EMPLOYEES**

This code of Business Conduct and Ethics sets out basic principles and standards of conduct to guide

all directors, officers and employees of Surgery Partners, its parents, including Surgery Partners, Inc., and its subsidiaries (collectively "Surgery Partners"). All Surgery Partners directors, officers and employees must conduct themselves in accordance with these principles and standards. Notwithstanding any provision of this Code to the contrary, the provisions of this Code shall not be deemed to limit the provisions of the Amended and Restated Certificate of Incorporation of Surgery Partners and, in the event of any conflict, the provisions of the Amended and Restated Certificate of Incorporation shall govern.

Claims of violations of this Code will be investigated by appropriate personnel or Surgery Partners representatives. Those who violate the standards in this Code may be subject to disciplinary action, including dismissal. ***If you are in a situation which you believe may violate or lead to a violation of this Code, you should consult your supervisor or manager or the Corporate Compliance Officer of Surgery Partners.***

Surgery Partners Code of Business Conduct and Ethics includes the following standards:

**1. Directors, Officers and Employees Should Act Honestly and Ethically.**

Surgery Partners' directors, officers and employees should act ethically and in good faith, with honesty and integrity, when acting on behalf of Surgery Partners or in connection with Surgery Partners' business or operations or in the handling of actual or apparent conflicts of interest between personal and professional relationships.

**2. Directors, Officers and Employees Must Avoid Conflicts of Interest.**

Directors, officers and employees must avoid

conflicts of interest involving Surgery Partners or its business. A "conflict of interest" occurs when an individual's private interest interferes in any way, or even appears to interfere, with the interests of Surgery Partners as a whole. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work for Surgery Partners objectively and effectively. Conflicts of interest also arise when a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in or with Surgery Partners. Loans to, or guarantees of obligations of, such persons are of special concern, and must comply with all laws and may be subject to approval by the Audit and Compliance Committee of the Board of Directors. Any director, officer or employee who becomes aware of a conflict or potential conflict of interest or any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest should bring it to the attention of a supervisor, manager or the Corporate Compliance Officer. Conflicts of interest may not always be clear, so if you have a question, you should consult with the Corporate Compliance Officer of Surgery Partners or other personnel or legal counsel designated by Surgery Partners from time to time.

**3. Public Disclosure Should Be Full, Fair, Accurate, Timely and Understandable.**

Directors, officers and employees who are involved in the preparation of reports and documents that Surgery Partners files with or submits to the Securities and Exchange Commission or that are otherwise public communications have a responsibility to promote full, fair, accurate, timely and understandable disclosure in such reports, documents and communications. Such persons shall act in accordance with Surgery Partners' Disclosure Controls and Procedures Manual.

**4. Directors, Officers and Employees Must Comply with Laws, Rules and Regulations.**

Obeing the law, both in letter and in spirit, is the foundation on which Surgery Partners' ethical standards are built. All directors, officers and employees of Surgery Partners must respect and obey the laws of the jurisdictions in which we operate. Any director, officer or employee who is unsure about any aspect of these laws should seek advice from officers, supervisors, managers or other appropriate personnel.

**5. Confidentiality of Company Information Must Be Maintained.**

Directors, officers and employees of Surgery Partners must maintain the confidentiality of information entrusted or made available to them by Surgery Partners, Surgery Partners' partners or patients of any of Surgery Partners' affiliates, except when disclosure is authorized by Surgery Partners or legally mandated, and must not use that information for improper personal advantage. Confidential information includes all financial, patient and other records and non-public information that, if disclosed, might be of use to competitors, or harmful to Surgery Partners, its partners or patients.

**6. Directors, Officers and Employees Are Prohibited From Taking Surgery Partners' Corporate Opportunities.**

Directors, officers and employees of Surgery Partners are prohibited from (a) taking for themselves opportunities that are discovered through the use of Surgery Partners' property, information or position, without the consent of a majority of the disinterested members of the Board of Directors, (b) using Surgery Partners' property, information or position for improper personal gain or (c) competing with Surgery Partners directly or indirectly. Directors, officers and employees owe a duty to Surgery Partners **to advance its legitimate interests when the opportunity to do so arises.**

**7. Fair Dealing In All Activities Is Expected.**

Each employee, officer and director should endeavor to deal fairly with Surgery Partners' partners, employees, competitors, customers and suppliers. A director, officer or employee should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice in connection with Surgery Partners' business.

**8. Directors, Officers and Employees Should Protect and Properly Use Surgery Partners' Assets.**

All directors, officers and employees should protect Surgery Partners' assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Surgery Partners' profitability. All company assets should be used for legitimate business purposes. Company assets should not be used for non-Surgery Partners business, although incidental personal use may be permitted in some circumstances.

**9. Waivers of this Code Must Be Approved and Disclosed.**

Any waiver of this Code for executive officers or directors of Surgery Partners may be made only by the Board of Directors. The nature of, reasons for and existence of the waiver will be promptly disclosed to the shareholders of Surgery Partners as required by law.

**10. Directors, Officers and Employees Are Encouraged to Report Illegal or Unethical Behavior or Violations of this Code.**

We must all work to ensure prompt and consistent action against violations of this Code. Employees are encouraged to contact Surgery Partners' Corporate Compliance Officer or to talk to supervisors, managers or other

appropriate personnel about observed illegal or unethical behavior or violations of this Code and when in doubt about the best course of action in a particular situation. Any claim of a possible violation may be made anonymously if the claimant so desires, and all claimants shall be provided confidentiality in the handling of the potential violation. Surgery Partners will not permit any retaliation of any kind against employees for reports made in good faith about observed illegal or unethical behavior or violations of this Code. Directors, officers and employees are expected to cooperate in internal investigations of misconduct.

#### **11. The Corporate Compliance Officer Will Administer this Code.**

This Code shall be administered by Surgery Partners' Corporate Compliance Officer. Surgery Partners employees are encouraged to seek guidance regarding the application or interpretation of this Code from the Corporate Compliance Officer and are expected to cooperate fully in any investigation of any potential violation of this Code.

## **ETHICAL PRACTICES**

The public has a right to expect that the business of Surgery Partners will be conducted ethically and competently by our officers and employees. Each employee should adhere to the spirit and language of the Compliance Program and strive for excellence in performing his or her duties. Each employee must maintain a high level of integrity in business conduct and avoid any conduct that could reasonably be expected to reflect adversely upon the integrity of Surgery Partners, its officers, directors or other employees. Furthermore, each employee should encourage other Surgery Partners employees to do likewise. Surgery Partners' core ethics include the following:

- Full compliance with both the letter and spirit of the law.

- Delivery of high quality healthcare services at fair prices which are reasonable and competitive.
- Conduct all our relationships with integrity, being honest, trustworthy and responsible in our professional and personal dealings.
- Pursue financial responsibility, stability and growth, delivering a quality of earnings that meet the highest standards of legal and fiscal principles.
- Be a positive influence and good corporate citizen in the communities where Surgery Partners has offices or provides services.
- Treat employees, customers and even competitors fairly and with respect.
- Report to Surgery Partners officials illegal or unethical practices of Surgery Partners employees, physicians or agents.

Surgery Partners' Compliance Program is a blueprint for living and decision-making in the business environment, but it is not a substitute for following Surgery Partners' other policies, procedures and practices. If you have any questions about Surgery Partners' Compliance Program or other ethical concerns, discuss these with your supervisor or the Facility CEO/Administrator, if appropriate. If you are uncomfortable discussing certain issues at the local level, feel free to telephone the Surgery Partners Compliance Hotline or Compliance Officer at the corporate office.

## **PATIENTS**

### **Patient Care and Rights**

Our guiding principle at Surgery Partners is that patient care decisions are based on clinical concerns and not business economics. Other related principles of Surgery Partners are as follows:



- Only qualified physicians with proper licensure and credentials can practice medicine or surgery at the Company's Facilities.
- All medical records and documentation necessary to meet the requirements of medical staff by-laws, policies, accreditation standards, and all laws and regulations will be maintained.
- Patients have the right of informed consent. No medical procedure can be performed without the patient's consent. In special situations where the patient is unwilling or unable to consent to treatment, the Surgery Partners employee should consult with Surgery Partners' Compliance Officer.

Quality of Care and Treatment: Surgery Partners' primary goal is to provide high quality, cost effective physician centered medical services that respond to individual, family and community needs in a safe, healing environment. Surgery Partners strives to manage the Affiliates in a professional and cost efficient manner so affiliated physicians can render the highest quality service to their patients. Surgery Partners is committed to establishing an environment for the consistent provision of high quality of care to patients and to the delivery of healthcare services in a responsible, reliable and appropriate manner. Surgery Partners is also committed to the goal of excellence.

Since Surgery Partners employees assist healthcare providers upon whom patients depend for their health and safety, it is the duty and affirmative responsibility of all Surgery Partners employees never to ignore any deficiency or error in their healthcare services, no matter how small and insignificant. It is essential that all employees bring any such deficiencies or errors to the attention of those

who can properly assess and redress the problem.

There are increasingly numerous measures that relate in some way to the quality of patient care. These include, for example, the Conditions of Participation of the Centers for Medicare and Medicaid Services (CMS), the standards and surveys of accrediting entities (JCAHO, AAAHC, and AAAASF) and the consensus measures of the National Quality Forum. Surgery Partners is attentive to all of these standards and seeks to establish systems that reflect the best practices required or implied by these various standard-setting efforts.

Patients deserve to be treated at all times with dignity and respect. At all times, patients must be treated with dignity and respect. All Surgery Partners Affiliates keep patient records strictly confidential as required by law.

Informed Consent: While the law dictates that no medical procedure can be performed without the patient's consent, this principle is far easier to state than to apply. The myriad of special situations that can, and do, arise in the context of healthcare delivery often call for variations to the basic rule. Employees are encouraged to consult with their supervisor or Surgery Partners' approved counsel on all legal issues regarding patient consent. Surgery Partners Affiliates must strive to insure that their patients are always well informed about treatment alternatives and the various risk factors associated with each treatment or no treatment.

Patients are provided information regarding their right to make advance directives regarding treatment decisions, financial considerations and the designation of surrogate healthcare decision-makers. Patient advance directives or resuscitative measures are honored within the limits of the law and our organization's mission, philosophy, values, and capabilities.

Notice to Patients. All Surgery Partners Facilities should provide written notice to patients informing them of the names of any physicians who have ownership in the facility. In addition, all Surgery Partners hospitals will provide written notice of whether the hospital has 24 hour physician coverage and what the hospital's process is for handling emergency cases.

Patient Confidentiality: It is Company policy to treat patient healthcare information with the utmost care and confidentiality and to comply fully with all state, federal and local laws and regulations regarding the confidentiality of patient health information and the security of health record systems, including, but not limited to, the privacy and security rules implemented under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the applicable provisions of the American Recovery and Reinvestment Act of 2009 and its applicable regulations. All Company and Facility personnel must follow the Company's separate HIPAA Compliance Manual, which HIPAA Compliance Policy Manual is hereby incorporated by reference.

## PHYSICIANS

Health care facilities like those owned and operated by Surgery Partners reflect collaboration between those who are part of Surgery Partners and those who have been credentialed and privileged to practice in Surgery Partners facilities. As in any collaboration, each party has important roles and responsibilities. Surgery Partners is committed to providing a work environment for physicians and other privileged practitioners who practice in our facilities that is excellent in all respects.

***We do not pay for referrals.***

We accept patient referrals and admissions based solely on the patient's medical needs and our ability to render the needed services. We do not pay or offer to pay anyone -- employees, physicians, or other persons or entities -- for referral of patients.

***We do not accept payments for referrals we make.***

No Surgery Partners employee or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of patients. Similarly, when making patient 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.

## REGULATORY COMPLIANCE

Surgery Partners provides varied healthcare services in many states. These services are provided pursuant to appropriate federal, state, and local laws and regulations, and the conditions of participation, for Federal healthcare programs. Such laws, regulations, and conditions of participation may include, but are not limited to, subjects such as certificates of need, licenses, permits, accreditation, access to treatment, consent to treatment, medical record-keeping, access to medical records and confidentiality, patients' rights, clinical research, end-of-life care decision-making, medical staff membership and clinical privileges, corporate practice of medicine restrictions, and Medicare and Medicaid program requirements. The organization is subject to numerous other laws in addition to these healthcare laws, regulations, and the conditions of participation. We have developed policies and procedures to address many legal, accreditation, certification and regulatory requirements. However, it is

impractical to develop policies and procedures that encompass the full body of applicable law, standards, conditions and regulation. Obviously, those laws, standards, conditions and regulations not covered in organization policies and procedures must be followed. There is a range of expertise within the organization, including operations counsel and numerous functional experts (*i.e.*, Responsible Executives), who should be consulted for advice concerning human resources, legal, regulatory, standards and the conditions of participation requirements. Anyone aware of violations or suspected violations of laws, regulations, standards and the conditions of participation, or Company policies and procedures must report them immediately to a supervisor or member of management, Compliance Hotline or the Corporate Compliance Officer.

## **WORKPLACE CONDUCT & EMPLOYMENT PRACTICES**

### **Employee Conduct**

Surgery Partners relies on the ability and professionalism of its employees and representatives to communicate effectively the merits of their services to the patient, physician and consumer, and expects them to use only legitimate competitive practices. Each employee should perform his or her duties in good faith, in a manner that he or she reasonably believes to be in the best interests of Surgery Partners, and with the due care that a reasonably prudent person in the same position would use under similar circumstances.

Company employees must scrupulously ensure they do not perform any illegal conduct, including, but not limited to, efforts to circumvent the law by devious means or questionable interpretations. No employee shall

take any action that he or she believes is in violation of any statute, rule or regulation.

Each employee should be open and honest in his or her business relationships with officers and employees of Surgery Partners, Surgery Partners' Board of Directors, and the lawyers, accountants and other professionals retained by Surgery Partners. The failure to deliver information that is known or thought to be necessary or the provision of information that is known or thought to be inaccurate, misleading or incomplete, is unacceptable.

### **Improper Payments**

No employee shall engage, either directly or indirectly, in any corrupt business practice, including bribery, kickbacks, or payoffs, intended to induce, influence, or reward favorable decisions of any government personnel or representative, any customer, contractor, or vendor in a commercial transaction, or any person in a position to benefit Surgery Partners or the employee in any way. No employee shall make or offer to make any payment or provide any other thing of value to another person with the understanding or intention that such payment is to be used for an unlawful or improper purpose.

### **Transactions Involving Government Employees**

The public trust associated with transactions between the private sector and government entities imposes special responsibilities on Surgery Partners employees and representatives to adhere to the same high standard of conduct expected of the government employee.

Surgery Partners employees or representatives must take no actions that would cause the government employee to violate, to appear to violate, or that would be otherwise inconsistent with, that standard of conduct. Specifically, except as described in the next sentence, no

Surgery Partners employee or representative may offer or give anything of monetary value, including gifts, gratuities, favors, entertainment or loans, to an employee or representative of a government agency with which Surgery Partners has or is seeking to obtain contractual or other business or financial relations or that regulates any Surgery Partners activities or operations. A Surgery Partners employee may pay for the reasonable costs of meals of government employees and members of legislative bodies in connection with lawful lobbying efforts on behalf of Surgery Partners, if such activities are permitted by law and are undertaken with the knowledge and prior approval of a Surgery Partners Group President or Compliance Officer.

**Specific rules and regulations govern the conditions of employment of former U.S. Government employees which may affect the duties they can perform as employees of Surgery Partners. All Surgery Partners employees to whom such rules or regulations apply shall comply with the letter and spirit of those rules and regulations to avoid any appearance of impropriety.**

### **Conflicts of Interest**

**If a deal or relationship feels and looks like a conflict of interest, it probably is and should be disclosed and resolved.** Conflicts of interest are often not black and white decisions, but an acceptable rule of conduct to follow in this area is: *Avoid any business relationship in which you, a member of your family, or a close friend or business associate materially benefits.*

*What Is a Conflict of Interest?* Conflicts of interest exist where an individual's actions or activities, on behalf of Surgery Partners or otherwise, involve obtaining improper personal gain or advantage, or effecting adversely the interests of Surgery Partners. In other words, *employees must avoid engaging in any activity, practice or act which conflicts with the interests*

*of Surgery Partners, its Affiliates, or its patients.* Surgery Partners employees must avoid situations that would create an actual or even an appearance of a conflict of interest, unless approved in advance in writing by Surgery Partners' Compliance Officer. Appearances do count when it comes to conflicts of interest, because those on whom the success of Surgery Partners may depend may judge the conduct of a Surgery Partners employee by the appearance of the conduct. Each Surgery Partners employee also has a duty of loyalty to Surgery Partners. While it is not possible to describe all of the situations and conditions which involve a conflict of interest or violate the duty of loyalty, the following paragraphs indicate areas where conflicts of interest or violations of the duty of loyalty may arise.

*Acceptance of Gifts and Entertainment:* No employee, nor any member of any employee's family, may accept any personal gift or favor (including complimentary business or personal trips) from any of Surgery Partners' competitors, contractors, customers or suppliers, or anyone with whom that employee does business on behalf of Surgery Partners. Perishable gifts, other gifts of a nominal value or reasonable personal entertainment may be ethically accepted if the gift would not influence, or reasonably appear to others to be capable of not influencing, the employee's business judgment in conducting Surgery Partners' affairs with the donor. Surgery Partners has decided to use the same guidelines for employee gifts that are applicable to physician gifts under the Stark Law. If the value of the gift in the aggregate exceeds the yearly amount set forth under the Stark regulations for non-cash gifts to physicians, or there is any question regarding whether the gift meets this standard of reasonableness, the employee must either disclose the details of the gift, seek prior approval to accept the gift, refuse the gift or promptly return the gift to the donor. This Stark annual threshold is based on the limitations set forth in the Stark II regulations or non-cash gifts to physicians, and the limit is

adjusted on an annual basis for inflation by the Centers for Medicare and Medicaid Services (CMS) and is published on CMS's website. Although the Stark Law does not generally apply to surgery centers or to gifts to Surgery Partners employees, the Company is using the CMS non-monetary gift limit guidance as a base for its employee gift disclosure policy.

*Personal Benefit:* Each employee, for so long as he or she remains an employee of Surgery Partners, is expected to conduct the business of Surgery Partners to the best of his or her ability for the benefit and in the best interests of Surgery Partners. No employee may become involved in any manner with competitors, contractors, customers or suppliers of Surgery Partners if such involvement would result in improper personal gain or the appearance of improper personal gain. Such involvement may include the purchase, sale or lease of any goods or services from or to any customer or supplier of Surgery Partners, or serving as an officer, director or in any other management or consulting capacity with a competitor, contractor, customer or supplier of Surgery Partners. An employee is not prohibited from purchasing goods or services from a customer or supplier to Surgery Partners if those goods or services are purchased on terms generally available to non-employees of Surgery Partners.

Placing business with any company or entity in which there is a family or close personal relationship or hiring or having a reporting relationship to relatives could constitute a conflict of interest, or create the appearance of a conflict of interest.

The foregoing shall not preclude holding less than five percent (5%) of any class of securities in a publicly-held corporation listed on a nationally recognized stock exchange or regularly traded on an over-the-counter market. However, even if the holdings are less than five percent (5%), where an employee is in a position to control or influence Surgery Partners' decisions or actions with respect to a

transaction with such a corporation, a conflict of interest might still exist and such holdings must be disclosed.

*Outside Business Activities.* Surgery Partners employees who have been hired on a full-time, regular basis are expected to devote their entire working time to the performance of their duties for Surgery Partners. Outside business or consulting activities that would divert time, interest or talents from Surgery Partners business should be avoided. Surgery Partners employees are encouraged to engage in charitable activities; however, if such activities require an employee to spend a substantial amount of Company time, he or she should seek the consent of the person to whom he or she reports at Surgery Partners.

*Business Information.* Surgery Partners employees may not use for their personal benefit any information about Surgery Partners or proprietary or non-public information acquired as a result of the employee's relationship with Surgery Partners. Employees should disclose such business information only as required in the performance of their job or as expressly authorized by Surgery Partners. Employees should not under any circumstances use or share "inside information" about Surgery Partners or those with whom Surgery Partners does business which is not otherwise available to the general public for any manner of direct or indirect personal gain or other improper use. Furthermore, employees possessing patient or provider information must protect the confidentiality of the information and ensure that such information, in whatever form it exists, is handled in a manner so as to protect against improper access or use by individuals not entitled to it. Violation of this policy may result in personal liability to the employee for any benefit gained from improper use of such information or any damages sustained by Surgery Partners as a result of improper disclosure of such information in addition to termination of such employee's employment with Surgery Partners.

Disclosure of Possible Conflicts of Interest.

Employees must disclose possible conflicts of interest involving themselves or their immediate families (spouse, parents, brothers, sisters, and children) either (i) to the Facility CEO/Administrator, or (ii) to Surgery Partners' Compliance Officer if the employee is based at the Surgery Partners corporate office. The Compliance Officer will investigate and report possible conflicts to the Compliance Committee. Surgery Partners' Compliance Committee will evaluate potential conflicts of interest and determine whether significant conflicts of interest have occurred or might occur and take the necessary steps to protect Surgery Partners. If a Surgery Partners employee believes a conflict of interest exists, the employee must treat the situation as if a conflict exists until the employee and other appropriate Surgery Partners officials have resolved the potential conflict.

**Employment Practices**

Employee Development. All Surgery Partners employees are employees at will, and nothing in this Compliance Program shall be construed as a contract of employment. Surgery Partners is committed to reasonably protecting, supporting and developing its employees to the fullest extent of their potential in a fair and respectful manner. Surgery Partners realizes the importance of providing quality patient care through the use of qualified, competent employees. Therefore, Surgery Partners will provide reasonable training to its employees to assure that its employees carry out their duties in a professional manner. Surgery Partners employees should take advantage of opportunities to develop their skills, talents, knowledge and understanding of their jobs. Surgery Partners' commitment to providing high-quality services to its patients requires that each Surgery Partners employee endeavors to improve his or her ability to perform his or her job responsibilities.

Maintaining a Safe Environment. Surgery Partners is committed to providing its employees with an environment where in the health, safety, privacy and comfort of the patients and its employees comes first.

Drug Free Workplace. Surgery Partners maintains a drug free workplace and will not tolerate on its premises the manufacture, dispensation, possession, distribution, or use of illicit drugs or alcohol, or an employee being under the influence of illicit drugs or alcohol while on duty. Surgery Partners also prohibits the consumption of alcoholic beverages on Surgery Partners premises other than in connection with approved celebrations or meals either approved by the Facility CEO/Administrator or approved by a senior officer of the Company. Surgery Partners will in most cases immediately discipline or discharge employees who violate this policy.

Any employee reporting to work or discovered at work in a condition that suggests that he or she is under the influence of narcotics, illegal drugs, prescription drugs used improperly or alcohol will not be permitted to report to or remain on the job. The employee's supervisor will escort the employee to the Facility CEO/Administrator for consultation and possible testing.

In order to ensure the safety of all Surgery Partners employees and patients, any employee who has been directed by a physician to take a prescription drug that may adversely affect or impair performance on the job must report that circumstance to his or her immediate supervisor, along with acceptable medical documentation. The Facility CEO/Administrator will then determine whether the effects of the medication pose significant risk of substantial harm to the health or safety of the employee or his or her co-workers or the patients for whom the employee is responsible. Consistent with the Americans with Disabilities Act, reasonable accommodation will be made for employees with a disability so long as there is not a

significant risk to the health or safety of the employee, co-workers, patients, or others and so long as it would not create an undue hardship for the employer.

The Facility CEO/Administrator can arrange for confidential counseling for drug or alcohol dependence problems. The Facility CEO/Administrator may also make and coordinate referrals for medical/psychological treatment and arrangements for leaves of absence. Each Affiliate has a drug/alcohol policy, and employees should consult with their Facility CEO/Administrator regarding the policy's specifics.

*Drug Testing Policy.* Subject to state and federal law, Surgery Partners reserves the right to test for illegal drug use and/or alcohol use and to implement a drug testing policy at any time for applicants for employment and for current employees.

Job applicants considered final candidates for employment may be tested for the presence of illegal drugs and alcohol as a part of the application process. Any job applicant who refuses to submit to drug or alcohol testing, refuses to sign the consent form for such testing, fails to appear for testing, tampers with the test, or fails to pass the pre-employment drug and alcohol test will be ineligible for employment with Surgery Partners.

Current employees must submit to a drug test if requested. In most instances testing will be done if reasonable suspicion exists to indicate that an employee's ability to perform work safely or effectively may be impaired. "Reasonable suspicion" means a belief that an employee is using or has used drugs in violation of Surgery Partners policy, drawn from facts in light of experience. On certain occasions, certain groups of employees, or even an entire facility, may be tested. As a condition of continued employment, participants in a rehabilitation program for drug and/or alcohol abuse may be required to consent in writing to

periodic, unannounced testing after returning to work. An employee who has a positive, confirmed test is subject to disciplinary action, up to and including termination of employment. Employees who refuse to submit to a drug or alcohol test are also subject to disciplinary action up to and including termination of employment.

*Equal Employment Opportunities.* In determining suitability for employment, promotions, transfers, demotions, and wages, Surgery Partners looks at the individual's ability to perform the job. Surgery Partners extends equal employment opportunities to all individuals, regardless of race, color, sex, age, religious beliefs, marital status, national origin, physical/mental disabilities or any other characteristic protected by law. All supervisors and managers must be strongly supportive of equal employment and advancement opportunities and must insure that all employee relations decisions will be in accordance with this policy. All Surgery Partners employees have a fundamental responsibility to show appropriate respect and consideration of one another, regardless of position, station or relationship.

*Sexual Harassment.* Surgery Partners requires that everyone associated with Surgery Partners must treat co-workers and patients with respect and courtesy. The work environments must be free from all forms of sexual harassment and intimidation. Verbal and physical contact of a sexual nature by any employee, supervisor or manager, including sexual advances, requests for sexual favors or other conduct which tends to create an intimidating, hostile or offensive work environment is strictly prohibited. All incidents of sexual harassment should be immediately reported to the employee's supervisor, the Facility CEO/Administrator, Surgery Partners' Compliance Officer or the Compliance Hotline. For more information on this topic see Compliance Policy No. 01-0700 entitled "Sexual and Other Harassment."

Ethical Concerns. Every Surgery Partners supervisor has a responsibility to create a work environment in which ethical concerns can be raised and openly discussed. If a Surgery Partners employee raises an uncomfortable question or criticizes a supervisor, Surgery Partners supervisors must welcome the employee's questions or concerns, and, as appropriate, seek assistance in addressing them. If a supervisor does not know how to answer such a question or address a concern, Surgery Partners' Compliance Officer will assist Surgery Partners' supervisors or employees.

Employees Have an Obligation to Report Illegal or Unethical Practice. Surgery Partners employees have the obligation not to violate the law and to conduct themselves in an ethical manner. Employees must also report to their supervisors or Surgery Partners' Compliance Officer, any violations of law or unethical practices of other Surgery Partners employees, physicians or other agents. This duty to report includes, but is not limited to, suspected incidents of harassment, sexual or otherwise.

*If a Surgery Partners employee has concerns about the improper actions of other Surgery Partners employees, the employee should contact either his or her supervisor, his or her Facility CEO/Administrator, or Surgery Partners' Compliance Officer, or the Compliance Hotline. Calls to the Compliance Hotline will be treated confidentially and may, at the caller's request, be anonymous as discussed in the Section of this Compliance Program entitled Compliance Hotline.*

Conduct Outside of Work. Surgery Partners employees are accountable for behavior outside of work that has a negative impact on the individual's ability to perform his/her responsibilities at work, the performance of others, or Surgery Partners' business interests.

Social Computing Guidelines. The same principles and guidelines that apply to the activities of Surgery Partners employees in

general, as found in this Compliance Program and Surgery Partners' Compliance Policies, apply to any online activities of Surgery Partners employees. This includes forms of online publishing and discussion, including blogs, wikis, file-sharing, user-generated video and audio, virtual worlds and social networks. Surgery Partners fully respects the legal rights of its employees. In general, what an employee does on his or her own time is the employee's affair. However, activities in or outside of work that negatively affect the employee's job performance, the performance of other employees, or Surgery Partners' business interests may be a focus for discipline.

**Employees should be thoughtful about how they present themselves in online social networks.** The lines between public and private, personal and professional, are blurred in online social networks. By virtue of identifying himself or herself as a Surgery Partners employee within a social network, the employee is connected to his or her employees, managers, and even Surgery Partners patients. As such, it is recommended that employees refrain from identifying themselves as Surgery Partners employees so that what the employee publishes will not be misunderstood as expressing Surgery Partners positions.

Protecting confidential and proprietary information

Social computing blurs many of the traditional boundaries between internal and external communications. Employees should be thoughtful about what they publish. Employees should be sure that they do not disclose or use Surgery Partners' confidential or proprietary information or that of any other person or company in any online social computing platform. Employees must not comment on confidential Surgery Partners financial information such as Surgery Partners' future business performance, business plans, or prospects. Further, blogs, wikis, virtual worlds, social networks, or other tools should not be



used for internal communications among fellow employees. It is fine for Surgery Partners employees to disagree, but employees should not use their external blogs or other online social media to air differences in an inappropriate manner.

### Copyrights

Surgery Partners employees may only copy and/or use copyrighted materials pursuant to the organization's policy on such matters.

### Ineligible Persons

We do 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 and has not been reinstated in a Federal healthcare program after a period of exclusion, suspension, debarment, or ineligibility. We routinely search the Department of Health and Human Services Office of Inspector General and General Services Administration's lists of such excluded and ineligible persons. A number of Company policies address the procedures for timely and thorough review of such lists and appropriate enforcement actions. Employees, vendors, and privileged practitioners at one or more Surgery Partners facilities are required to report to us if they become excluded, debarred, or ineligible to participate in Federal healthcare programs.

## **BUSINESS COURTESIES**

### **Business Entertainment and Gifts**

Federal and state laws prohibit offering or receiving any form of improper "inducement" to order, refer or purchase a health care item or service. The purpose of these laws is to prevent personal benefit to a physician, physician's

immediate family member (as defined below) or other referral source from overriding considerations of service quality, patient well-being or encouraging medically unnecessary items or services. This policy is designed to permit common reasonable business courtesy items, such as modest gifts, meals and entertainment, but prohibits extravagant gifts, meals and entertainment. For the purposes of these Policies, "immediate family members" mean the physician's husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Surgery Partners personnel may provide ordinary and reasonable business courtesies of nominal value (e.g., tickets to sporting events or concerts, meals and similar gift items) to physicians, the physician's immediate family members or other non-physician referral sources, provided that such business courtesies do not violate the laws of the locale in which the business is transacted and are not given for the purpose of influencing the business behavior of the recipient in an unethical manner or inducing a referral to a Surgery Partners Center or Hospital. Cash or cash equivalent gifts, such as gift cards, are prohibited. Additionally, the recipient of the business courtesy may not have solicited the business courtesy nor can Surgery Partners personnel provide business courtesies based on a referral source's volume or value of referrals.

Pursuant to the limitations set forth in the Stark Law applicable to **Hospitals**, any business courtesy to physicians and his or her immediate family members is prohibited if it exceeds the current Stark Law annual limit. (The 2012 limit is \$373 per calendar year). The maximum is adjusted for inflation by the Centers for Medicare and Medicaid Services on an annual basis and does not apply to items which are predominately for the **Hospital's** benefit or

satisfy the Stark Law's exception for medical staff incidental benefits and thus do not constitute compensation to an individual physician. In the event business courtesies provided by a **Hospital** to physicians and his or her immediate family members exceed the Stark Law annual limit per calendar year the Hospital shall promptly notify the Compliance Officer.

In the event that any business courtesies provided to referral sources or potential referral sources of a **Surgery Center** will exceed the Stark Law annual limit at one time or in the aggregate during a calendar year, the **Surgery Center's** RVP and GVP of Finance must approve in writing prior to providing the business courtesy. These Surgery Partners officers must exercise discretion and control in authorizing such business courtesies. A copy of this approval will promptly be provided to the CO.

The Stark Law requires **Hospitals** to track business courtesies to physicians and their immediate family members. Surgery Partners will establish a standard business courtesy tracking log for all **Hospitals and Surgery Centers** to use.

The following activities are NOT considered business courtesies and may be provided to potential referral sources. Because they are not considered business courtesies, they do not count toward the Stark Law annual business courtesy limit and do not need to be tracked. Specifically, a Hospital may:

- a. confer on potential referral sources who are members of the medical staff benefits valued at less than \$30 per occurrence and which occur within a hospital provided:
  - i. the benefits are offered only during periods when the potential referral source is making rounds or engaged in other services or activities that benefit the facility or its patients;

- ii. all members of the medical staff practicing at the same specialty are offered the same benefit;

- iii. the benefit is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of, medical services at the facility; and

- iv. the benefit is not determined in any manner that takes into account the volume or value of referrals or other business generated between the parties.

Examples of this exception include:

- free parking in the facility's garage;
  - modest meals in the physician lounge;
- or
- hosting a party at the facility to introduce the medical staff to the facility's new Chief Executive Officer.
- b. provide items in exchange for their fair market value price.

## ACCREDITATION AND SURVEYS

In preparation for, during and after surveys, Surgery Partners employees must deal with all accrediting and external agency survey bodies in a direct, open and honest manner. No action should ever be taken in relationships with accrediting or external agency survey bodies that would mislead the accrediting or external agency survey teams, either directly or indirectly. The scope of matters related to accreditation or external agency survey is extremely significant and broader than the scope of this Code of Conduct. The purpose of our Code of Conduct is to provide general guidance on subjects of wide interest within the organization. Accrediting bodies and external agency survey entities may address issues of both wide and somewhat more focused interest. From time-to-time, government agencies and other entities conduct surveys in

our facilities. We respond with openness and accurate information. In preparation for or during a survey or inspection, Surgery Partners employees must never conceal, destroy, or alter any documents; lie; or make misleading statements to the agency representative. Employees also must never attempt to cause another employee to fail to provide accurate information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of law.

## BUSINESS AND FINANCIAL INFORMATION

### Internal Controls

Internal Controls. Internal controls provide Surgery Partners a system of “checks and balances” to help insure that administrative and accounting policies, including those described in this Compliance Program, are complied with throughout the corporation.

Administrative controls promote organizational effectiveness, and help establish a uniform direction for employee efforts by ensuring adherence to Company policies. Accounting controls safeguard Surgery Partners’ assets and ensure the reliability of Company records. Surgery Partners managers are responsible for effective administrative and accounting controls in their areas of responsibility.

In administering internal controls, managers should communicate to their subordinates all company policies that apply to their job. The managers should also show leadership in adhering to the policies and enforcing them. Reasonable procedures for carrying out company policies and preventing deviations should be established. In keeping with the company’s management style, managers have considerable discretion in developing these procedures, which should be kept to a

minimum within the spirit of the requirements of this policy. If deviations from policy do occur, appropriate (i.e., fair, but firm) disciplinary action may be necessary.

In carrying out their responsibility for administering accounting controls, managers must assure that:

- Business transactions of all kinds are executed by employees authorized to do so.
- Access to assets of all kinds (e.g., cash, inventory, securities, etc.) is permitted only with authorization by the appropriate management levels.
- Business transactions are reported as necessary to (a) permit preparation of accurate financial and other records and to (b) clearly reflect the responsibility for assets.
- Records identifying the responsibility for assets are compared with actual assets at reasonable intervals. Appropriate action must be taken if there are discrepancies.

Books and Records. Managers should ensure that Company records accurately and fairly represent all business transactions. This means that:

- All assets and transactions must be recorded in normal books and records.
- No unrecorded funds or accounts shall be established or maintained for any purpose.
- Records shall not be falsified in any manner.

- Anyone with knowledge of inaccurate or false records must promptly report them to an appropriate senior manager, Surgery Partners' Compliance Officer.
- Oral and written descriptions of transactions, whether completed or contemplated, must be full and accurate. Special care must be exercised in describing transactions to those responsible for the preparation or verification of financial records to avoid any misleading inferences.
- All records required by either Federal or State law or by the Company are created, maintained and retained in accordance with such laws and Company policies.

#### Control of Funds.

Each officer and Facility CEO/Administrator must monitor the commitment and expenditure of Surgery Partners funds by persons under his or her authority. Each must ensure that any expenditure or transfer of Surgery Partners funds is made for a valid business purpose, is appropriately documented, is made pursuant to authority in published guidelines and policy statements and is actually received by the recipient indicated in the Company records.

#### Responsible Use of Surgery Partners' Assets.

Employees shall preserve Surgery Partners' property, equipment, and supplies. This includes all Surgery Partners property, whether owned or leased. Surgery Partners tangible and intangible property includes office and medical equipment, vehicles, supplies, reports and records, computer software and data, trademarks and service marks, intellectual property, and company-provided services. Employees should dispose of surplus, obsolete,

or junked property according to Company policies.

#### Responsible Use of the Assets of Others.

Employees should protect patient property and information and handle all such property and information according to Surgery Partners policies. Patient information may be shared only with those who have a legitimate need and are authorized to receive such information, in accordance with applicable law.

Employees should protect intellectual property developed as part of their employment at Surgery Partners. Employees should not share this information with another company or person while working for Surgery Partners or after departing Surgery Partners, and should return any tangible form of intellectual property in their possession to the Company upon termination of employment.

#### **Confidential Information**

The term "confidential information" refers to proprietary information about our organization's strategies and operations as well as patient information and third party information. Improper use or disclosure of confidential information could violate legal and ethical obligations. Surgery Partners employees may use confidential information only to perform their job responsibilities and shall not share such information with others unless the individuals and/or entities have a legitimate need to know the information in order to perform their specific job duties or carry out a contractual business relationship, provided disclosure is not prohibited by law or regulation. Confidential

Information, also referred to as "sensitive information," covers virtually anything related to Surgery Partners' operations that is not publicly known, such as personnel data maintained by the organization; patient lists and clinical information, including individually identifiable

patient information; patient financial information, including credit card data and social security numbers; passwords; pricing and cost data; information pertaining to acquisitions, divestitures, affiliations and mergers; financial data; details regarding federal, state, and local tax examinations of the organization or its joint venture partners; proprietary information from a research sponsor or the data generated from the research; strategic plans; marketing strategies and techniques; supplier and subcontractor information; and proprietary computer software. In order to maintain the confidentiality and integrity of patient and confidential information, employees must protect such information in accordance with information security policies and standards when it is e-mailed outside the Company or otherwise sent through the Internet; stored on portable devices such as laptops and portable digital assistants (PDAs); or transferred to removable media such as CD or USB drive. These policies and standards require, among other things, that the individual and/or entity be validated and the information be encrypted. Use of due care and due diligence is required to maintain the confidentiality, availability and integrity of information assets the Company owns or of which it is the custodian. Because so much of our clinical and business information is generated and contained within our computer systems, it is essential that each Surgery Partners employee protect our computer systems and the information contained in them by not sharing passwords and by reviewing and adhering to our Information security policies and standards. Any Surgery Partners employee who knows or suspects confidential information to have been compromised must report the potential security breach to the Facility Administrator/CEO and/or Facility Privacy Officer. If an individual's employment or contractual relationship with Surgery Partners ends for any reason, the individual is still bound to maintain the confidentiality of information viewed, received or used during the employment or contractual business

relationship with Surgery Partners. This provision does not restrict the right of an employee to disclose, if he or she wishes, information about his or her own compensation, benefits, or terms and conditions of employment. Copies of confidential information in an employee's or contractor's possession shall be left with SURGERY PARTNERS at the end of the employment or contractual relationship.

### **Accuracy, Retention, and Disposal of Documents and Records**

Each Surgery Partners employee is responsible for the integrity and accuracy of our organization's documents and records, not only to comply with regulatory and legal requirements but also to ensure records are available to support our business practices and actions. No one may alter or falsify information on any record or document. Records must never be destroyed in an effort to deny governmental authorities that which may be relevant to a government investigation. Medical and business documents and records are retained in accordance with the law and our record retention policy, which includes comprehensive retention schedules. Medical and business documents include paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about the organization or its business activities. It is important to retain and destroy records only according to our policy. Surgery Partners employees must not tamper with records. No one may remove or destroy records prior to the specified date without first obtaining permission as outlined in the Company records management policy. Finally, under no circumstances may a Surgery Partners employee use patient, employee or any other individual's or entity's information to personally benefit (*e.g.*, perpetrate identity theft).

## Electronic Media and Security Requirements

All communications systems, including but not limited to computers, electronic mail, Intranet, internet access, telephones, and voice mail, are the property of the organization and are to be used primarily for business purposes in accordance with electronic communications policies and standards. Limited reasonable personal use of Surgery Partners communications systems is permitted; however, users should assume these communications are not private. Users of computer and telephonic systems should presume no expectation of privacy in anything they create, store, send, or receive on the computer and telephonic systems, and the Company reserves the right to monitor and/or access communications usage and content consistent with Company policies and procedures. Employees may not use internal communication channels or access to the internet at work to view, post, store, transmit, download, or distribute any threatening materials; knowingly, recklessly, or maliciously false materials; obscene materials; or anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Also, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction.

Employees who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action. Employees shall comply with Surgery Partners' information security policies and standards governing the use of information systems. Only assigned user IDS shall be used. Individuals may only use officially assigned User IDS and passwords and are not permitted to share or disclose any password that is used to access Surgery

Partners systems or information. Portable devices and removable media, such as laptop computers, PDAs, USB drives, CDs and external hard drives, must be physically secured at all times. Employees shall never use tools or techniques to break or exploit Surgery Partners information security measures or those used by other companies or individuals.

## Billing

Surgery Partners is committed to accurate and truthful billing for all services in compliance with Federal and state laws and regulations, and will not misrepresent charges to, or on behalf of, a patient and/or third-party payor. All Surgery Partners employees must comply with special billing requirements for government-sponsored programs and other payors. Surgery Partners prohibits any employee or agent from knowingly presenting or causing to be presented claims for payment or approval which are false, fictitious or fraudulent. Deliberate misstatements to government agencies or other payors will expose the employee involved to criminal penalties and termination of employment.

General Risk Areas. The following are general risk areas in respect of billing:

- Credit Balances. The failure to return overpayments within a reasonable period of time to the patient or payor, as appropriate.
- Diagnosis and Procedure Coding. It is illegal to improperly code ICD 9 codes and CPT codes and/or current CMS-approved coding methodologies. Surgery Partners employees must take care to understand the services provided as documented in the medical record and to accurately bill for such documented services.

- Duplicate Bills. Duplicate bills should always be marked as duplicates to avoid allegations of double billing.
- Upcoding or “CPT Creep”. This fraudulent activity involves using a CPT code providing higher payment than the billing code that actually reflects the service furnished to the patient.
- Waiver of Coinsurance and Deductible Amounts. Surgery Partners Affiliates must not routinely waive co-payments and deductible payments, except in strict conformity with specific Surgery Partners written policies. See the Section of this Compliance Program entitled *Waiver of Copayments and Deductibles*.
- Fictitious Billing. Billing for items or services not actually rendered or providing medically unnecessary services.

disclosed, would embarrass the employee or Surgery Partners. To avoid even the appearance of impropriety, Surgery Partners *will not provide any gift, payment or reimbursement for expenses incurred by any referral source, or governmental representative unless the expense reimbursement is determined to be appropriate by the Compliance Officer*. Surgery Partners employees should contact Surgery Partners’ Compliance Officer immediately if unethical or illegal payments are requested, offered or made.

Surgery Partners will comply with all state and Federal advertising requirements. Advertising materials must be prepared in accordance with marketing guidelines adopted by the Company, in conformity with all state and Federal requirements in respect of advertising.

All Surgery Partners advertising must be truthful and not misleading. Specific claims about the quality of Surgery Partners’ services must be supported by evidence to substantiate the claims made. All price advertising must accurately reflect the true charge for services provided to our patients.

Surgery Partners’ best advertisement is Surgery Partners itself. Surgery Partners does not use advertisements or marketing programs which might cause confusion between our services and those of our competitors. Surgery Partners does not disparage the service or business of a competitor through the use of false or misleading statements.

Surgery Partners does not compensate employees based on patient volumes. Surgery Partners does not pay incentives to employees based upon the number of persons treated at its Facilities and Practices. The decision to refer individuals to Surgery Partners Affiliates is a clinical decision to be made by physicians at all times.

## COMPETITIVE ACTIVITIES & MARKETING

### Business Development

Surgery Partners will pursue financial stability and growth in a manner that develops a quality of earnings that meet the highest standards of legal, fiscal and ethical principles.

Surgery Partners will forego any business which can only be obtained by improper and illegal means. Surgery Partners will not make payments to anyone to induce the use of our services. A Surgery Partners employee should never make a payment which, if it were publicly

## **Dealing With Competitors / Antitrust Laws**

Vigorous competition is an essential element of a free enterprise system. The basic objective of antitrust laws is to protect and preserve competition from unreasonable restraints. It is Surgery Partners' policy to comply fully with such laws. This policy applies to all Surgery Partners personnel, including employees in the corporate office and all Affiliates, particularly to those in management and marketing.

*Unlawful Per Se Agreements.* Under U.S. law, certain agreements with competitors are unlawful per se (i.e., "in and of themselves") without regard to reasonableness from a business or commercial viewpoint or to their actual effect on competition, and the law provides severe personal criminal penalties for such violations. Those violations include agreements or understandings among competitors: to fix, stabilize or control prices, including resale prices; to allocate products, markets or territories; to boycott certain customers or suppliers; or to agree not to engage in the manufacture or sale of, or to limit production or sale of, any product or product line. In no event should any Surgery Partners employee engage in any discussions, agreements or understandings (whether by telephone, correspondence, at meetings or otherwise) with any competitor with respect to any matter, including prices and territory or customer allocations, which would constitute a per se violation of the antitrust laws. This prohibition against discussion of prices includes not only proposed price changes but also price deviations and any form of price stabilization.

*Agreements Subject to "Rule of Reason" Under Antitrust Laws.* In addition to agreements which are unlawful per se, other agreements with competitors or customers can potentially violate U.S. antitrust law. These agreements are subject to the "Rule of Reason" test under which courts determine whether in light of the particular facts of a certain transaction a

practice or other agreement results in an "unreasonable" restraint of trade. Such a determination frequently involves a complicated legal analysis of the reasonableness of the action, the purposes of the parties and the probable effects upon competition. Surgery Partners Compliance Officer will consult outside counsel as needed. For more specific information about compliance with antitrust laws in the course of an acquisition or merger, consult Surgery Partners policy on "Anti-trust Laws – Acquisitions and Joint Ventures."

*Obtaining Information About Competitors.* General business information about competitors is important in Surgery Partners' efforts to maintain and improve upon our competitive position both in terms of services and technology. However, no circumstances can exist which justify the use of improper means to develop competitive information. It is Surgery Partners' policy to use only ethical and legal means for gathering information about present and future competitors.

Use may be made of competitive information available in trade and other publications, and information obtainable by analysis of a competitor's product where it is available in the open market. Information disclosed in formal presentations at public meetings may be used freely. However, when information is received privately or in small group discussions, care must be exercised to ascertain that there is no notice that either the information is secret or a confidential relationship is being breached. If there is such notice, receipt of the information should be avoided.

All actions to acquire competitive information from governmental agencies under the Freedom of Information Act must be based on prior review and approval by Surgery Partners' General Counsel.

*Improper Procurement of Proprietary Information.* Surgery Partners employees are



not to induce, through social relationships or otherwise, present or former employees of competitors to disclose any proprietary or confidential information. Any such information offered gratuitously should be refused and Surgery Partners employees should avoid having any confidential obligation imposed upon them, unless in writing, with the approval of an appropriate authority. In addition, Surgery Partners employees are not to question any fellow employee in a manner which is likely to result in confidential information of a previous employer being disclosed.

Recruitment of a Competitor's Employees.

Employees of competitors will not be recruited or hired for their knowledge of proprietary information of present or former employers. A new employee should not be assigned work in an area where there is likelihood that proprietary information of the former employer would be involved. New employees should be advised against disclosing or using any confidential or trade secret information of their former employer, and Surgery Partners managers should take action to see that they do not. However, all employees can and are expected to otherwise make full use of the skills, experience and general knowledge learned in their previous employments.

## ENVIRONMENTAL LAWS

### Environmental Laws

Surgery Partners is committed to promoting sound corporate environmental practices that will prevent and eliminate damage to the environment, enhance human and community resources, and reduce or avoid exposure to environmental liabilities.

Medical Waste. Surgery Partners employees are expected to exercise good judgment with regard to environmental aspects of the use of Surgery Partners buildings, equipment, property, lab processes and medical products.

Employees must comply with all applicable laws and apply due diligence and care to minimize the generation, discharge and disposal of medical waste or other hazardous materials. Employees who are uncertain of the correct procedures for disposing of any such material should consult their supervisors for assistance.

Report of Hazardous Condition. Any Surgery Partners employee who detects an existing or potential condition hazardous to human health or the environment or in violation of the Company's environmental practices should report the condition immediately to the supervisor or Facility Administrator to whom he or she has functional responsibility. Prompt disclosure of such events is critical to effective remedial action and to Surgery Partners' efforts to ensure that such events do not recur. Surgery Partners employees with responsibility for the proper handling and disposal of hazardous substances and infectious waste must ensure that contractors hired to dispose of such materials do so in a proper manner.

Safety of Patients and Employees. Also, Surgery Partners will maintain the safety and well-being of its patients and employees. Surgery Partners' managers are charged with the responsibility to develop programs to eliminate, or minimize to the extent reasonably feasible, any hazards to the health and safety of employees and patients, in accordance with applicable laws and regulations.

## COMPLIANCE PROGRAM

### Program Structure

The Compliance Program is intended to demonstrate in the clearest possible terms the absolute commitment of the organization to the highest standards of ethics and compliance. The elements of the program include setting standards (the Code and Policies and Procedures), communicating the standards,

providing a mechanism for reporting potential exceptions, monitoring and auditing, and maintaining an organizational structure that supports the furtherance of the program. Each of these elements is detailed below.

These elements are supported at all levels of the organization. Providing direction, guidance and oversight are the Audit and Compliance Committee of the Board of Directors and the Corporate Compliance Officer.

The Corporate Compliance Officer for the organization is responsible for the day-to-day direction and implementation of the Compliance Program. This includes developing resources (including policies and procedures, training programs and communication tools) and providing support to Facility Compliance Officers.

Playing a key role in ensuring the successful implementation of our Compliance Program, Facility COs are responsible for distributing standards, ensuring training is conducted, monitoring and responding to audits, investigating and resolving Compliance Line cases and otherwise administering the Compliance Program in their respective facility.

Another important resource able to address issues arising out of the Code of Conduct is the Human Resource Department. Human Resources are knowledgeable about many of the compliance risk area described in this Code of Conduct that pertain to employment and the workplace and are responsible for ensuring compliance with the various employment laws. If a concern relates to specific details of an individual's work situation, rather than larger issues of organizational ethics and compliance, the Human Resources manager is the most appropriate person to contact. In that we promote the concept of management autonomy at local facilities, every effort should be made to resolve the workplace conduct and employment practice issues through the individual's supervisor and the Human Resource

manager at the local facility. Surgery Partners routinely reviews the operation of this problem solving procedure and may periodically modify the details of the approach in order to maximize its effectiveness. In circumstances where you seek to utilize the problem solving procedure, we encourage you to inquire about the specifics of how the procedure operates. Your local human resources department or representative can provide this information. All of these individuals or groups are prepared to support Surgery Partners employees in meeting the standards set forth in this Code.

### **Setting Standards**

With respect to our Compliance Program, we set standards through this Code of Conduct, compliance policies and procedures and, occasionally, through other guidance mechanisms, such as Compliance Alerts and advisory memoranda. It is the responsibility of each individual to be aware of those policies and procedures that pertain to his or her work and to follow those policies and procedures.

### **Training and Communication**

Comprehensive training and education has been developed to ensure that employees throughout the organization are aware of the standards that apply to them. Code of Conduct training is conducted at the time an individual joins the organization and annually for all employees. Compliance training in areas of compliance risk (e.g., billing, coding, cost reports) is required of certain individuals. Company policies outline the training requirements. Compliance training is recorded in the Company's learning management system. Through the learning management system, system administrators and Compliance Officers track employees' compliance with their training requirements and report such information as necessary.

## **Resources for Guidance and Reporting Concerns**

To obtain guidance on a compliance issue or to report a concern, individuals may choose from several options. We encourage the resolution of issues, including human resources-related issues (e.g., payroll, fair treatment and disciplinary issues), at a local level. Employees should use the human resources-related problem solving procedure at their facility to resolve such issues. It is an expected good practice, when one is comfortable with it and thinks it appropriate under the circumstances, to raise concerns first with one's supervisor. If this is uncomfortable or inappropriate, the individual may discuss the situation with the Facility Human Resources Manager, the Facility Compliance Officer, or another member of management at the facility or in the organization.

## **COMPLIANCE HOTLINE**

**1-800-279-4655**

Surgery Partners, Inc. ("Surgery Partners" or the "Company"), has established a Compliance Hotline to provide Surgery Partners employees with every avenue possible in which to raise their concerns and report possible wrongdoing. Every call will be treated confidentially. Calls will not be recorded or traced, and the caller will not be required to furnish his or her name. Surgery Partners' Compliance Officer will investigate all calls and insure that proper follow-up actions are taken. Surgery Partners policy prohibits any employee from taking retaliation against a Compliance Hotline caller.

### **Personal Obligation to Report**

We are committed to ethical and legal conduct that is compliant with all relevant laws and regulations and to correcting wrongdoing wherever it may occur in the organization. Each

employee has an individual responsibility for reporting any activity by any employee, physician, subcontractor, or vendor that appears to violate applicable laws, rules, regulations, accreditation standards, and standards of medical practice, Federal healthcare conditions of participation, or this Code. If a matter that poses serious compliance risk to the organization or that involves a serious issue of medical necessity, clinical outcomes or patient safety is reported locally, and if the reporting individual doubts that the issue has been given sufficient or appropriate attention, the individual should report the matter to higher levels of management or the Ethics Line until satisfied that the full importance of the matter has been recognized. If a matter that poses concern regarding the safety or quality of care provided to a patient in the hospital is identified and was reported locally but thought to be unresolved, an additional avenue for reporting is available through notification to one of the accrediting bodies. There will be no retaliatory disciplinary action taken against an employee who reports concerns to one of the accrediting bodies.

### **Internal Investigations of Reports**

We are committed to investigating all reported concerns promptly and confidentially to the extent possible. The Compliance Officer coordinates any findings from corporate-led investigations and immediately recommends corrective action or changes that need to be made. We expect all employees to cooperate with investigation efforts.

### **Corrective Action**

Where an internal investigation substantiates a reported violation, it is the policy of the organization to initiate corrective action, including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, instituting whatever disciplinary action is necessary, and implementing systemic changes

to prevent a similar violation from recurring in the future.

## **Discipline**

All violators of the Code will be subject to disciplinary action.

**The precise discipline utilized will depend on the nature, severity, and frequency of the violation and may result in any or all of the following disciplinary actions:**

***Oral warning; Written warning; Written reprimand; Suspension; Termination; and/or Restitution.***

## **Measuring Program Effectiveness**

We are committed to assessing the effectiveness of our Compliance Program through various efforts. Much of this effort is provided by the Internal Audit Department, which routinely conducts internal audits of issues that have regulatory or compliance implications. Responsible Executives routinely undertake monitoring efforts in support of policies and compliance in general. Facilities conduct self-monitoring, and the Ethics and Compliance Department conducts reviews of facility ethics and compliance programs designed to assess facility implementation of the Code, policies and procedures, Ethics Line and related investigations, and monitoring efforts. These compliance process reviews permit the Compliance Department to identify and share best practices. Most of these methods of assessment result in reports of findings by the reviewers and corrective action plans by the facilities that are reviewed. Through these reviews, we are continuously assessing the effectiveness of the Program and finding ways to improve it.

## **Acknowledgment Process**

Surgery Partners requires all employees to sign an acknowledgment confirming they have reviewed the Code, understand it represents mandatory policies of Surgery Partners and agree to abide by it. New employees are required to sign this acknowledgment as a condition of employment. Each Surgery Partners employee is also required to participate in annual Code of Conduct training, and records of such training must be retained by each facility.

Adherence to and support of Surgery Partners' Code of Conduct and participation in related activities and training is considered in decisions regarding hiring, promotion, and compensation for all candidates and employees. New employees must receive Code of Conduct

SURGERY PARTNERS, INC. AND SUBSIDIARIES

**CERTIFICATION REGARDING  
SURGERY PARTNERS'S CORPORATE COMPLIANCE PROGRAM: PLAN & POLICIES**

I certify that I have received, read and understood, to the extent reasonably applicable to my employment responsibilities, the Surgery Partners Code of Conduct. By executing this Certificate, I hereby also acknowledge my obligation and agreement to fulfill those duties and responsibilities as set forth in the Code of Conduct and the Compliance Policies. I further certify that throughout the remainder of my association with the Company, I shall continue to comply with the terms of the Code of Conduct and the Compliance Policies. I understand that violation of the Surgery Partners policies described in the Compliance Program or Compliance Policies may lead to disciplinary action, including termination.

Signature: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Facility/Department Name:  
\_\_\_\_\_

Business Address: \_\_\_\_\_

Date: \_\_\_\_\_

Please promptly return the signed copy of this Certification to your facility's administrator or personnel director if you are based at a health care facility, or to the Compliance Officer at 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215, if you are based at a corporate or regional office.



**PHONE: 615-234-5900**

**FAX: 615-234-5999**

**40 BURTON HILLS BOULEVARD, SUITE 500**

**NASHVILLE, TENNESSEE 37215**