



# Standards of Business Ethics and Conduct



Encompass Health's Standards of Business Ethics and Conduct is not an employment contract. Unless otherwise prescribed by contract or state law, employment with Encompass Health is at will and may be terminated by either the employee or Encompass Health at any time, for any reason or for no reason.

The most up-to-date version of the Standards of Business Ethics and Conduct is available online. Please visit the ethics & compliance Encompass Health 360 site at <https://360.encompasshealth.com/Corporate/Compliance/Pages/Home.aspx>.



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# Introduction

## A message from leadership

As the nation's preeminent provider of post-acute healthcare services, Encompass Health has a responsibility to set high standards for both quality and business integrity. We must remain true to our principles, regardless of the circumstances. There can be no shortcuts or special exceptions. We must always seek to provide the highest quality medical care and to conduct our business and record our financial results with integrity.

Our Standards of Business Ethics and Conduct (the Standards) describe a set of shared principles upon which we can build a reputation for excellence. These Standards apply to all aspects of our clinical and business operations. All of us are expected to be familiar with the Standards and use them to govern our conduct at work or otherwise, or when acting on behalf of Encompass Health. In addition, each of us is required to acknowledge that we have read, understood and agreed to abide by the Standards.

Please embrace the Standards as the foundation of a corporate culture based on honesty, openness and integrity.

Our shared commitment to these core principles is the cornerstone of a strong Encompass Health.



**Leo Higdon**  
Chairman  
Board of Directors



**Mark J. Tarr**  
President &  
Chief Executive Officer



**Barb Jacobsmeyer**  
Executive Vice  
President,  
President of  
Inpatient Hospitals



**April Anthony**  
Chief Executive Officer,  
Home Health  
& Hospice



**Dawn Rock**  
Chief Compliance  
Officer

### **Encompass Health shared values**

We believe integrated care delivery across the healthcare continuum is critical to achieving the best outcomes for patients. We exist to provide a better way to care that elevates expectations and outcomes.

The Encompass Health Way is comprised of five shared values:

**Set the standard** We are committed to going above and beyond, never settling for anything less than excellence. We pride ourselves on being industry leaders and challenge ourselves to continuously improve.

**Lead with empathy** We start with empathy, taking the time to understand the physical, mental and emotional needs of each other and those we support. We listen, make deep connections and engage on a personal level to better serve others.

**Do what's right** We do the right thing the right way, no matter how difficult, even when no one is looking. We are not afraid to have hard conversations. If we make a mistake, we acknowledge it, proactively find a resolution and make it right going forward.

**Focus on the positive** We have a positive spirit and find the light even in the most difficult situations. We bring our whole self to work. We celebrate successes and inspire others to create meaningful impact.

**Stronger together** We believe our individual strengths make us stronger together. We take accountability for our actions, connect across teams and lean in to get it done—at all levels of the Company.

These shared values inspire our actions when operating on behalf of Encompass Health. They are incorporated throughout these Standards.

### **Who is covered by the Standards of Business Ethics and Conduct**

The Standards apply to all Encompass Health directors, officers, employees and volunteers (collectively, Covered Persons). Other professionals who provide healthcare, financial or accounting services to, or on behalf of Encompass Health, are also expected to conform to the Standards while providing services on behalf of Encompass Health.



## Why we have the Standards

The Standards are designed to empower Covered Persons to exercise good judgment by providing guidance about key compliance issues, offering practical answers to situations they may face and pointing them in the right direction when they need answers or guidance. The purpose of the Standards is to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- Full, fair, accurate, timely and understandable disclosures in our required reporting
- Compliance with all applicable rules and regulations that apply to Encompass Health
- Prompt internal reporting of violations of applicable laws, regulations, internal policies and procedures, and the Standards to an appropriate person
- Accountability for adherence to the Standards

Covered Persons should always operate in accordance with legal or regulatory guidance and act with the highest level of integrity. When in doubt, seek answers from available resources, including these Standards. No single set of business rules can address every situation.

Therefore, a number of other resources are available within Encompass Health to provide assistance with specific questions or concerns. See Appendix A: Quick Reference Guide at the end of the Standards for a list of additional resources.

When faced with a decision, we should all use the Standards and the resources available, as we ask ourselves:

- Is the action consistent with our core values?
- Can this action withstand public scrutiny?
- Will the action protect our Company or expose our Company to risk?

## Why we act with integrity

Ethics and integrity are at the core of our culture. These principles are reflected in our shared values noted above, as well as the Standards. Whether engaged in clinical practice with patients, in negotiations with vendors or interactions with colleagues, Covered Persons are expected to conduct all activities performed on behalf of Encompass Health with the highest level of integrity—whether or not a law or regulation guiding the activity exists. Furthermore, if you are a member of a profession governed by its own rules

of ethics or code of conduct, then our Company expects you to abide by those rules in addition to the Standards.

### **Your obligations under the Standards**

You have a responsibility to yourself, your colleagues, our patients, our Company and our community to conduct business legally, ethically and in accordance with our shared values and these Standards. You are expected to read and understand the Standards and apply them every day in the course of your job or dealings on behalf of Encompass Health. It may sometimes seem easier to keep silent or look the other way, but taking no action can result in serious consequences. Remember, we cannot honor our Company's commitment to integrity if we ignore concerns about suspected illegal, non-compliant or unethical actions.

### **Waiver of the Standards**

For members of the board of directors and executive management, compliance with these Standards may not be waived except by action of the board of directors or a committee thereof. For all other Covered Persons, compliance with these Standards may not be waived except upon written permission of the general counsel or chief compliance officer or their designees.

### **Legal obligations**

Encompass Health will comply with federal, state and local laws and regulations that apply to our business. We will reject any business opportunity that would require us to act illegally or in a manner that is inconsistent with these Standards.

- You are expected to know the basic laws and regulations that apply to your job. If you have questions, ask a supervisor or contact one of the Company resources listed in Appendix A: Quick Reference Guide. You are also expected to know and follow the Encompass Health policies and procedures that apply to you and to utilize Company processes and systems in accordance with those policies and procedures.
- The Company will not employ or contract with any person or entity that is ineligible to participate in federal healthcare programs.
- Suspected violations of law or Encompass Health policies must be promptly reported to a supervisor or the legal services department or another company official. See Ask questions and voice your concerns on page 6 of the Standards for more information.

Competitive pressure or “industry practice” is never a valid basis for violating Company policy or regulatory standards. If you believe that a competitor is achieving a commercial advantage by ignoring legal or regulatory requirements, contact legal services or the ethics & compliance department for assistance.

### **Violations of the Standards or legal obligations**

Failure to comply with the law or the Standards can lead to serious consequences for you, your fellow employees, other Covered Persons and our Company. These may include termination of employment; termination of contract; incarceration; personal or corporate fines; exclusion from Medicare and other healthcare programs; loss of credibility with investors and lending institutions; loss of respect by physicians, patients and the community; and poor quality of care.

Because the consequences of not following the law or the Standards are so serious, disciplinary action, up to and including termination of employment or contract, will be taken against any Covered Person who:

- Authorizes or participates in any violation of law, the Standards or

Company policies and procedures

- Fails to report or conceals a violation of law, the Standards or Company policies and procedures
- Refuses to cooperate with any internal investigation or audit
- Threatens or retaliates against anyone who reports a violation

Any supervisor or manager will be subject to disciplinary action if he or she knew, or should have known, about a violation of the law or the Standards and failed to take reasonable actions to prevent or promptly report and correct the situation.

### **Ask questions and voice your concerns**

Open discussion of possible compliance concerns without fear of reprisal is vital to the effectiveness of our ethics & compliance program. Ask questions about policies or practices that you do not understand and promptly report suspected violations of law, policy or the Standards to a supervisor or other appropriate persons. Likewise, supervisors and managers are required to report suspected violations of law, policy or the Standards to the ethics & compliance department or legal services. Our policy, Non-Retaliation and Internal Reporting of Suspected Violations of Compliance Policies or Legal-Regulatory Obligation, prohibits retaliation against

anyone who raises a concern in good faith.

Any of the following resources, as well as those listed in Appendix A: Quick Reference Guide, can assist you with questions and concerns.

### **Your supervisor or department manager**

Many questions and problems are best addressed at the department, hospital, home health agency or hospice level. Your supervisor or department manager has access to helpful resources and also knows you and the issues in your workplace better than anyone else. If a supervisor or manager does not have an answer, he or she can reach out for assistance from others in our Company. If your concern is about your supervisor or department manager, you should address the issue with another resource listed in Appendix A: Quick Reference Guide.

### **Ethics & compliance department or chief compliance officer**

Questions or concerns relating to healthcare or other regulatory issues or suspected violations of law, policy or the Standards should be brought to the attention of the ethics & compliance department. The contact information for the ethics & compliance department is detailed below. You may also contact the chief compliance officer directly to

discuss concerns or report issues.

Encompass Health  
Ethics & Compliance Department  
9001 Liberty Parkway  
Birmingham, AL 35242  
Phone: 205.970.5900  
Fax: 205.970.4854  
compliance@encompasshealth.com

or

Encompass Health  
Ethics & Compliance Department  
P.O. Box 43766  
Birmingham, AL 35243

Dawn Rock  
Chief Compliance Officer  
205.970.7795

You may also direct questions about home health and hospice regulations and business practices to Encompass Health's Home Health and Hospice Home Office.

Encompass Health Home Health & Hospice  
Attn.: Ethics & Compliance Department  
6688 N. Central Expressway, Suite 1300  
Dallas, TX 75206  
Phone: 855.WE COMPLY (855.932.6675)

### **Confidential ethics & compliance hotline**

If your concern has not been resolved to your satisfaction, or if you feel uncomfortable raising a concern through your supervisor, department manager or other Company managers, you may call the toll-free Encompass Health Hotline (the Hotline) at 888.800.2577 or go online to [www.encompasshealth.ethicspoint.com](http://www.encompasshealth.ethicspoint.com) to report a concern confidentially and without fear of retaliation. You may report your concern anonymously. The Hotline operates 24 hours a day, seven days a week, and is staffed by an independent company not affiliated with Encompass Health. Your call will not be traced or recorded, and your anonymity will be protected up to the limits of the law. All reports received by the Hotline will be investigated. If a report is substantiated, appropriate corrective actions will be taken.

The Hotline is intended to supplement, not replace, other channels for communicating concerns and raising questions within our Company. It should be used when you have exhausted other avenues of communication or are uncomfortable with disclosing your identity.

### **Internal audit and controls department or inspector general**

Questions or concerns relating to accounting, financial reporting and/or safeguarding of assets should be brought to the attention of internal audit and controls by phone at 800.755.8215, or by email at [internalaudit@encompasshealth.com](mailto:internalaudit@encompasshealth.com). Encompass Health's inspector general or general counsel may also be contacted directly on any of these issues.

Encompass Health  
Internal Audit and Controls Department  
9001 Liberty Parkway  
Birmingham, AL 35242  
Phone: 205.970.3425  
Fax: 205.262.3187

### **Human resources department**

If your question or concern involves a human resources or general workplace issue, contact your local human resources representative or the Birmingham Home Office human resources department at:

Encompass Health  
Human Resources Department  
9001 Liberty Parkway  
Birmingham, AL 35242  
Phone: 800.765.4772  
Fax: 205.262.3692

While you will never be turned away if you bring a human resources issue to the attention of the ethics & compliance department, a human resources representative will likely investigate your concern if it involves only workplace or other human resource issues.

Here are some examples of the types of concerns that are typically addressed by each department:

### **Human Resources**

- Concern about a hostile work environment
- Problems with a supervisor or co-worker
- Concern your hospital is understaffed
- Concern that a co-worker is not clocking out
- Not getting paid correctly for overtime

### **Ethics & Compliance**

- Concern that someone is not following a regulatory requirement
- Retaliation after a good faith effort to report a suspected violation
- Potential HIPAA violation
- Concern about a suspected conflict of interest
- Suspected fraudulent activity

### **Quality and clinical excellence department**

While the vast majority of concerns are managed quickly at the local level, if you become aware of a quality of care complaint that has not been appropriately addressed at the local level, refer the patient to 800.765.4772, ext. 2636, for prompt assistance from the quality & clinical excellence department. Concerns regarding the quality of care provided to home health or hospice patients may be directed to the Dallas Home Office by calling 855.WE COMPLY (855.932.6675).

### **Board of directors**

If an issue involves a member of senior management or anyone charged with supervising the compliance or internal audit processes, you have the option of writing directly to the Encompass Health board of directors. All such written communication should be directed to:

Encompass Health  
Board of Directors  
Attn: Corporate Secretary  
9001 Liberty Parkway  
Birmingham, AL 35242

**OR**

P.O. Box 382827  
Birmingham, AL 35238

If an issue involves possible financial, accounting, internal controls or audit improprieties or a possible violation of federal securities laws or the Sarbanes-Oxley Act of 2002, and you are unable to get a satisfactory resolution through other channels, you may contact the audit committee of the board of directors at:

Encompass Health  
Audit Committee of the Board of  
Directors  
Attn: Corporate Secretary  
9001 Liberty Parkway  
Birmingham, AL 35242



# Our commitment to our patients

**STANDARD: We will provide high-quality, cost-effective medical care to our patients safely and in accordance with the highest of professional standards.**

Patient care will be provided only upon medical orders issued by a physician or another authorized healthcare professional based on the needs of each patient. We will always act in the best interest of the patient.

## Key points to remember

- The well-being of patients should be the focus of all of us, whether our roles involve direct patient care or other supportive functions.
- Services should be medically appropriate for the patient. We will not over-utilize or under-utilize the services to our patients.
- Only persons with appropriate training or professional credentials and licenses may furnish or supervise the delivery of medical care. All professionally credentialed personnel are expected to keep their credentials current and to notify the Company promptly if sanctions are threatened or imposed on a professional license.





- No healthcare professional should ever furnish a service or take any action that would violate a professional code of ethics or practice act.

## Q&A

### Who should I contact if I see a patient not being treated respectfully?

Step in immediately to redirect any situation that could put a patient at risk, then promptly talk to your supervisor or manager.

If necessary, you may also talk to your quality or risk manager or you can call the quality & clinical excellence department at 800.765.4772, ext. 2636, or the Hotline at 888.800.2577.

### **STANDARD: We will treat our patients with dignity and respect.**

All patients should be treated with dignity and respect. Patients will not be denied access to medical services based on age, race, ethnicity, religion, culture,

language, physical or mental disability, socioeconomic status, sex, sexual orientation, gender identity or expression or any protected classification.

### Key points to remember

- Respond promptly and courteously to patients' questions and concerns.
- Provide adequate and accurate information to patients and their families in order to allow them to participate in treatment planning and to make informed treatment decisions.
- Safeguard the personal property of patients.
- Do not offer gifts to, or accept gifts from, patients or their family members of more than nominal value. Avoid any perception that the quality of care furnished is dependent on the offering of gifts or other gratuities. You should not accept cash or cash-equivalents from patients or their family members.
- Do not offer gifts or other financial benefits to Medicare or Medicaid beneficiaries in order to induce them to choose Encompass Health.
- Provide to all patients a list of their rights and responsibilities and the Notice of Privacy Practices upon admission as a patient and upon request.

## Policy cross-reference

QCE-008 Patient and Customer  
Compliant or Grievance

HH&H Administrative Operations  
7.0-Client Complaints and Grievances

QCE-010 Use of Restraints in  
Rehabilitation Hospitals

RIS-688 Allegations of Abuse

RIS-690 Physical Search of Patients'  
Rooms and Personal Belongings

CMP-202 Gifts or Benefits to/from  
Medicare or Medicaid Patients

CMP-500 Nondiscrimination in the  
Delivery of Healthcare

HH&H Administration/Operations  
6.0-Nondiscrimination

HH&H Service Delivery 3.0-Patient  
Rights

**STANDARD: We will provide safe  
patient care.**

Safe patient care is essential to the well-being and recovery of our patients. We will promote a corporate-wide safety culture based on clinically appropriate

policies, systems and equipment.

## Key points to remember

- If a Covered Person has a question or concern about whether the Company's quality or patient safety commitments are being met, that Covered Person is obligated to raise the concern to a supervisor or manager until it is satisfactorily addressed and resolved.
- Equipment used to furnish medical services should be safe, effective and properly maintained at all times.

## Policy cross-reference

QCE-011 Alarm Management Policy

QCE-010 Use of Restraints in  
Rehabilitation Hospitals

QCE-002 Wound Assessment,  
Prevention and Documentation

RIS-677 Fall Prevention Program

HH&H Administration/Operations 17.0-  
Client Abuse (state specific)

HH&H Service Delivery 21.0-Adjunctive  
Therapies for Wound Ulcer Management

**STANDARD: We will maintain accurate clinical records.**

All clinical records should be accurate, timely, complete and consistent with our policies and applicable regulations.

**Key points to remember**

- Medical record entries should be complete and document facts and pertinent information related to an event, course of treatment, patient condition, response to care and deviation from standard treatment.
- If the original entry is incomplete, follow policy guidelines for making a late entry, addendum or clarification.

**Policy cross-reference**

QCE-006 Late Entry and Error Correction in Medical Record

HH&H Administration/Operations  
26.0-Clinical Documentation Edits in the Electronic Medical Record

**Q&A**

**I have access to confidential patient information as part of my job. Can I look up anybody's record, even if they are not my patient, as long as I keep the information to myself?**

No. It is only acceptable to access patient information when it is necessary for your job. Accessing PHI for any other reason can jeopardize the patient's privacy and your privilege to practice or remain employed by or contracted with Encompass Health.

**STANDARD: We will protect the privacy of our patients' health and financial information.**

Our hospitals collect and use information about a patient's medical condition, medical history, medication, and family illnesses to provide quality care. We realize the sensitive nature of the data and are committed to protecting the privacy and security of this information.

Consistent with the Health Insurance Portability and Accountability Act (HIPAA), we will not use or disclose patients' protected health information (PHI) unless otherwise required or permitted by law. We will also protect patients' financial data in accordance with all applicable state and federal laws.

### Key points to remember

- Everyone must take reasonable measures to protect the confidentiality of PHI, whether that information is presented in oral, written or electronic form.
  - No one has general authorization to access PHI. Only those who require specific patient information to furnish care, perform quality control activities, bill or collect charges for services, or furnish other administrative services are permitted access to that PHI unless authorized under the law or by the patient.
  - Dispose of paper and other records containing PHI and financial data only in secure (locked) shredding bins; open recycling and trash bins are NOT secure and should not be used to discard PHI or financial information.
  - Hand off information containing PHI only after you have confirmed that you are giving the information to the correct patient or individual.
- Credit card information may not be communicated through email or fax. If information is requested, the credit card information must be truncated prior to communication.
  - Be careful when faxing; ensure the fax number is correct, and that the correct number has been entered into the fax machine.
  - If you suspect that a patient's health information has been compromised, you must immediately contact your Hospital HIPAA Officer (HHO) or Encompass Health's privacy officer. (Refer to Appendix A: Quick Reference Guide for contact information.)

### Policy cross-reference

CMP-701 HIPAA Privacy

TRS-303 Virtual Merchant

**STANDARD: We will dispense drugs and controlled substances in accordance with state and federal law.**

Various state and federal laws and regulations govern the use of pharmaceuticals and controlled substances, including how they are ordered, stored, administered and inventoried. Covered Persons handling pharmaceuticals and controlled

substances are responsible for knowing and complying with applicable laws and regulations and Encompass Health's policies and procedures.

### Key points to remember

- Under the Controlled Substances Act (CSA), providers who dispense controlled substances must ensure the secure storage and distribution of controlled substances and provide effective controls and procedures to guard against theft and diversion.
- The loss or misuse of any controlled substance must be reported immediately to a supervisor or manager.

- Even in states that permit the medicinal and/or recreational use of marijuana, our Company will continue to follow federal law, under which marijuana is an illegal controlled substance.

### Policy cross-reference

QCE-001 Medication Diversion Prevention

Pharmacy 501 Medical Cannabis

HH&H Service Delivery 7.0-Medications



**STANDARD: We will conduct clinical research in accordance with all applicable laws and protect the privacy of our patients who participate in clinical trials and other human subject research.**

We are committed to the highest of professional and ethical standards when conducting research. All research activities conducted at Encompass Health facilities must be reviewed and approved in advance through a process administered by the Home Office clinical research compliance committee. (Refer to Appendix A: Quick Reference Guide at the end of the Standards for contact information.)

### **Key points to remember**

Our policies on clinical research are designed to ensure research protocols have been properly reviewed, patients have been informed and have given their consent to participate and systems are in place to prevent inappropriate billing and/or impermissible access, use or disclosure of confidential information.

### **Policy cross-reference**

CMP-600 Human Subject Clinical Research Activity

# Our commitment to each other

**STANDARD: We will foster a respectful and inclusive workplace free of discrimination, harassment or violence.**

We value a diverse workforce and an inclusive culture, which contributes to creativity and business growth. We do not tolerate unlawful discrimination or harassment. All Covered Persons and applicants for employment will be given equal employment opportunities without regard to race, ethnicity, sex, sexual orientation, gender identity or expression, religion, national origin, color, creed, age, mental disability, physical disability or any other protected classification.

We will not tolerate physical violence or threats of violence. This includes abusive or aggressive behavior intended to threaten or intimidate another person.

### **Key points to remember**

- Treat colleagues and customers with dignity and respect.
- Everyone is responsible for ensuring that our Company is free from



discrimination and harassment.

- If you know or suspect that someone is being harassed or discriminated against, report it to your supervisor or manager, human resources representative or the Hotline.

### **Policy cross-reference**

HRS-414 ADA Reasonable Accommodation

HRS-416 Disruptive Behavior

HRS-420 California Harassment, Discrimination and Retaliation Prevention

HRS-101 Equal Employment Opportunity

HRS-409 Harassment

HRS-415 Religious Observances or Practices Reasonable Accommodation

HH&H Personnel 18.0-Sexual Harassment

HH&H Personnel 27.0-Open Door

HH&H Environment of Care 10.0-Unsafe Staff Situations

## Q&A

**One of my co-workers is going through a difficult divorce, and he has not been himself lately. He gets angry and yells at people over any small issue, and I am scared that he may become violent. What should I do?**

Your co-worker's behavior is aggressive and is not acceptable. This should be reported immediately to your supervisor or manager or human resources.

**STANDARD: We will foster a safe and healthy environment free of substance abuse.**

Encompass Health has a vital interest in maintaining a safe and healthy environment. All Covered Persons must be free from the impairment caused by alcohol, drugs or other substances (even those permitted under state law).

### **Key points to remember**

- Alcohol, illegal drugs and controlled substances can adversely affect safety,

productivity, attitude and judgment. They have no place at Encompass Health.

- Being under the influence of drugs or alcohol on the job poses serious safety and health risks to the user and all who come in contact with the user.
- Covered Persons should seek assistance through the employee assistance program (EAP) or their healthcare provider before substance abuse problems lead to attendance or performance problems.

### **Policy cross-reference**

HRS-655 Drugs & Alcohol

**STANDARD: We do not tolerate retaliation.**

Anyone who, in good faith, is following these Standards and doing the right thing, will not be retaliated against for doing so. This includes:

- Seeks advice
- Raises a concern
- Asks a question regarding a policy or practice
- Reports actual or suspected misconduct
- Participates in an investigation or legal proceeding

We take claims of retaliation seriously. If you believe that you, or someone you know, is the subject of retaliation for reporting a compliance or financial integrity concern, immediately report it to your human resources representative, the chief compliance officer, or general counsel. The Company investigates all allegations of retaliation.

A good faith report is one that is made with the sincere intention to inform Encompass Health leadership of an action, activity or behavior that the Covered Person honestly believes to be a violation of legal or regulatory obligations, internal policy or the Standards.

### **Key points to remember**

The facts and circumstances of each situation will determine whether a particular action was motivated by legitimate reasons or retaliation. Depending on the facts, examples of retaliation may include:

- Firing or laying off
- Making threats
- Demoting
- Harassment
- Disciplining
- Reassignment to a less desirable position



- Actions affecting prospects for promotion
- Reducing pay or hours
- Subtle actions, such as isolating, ostracizing, mocking or falsely accusing the employee of poor performance
- Denying overtime or promotion

### Policy cross-reference

CMP-100 Non-Retaliation and Internal Reporting of Suspected Violations of Compliance Policies or Legal-Regulatory Obligation

**STANDARD: We protect the health and safety of our co-workers.**

We strive to be a leader in safety and rely on the sound judgment of all Covered Persons to operate our hospitals and home health and hospice agencies safely. Success requires not only attention to detail, but also compliance with our policies and the consistent execution of safe work practices on the job.

### Key points to remember

- Everyone is expected to be familiar with the potential hazards in their workplace and to comply with government regulations and Company policies relating to workplace safety, such as:

- Safety management improvement plans
- Standard precautions for potentially infectious materials
- Storage and use of hazardous materials
- Safety and emergency plans
- Ergonomic safety
- Infection control procedures
- Sentinel event and other incident reporting

- Federal and state laws regulate the handling and disposal of many infectious materials (e.g., blood and other bodily fluids, used needles and syringes or chemicals) that may present a hazard to Covered Persons or to the local community if not properly controlled.
- Any unsafe conditions should be reported promptly to a supervisor, manager, human resources representative, the Birmingham Home Office human resources department at 800.765.4772, the Birmingham Home Office risk management department at 205.970.3404 or the Hotline (888.800.2577).

### Policy cross-reference

RIS-666 Blood-Borne Pathogens Exposure Control Plan

RIS-600 Electronic Event Reporting

RIS-662 OSHA Recordkeeping and Posting (Occupational Safety and Health Administration)

HH&H Infection Surveillance  
10.0-Respiratory Protection

RIS-674 Respiratory Protection Program

HH&H Infection Surveillance  
12.0-Exposure Control Plan

RIS-691 Root Cause Analysis

HH&H Infection Surveillance  
13.0-Infection Prevention and Control Plan

RIS-661 Safety Management Improvement Program

RIS-692 Sentinel Events Policy

RIS-664 STOP Program (Employee Injury Prevention Program)

RIS-667 TB Screening Form and Post-Job Offer Questionnaire

RIS-683 Texas Safe Patient Handling and Movement Practices (Texas Licensed Hospitals Not Utilizing STOP II)

RIS-673 Tuberculosis Exposure Program

RIS-631 Vehicle Incident Report

RIS-633 Vehicle Safety

RIS-679 Violence Prevention Program

RIS-612 Workers' Compensation Claims Management

# Our commitment to our company

**STANDARD: We do not reveal or trade on inside information.**

Because of your relationship with Encompass Health, you may become aware of information concerning the Company that is not available to the public, but that would be considered material or important by an investor in deciding whether to buy or sell Company stock or the stock of another company that has a significant business relationship with Encompass Health. This is commonly referred to as “insider trading.”

## Key points to remember

- Insider trading is illegal and can result in disciplinary action and civil and criminal penalties.
- Anyone who discloses confidential information to outsiders may still be held accountable under federal law for any misuse of such information, even if no stocks are bought or sold.
- Covered Persons should be cautious in discussing Company information with anyone outside of Encompass Health, including, but not limited to, friends, family or acquaintances.

- Know what kind of information is material, nonpublic information, and do your part to protect it.
- If you are unsure whether information is material, or whether it has been released to the public, do not trade on it until you have consulted with legal services.

## Policy cross-reference

LEG-003 Insider Trading Policy

## Q&A

**My uncle, a stockbroker, keeps asking me if we are going to build any new hospitals. I think he might be trying to get confidential information. I really want to just say, “Yeah, we are working on that now, but I can’t tell you anything more than that.” Is it OK to say that?**

No. Telling people outside work our confidential information is never OK, even if it is not the entire story or is done casually.

## Q&A

**A colleague was working on a new therapy modality before she left. Can she tell her new employer about our new modality?**

No. When your colleague was hired, she agreed that she would not use confidential information for her own benefit or disclose it to others, even if she developed the new modality. That obligation is a permanent one that continues even after her employment with Encompass Health ended.

**STANDARD: We protect our confidential information.**

Confidential information includes all information that Encompass Health has not publicly disclosed. This includes nonpublic financial information; business strategies; contract terms; employment and personnel information; information about our relationships with patients, suppliers, providers or government agencies; proprietary information, such as trade secrets, software and

protocols and procedures; and any other information that gives us a competitive advantage. We safeguard our confidential information because it is one of our most valuable assets.

We never use confidential information for our personal benefit, and we never disclose it to others (including family members and friends) or anyone at work who does not have a need to know it.

### Key points to remember

- Be careful not to inadvertently disclose confidential information by discussing it where others can overhear it, leaving it in public places or forwarding it by email outside the Company.
- Your responsibility to protect the Company's confidential information continues even after your employment or contract ends.
- This standard is not intended to restrict any legally protected activity or exercise of rights under applicable federal, state or local law.

## Q&A

**I accidentally overheard a conversation about Encompass Health possibly purchasing another company. Is it OK for me to purchase stock in the targeted company?**

No. The information that you now have is considered “non-public” or “inside” information and “material” information. If you trade or tip others to trade based on this information, it is considered insider trading, which is illegal.

**STANDARD: We are careful when communicating with investors and the media.**

To protect our reputation and our Company, and to make sure that any information communicated is accurate, only the Company’s Home Office marketing and communications department (and those preapproved by that department) is authorized to speak directly to the media about our Company. If the media contacts you, direct them to the Home Office marketing and communications department.

## Key points to remember

- Covered Persons are required to obtain specific approval from legal services prior to disclosing to anyone confidential or “non-public” information about Encompass Health.
- In general, only Encompass Health’s executive officers and specifically designated members of the investor relations, and Home Office marketing and communications and finance departments should speak to investors, market professionals or the media about Encompass Health.
- Covered Persons should coordinate any media contact with the Home Office marketing and communications department.

## Policy cross-reference

COM-001 Encompass Health Media/ Photography Policy: Non-Patient Care

**STANDARD: We are responsible on social media.**

We respect the rights of our Covered Persons to maintain personal blogs or post comments on social networking sites outside of the workplace on their own time. However, employees may not disclose on any personal blog or social networking site photographs or protected health information of patients

or any other non-public confidential information of the Company.

This standard is not intended to restrict the rights of employees covered by the National Labor Relations Act to engage in protected activity nor is it intended to limit employees' rights under any other applicable law.

### **Key points to remember**

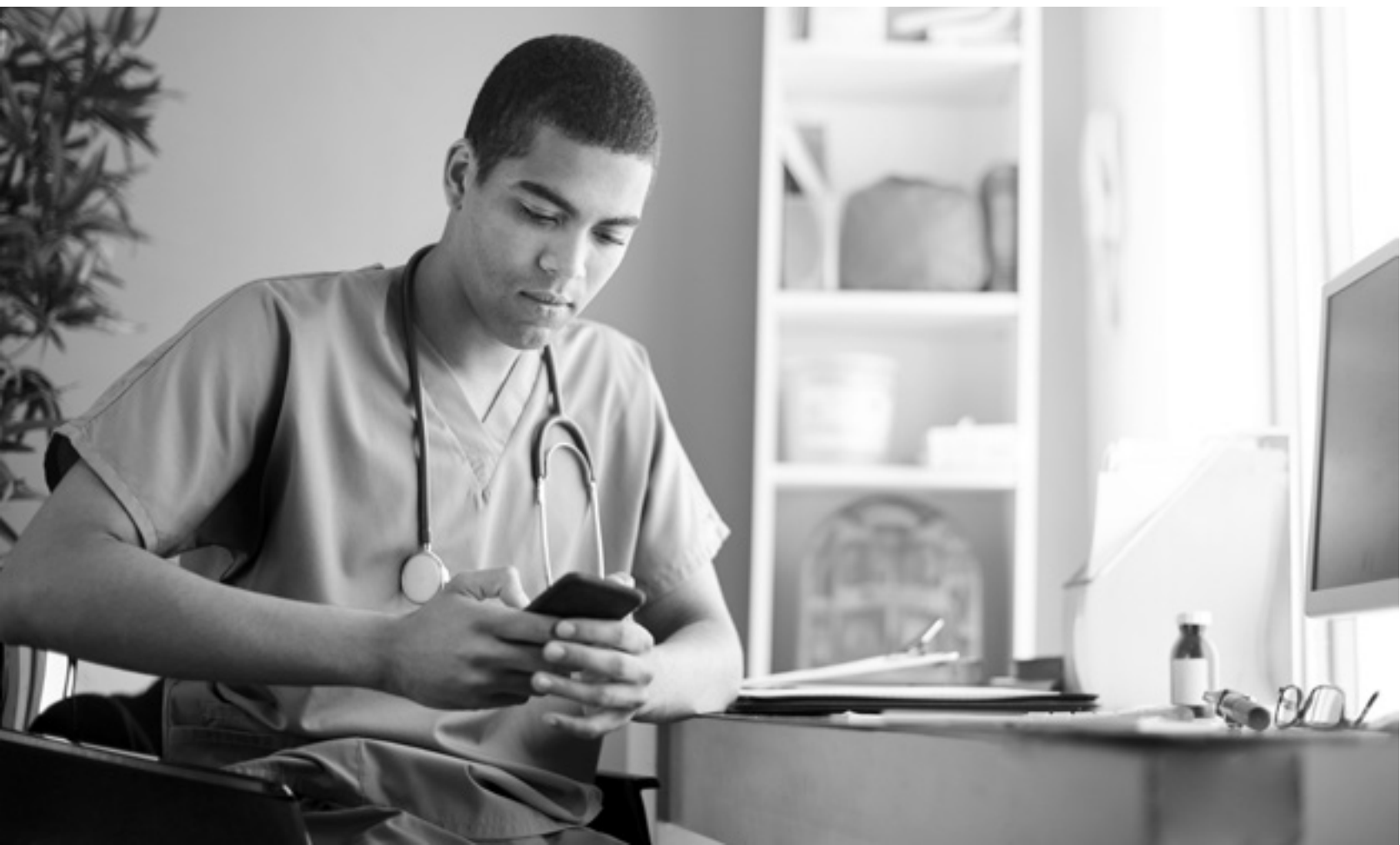
- Covered Persons are responsible for the content of their postings and publications on social media.
- Patient information and non-public information pertaining to Encompass Health should NEVER be posted on social networking sites and/or blogs.

- Never post pictures of patients on social media.
- If you list your work affiliation on a social network, remember that your messages may reflect on our Company and your colleagues. You should make it clear that you are speaking for yourself and not on behalf of Encompass Health.

### **Policy cross-reference**

HRS-418 Social Networking

HH&H Information Technology 10-Social Media Usage



**STANDARD: We use good judgment when pursuing outside activities and interests.**

Participation by Covered Persons in political, charitable, civic and other organizations is permitted and encouraged as long as it is done appropriately. Encompass Health respects the diversity of interests among us. However, your participation should not cause an observer to conclude that Encompass Health is endorsing the activity. Participation also must not impede your ability to perform your job. You may not pursue personal interests when you are required or expected to perform your duties and responsibilities for Encompass Health.

**Key points to remember**

- Exercise good judgment and never engage in activities that impede your ability to perform your job.
- Do not use the property or resources of Encompass Health for your personal activities.

**Policy cross-reference**

HRS-411 Non-Solicitation

HRS-418 Social Networking

HRS-417 Dating/Romantic Relationships in the Workplace

CMP-115 Conflicts of Interest

HH&H Personnel 15.0-Solicitation and Distribution

HH&H Information Technology 10-Social Media Usage

**STANDARD: We maintain accurate books and records and honor our reporting obligations.**

Both federal law and our policies require that we disclose accurate and complete information about our business, financial condition, clinical outcomes and operations. Covered Persons must cooperate with government inquiries, as well as internal and external audits and investigations. Covered Persons will assist in the development, execution and enforcement of effective internal controls to ensure contracts, payments and other business transactions are properly authorized, conform to our policies and procedures and are recorded timely and accurately in accordance with generally accepted accounting principles. Covered persons will also immediately report any material omission that may affect our public disclosures, or any questionable



accounting or auditing matters to all local supervisors, the internal audit and controls department, the inspector general, the legal services department or the ethics & compliance department.

### Key points to remember

- Examples of improper documentation include, but are not limited to: submitting inaccurate expense reports; making false or misleading statements in documents submitted to the government in order to receive payment; and miscoding procedures.
- Covered Persons should respond to any questions from the accounting department, internal audit and controls (IAC) or the Company's auditors promptly, completely and truthfully.
- Covered Persons should be familiar and comply with our record retention policies and procedures applicable to the documents in their control.
- Covered Persons are expected to adhere to applicable professional code(s) of ethics (e.g., CPAs with the AICPA's Code of Professional Conduct; nurses with the ANA Code of Ethics for Nurses; Physical therapists with the APTA Code of Ethics for the Physical Therapist).
- Special care should be taken to preserve documents that are known to be subject to a government investigation, litigation or audit.

### Policy cross-reference

ACT-150 Accounts Receivable & Related Allowances

ACT-200 Accrued Liabilities and Compensated Absences

ACT-700 Journal Entry Review and Approval Process

ACT-750 Other Assets

ACT-800 Revenue Recognition

LEG-004 Records Management Policy

LEG-878 Disclosure Controls and Procedures

TRA-200 Employee Expense Reimbursement

HH&H Administration/Operations 20.0-Credit Balance Procedure

HH&H Administration/Operations 21.0-Accuracy of Billed Claims



## Q&A

**We have a bill ready to drop, and we are missing a critical item of documentation, which we expect to receive the next day. May we go ahead and send the bill?**

No. Bills may not be submitted until all required documentation is accounted for and we can show all services were provided to patient.

## Q&A

**Certain documents in my possession have been placed on a “legal hold” by legal services. I want to free up some storage space and copies of some of these documents are kept in other departments. May I shred or delete the ones I think are duplicates?**

No. All documents that are related to a “legal hold” must be retained until you are notified by legal services that the hold has ended.

**STANDARD: We protect the Company’s physical and financial assets.**

Everyone is expected to manage the Company’s physical and financial assets and other resources honestly and efficiently. This includes property of joint ventures or other entities that are affiliated with Encompass Health. Covered Persons will obtain the proper authorization or approval prior to the use or commitment of Company assets.

### Key points to remember

- Company assets should be used for business purposes only.
- When Company property becomes surplus, obsolete or unusable, it should be disposed of in accordance with applicable policies and procedures.
- You should immediately report missing property, as well as any unusual circumstances surrounding the disappearance of Company assets.
- Our funds may never be diverted for personal use, even temporarily, or used for any purpose that is not authorized and approved in accordance with applicable policies and procedures.

### Policy cross-reference

ASM-305 Capital Commitment and Spending

ASM-301 Capitalization of Property and Equipment

ASM-302 Determination of Useful Lives—Property and Equipment

ASM-304 Property & Equipment: Impairment

ASM-306 Transfers of Capital Assets

SCO-114 Equipment or Product Return

SCO-110 General Procurement

ACP-130 Petty Cash

**STANDARD: We are cautious with gifts, meals and entertainment.**

We conduct our business based on the merits of our clinical services. Because giving or receiving gifts or hospitality to or from vendors, physicians and other referral sources can compromise our objectivity, or give the appearance that someone is trying to influence a business or clinical decision, Covered Persons should refrain from giving or accepting gifts, meals or entertainment.

#### Key points to remember

- An infrequent meal or other entertainment is usually acceptable if it is of reasonable value and the purpose

## Q&A

### May I give a physician a \$50 Visa gift card out of gratitude?

No. Giving cash or cash equivalents – including gift cards – violates our Gifts, Meals and Entertainment policy.

### A supplier has a luxury suite at the local stadium. Can I ask for tickets to a sporting event?

No. It's never acceptable to solicit gifts or hospitality from anyone doing, or seeking to do, business with our Company.

- of the meeting or attendance at the event is business related.
- Items or services that are customarily provided to all Covered Persons, such as discounted travel arrangements, are generally acceptable and not considered gifts. Discounts on personal purchases are also acceptable if they are generally offered to all covered persons.
- Gifts of cash or cash equivalents (such as gift card and gift certificates) in any amount are never permitted, nor is accepting any gift or hospitality that is

illegal or is part of an agreement to do or give something in return to induce a referral.

CMP-203 Vendor Relationships and Gifts

CMP-201 Free or Discounted Local Transportation of Patients

### **Policy cross-reference**

CMP-202 Gifts or Benefits to/from Medicare or Medicaid Patients

CMP-200 Gifts, Meals, and Entertainment to Referral Sources & Medical Staff  
Incidental Benefits for Physicians

## Q&A

**I mentioned to several competitors that we would soon be filing for regulatory approval to expand the number of beds in our hospital. I just learned that one of our competitors has filed an application with a state agency to add beds to their hospital. Did I do something wrong?**

Yes. Discussions with competitors about commercial or competitive matters carry significant antitrust risk. Regulators may use these discussions to allege that industry members reached a tacit agreement to violate the law. Violations can be serious criminal matters resulting in severe fines for our Company and fines and imprisonment for individuals.

Particular care should be taken when pursuing joint ventures or alliances with other healthcare providers. Care should also be taken when participating in trade associations. It is generally acceptable for their members to cooperate on quality or public policy-related activities. Other forms of cooperation should be avoided. Questions relating to antitrust and business competition should be directed to legal services. See Appendix A: Quick Reference Guide for contact information.

**STANDARD: We avoid conflicts of interest.**

Conflicts of interest, as well as the appearance of conflicts, between your private interests and the interests of Encompass Health are prohibited. A conflict of interest exists when you, or a member of your immediate family (i.e., spouse, domestic partner, parent, children and their spouses or domestic partner's children and their spouses), is involved in any activity that could affect your objectivity in making decisions. Covered Persons also should not compete with Encompass Health; use Encompass Health property, information or their positions with Encompass Health for personal gain; or take for themselves opportunities that are discovered through the use of Encompass Health property or information or their positions with Encompass Health. Finally, all Covered Persons must disclose any investment or other financial interest in an Encompass Health competitor. This includes, without limitation, investments, financial interests or employment by a spouse or other immediate family member.

The following is a non-exclusive list of examples where a conflict of interest may exist:

- Steering business to a vendor in which the Covered Person or a family member has a personal financial interest
- Conducting private business on Encompass Health's time
- Engaging in outside employment that interferes with the Covered Person's responsibilities to Encompass Health
- Taking advantage of a business opportunity presented to Encompass Health for the Covered Person's own purposes
- Marketing or promoting products or services in competition with Encompass Health's current or potential business activities

**Key points to remember**

- Do not use your position, contacts or knowledge about the Company for personal gain.
- In general, employees are permitted to hold other jobs and maintain other financial relationships, so long as doing so does not put the employee in a position to compromise confidential or proprietary information or prevent him or her from meeting the performance standards of their position at Encompass Health.
- Any outside employment or other financial relationships that might present a potential conflict must be disclosed to your supervisor and to the human resources department.

The conflicts of interest committee will evaluate and document potential conflicts and detail mechanisms for managing the conflicts, if applicable.

- If you have a question about whether a specific situation constitutes a conflict of interest or want to report any potential conflict of interest, you should disclose the matter to your supervisor or manager or the ethics & compliance department. To determine if a conflict of interest exists, Covered Persons may be required to provide additional information via an online questionnaire.

## **Policy cross-reference**

CMP-115 Conflicts of Interest



# Our commitment to our community

## **STANDARD: We compete fairly.**

We will compete vigorously and fairly in the marketplace. Antitrust laws prohibit business practices that interfere with free and open competition among companies. Therefore, we will not seek to restrict competition through unlawful monopolistic or predatory practices.

We will never:

- Discuss or exchange information (public or private) relating to prices, fees, rates, costs, market shares, expansion plans, marketing programs, vendor and labor costs or terms and conditions of sale or supply unless authorized or otherwise permitted in the ordinary course of business
- Agree with our competitors to raise, lower or stabilize prices or any element of price, including discounts, fees, surcharges and credit terms
- Agree with our competitors to divide or allocate markets, services, territories or patients
- Agree to boycott any business

- Require customers or suppliers to avoid dealing with any of our competitors as a condition for keeping our business

## **Key points to remember**

- Violations of antitrust laws are subject to criminal sanctions, which may include fines or imprisonment.
- Consult with legal services before attending meetings with competitors where competitively sensitive issues may be discussed.
- Antitrust laws are complicated and can be difficult to understand. Contact legal services if you have doubts about the legality of an agreement.
- Consult legal services if you have questions about the legality of agreements with competitors and the limits of permitted conduct.

## **STANDARD: We work professionally with trade associations.**

Attending meetings of professional associations and trade associations is both legal and proper if they have a legitimate business purpose. However, we must be cautious when attending. Never discuss prices, fees or pricing strategies. In addition, do not discuss nonpublic financial information or other proprietary or competitively sensitive information.

### Key points to remember

- Never discuss competitively sensitive information at industry meetings.
- If the discussion turns to competitively sensitive issues, clearly and unambiguously excuse yourself from the discussion. Immediately leave the meeting or hang up the phone, then notify legal services.
- If you are uncertain whether a discussion topic is appropriate, defer the conversation until you have discussed it with legal services.

### **STANDARD: We engage in fair dealing.**

Covered Persons should deal fairly with Encompass Health's customers, patients, suppliers, competitors and other Covered Persons, and should not take unfair advantage of anyone by manipulation, misrepresentation or abuse of information.

### Key points to remember

Covered Persons are expected to deal fairly and honestly with Encompass Health in recording hours worked, scheduling and reporting time off, using Encompass Health property, seeking reimbursement for business-related expenses and all similar matters.

### Policy cross-reference

HRS-405 Absenteeism and Tardiness

HRS-411 Nonsolicitation

HRS-128 Employment of Relatives

CMP-115 Conflicts of Interest

## Q&A

**I used to work for the local acute care hospital. Can I share details about their sales strategy with members of my group?**

No. You have a responsibility to protect the confidential information of your prior employer just as you would have a responsibility to protect our confidential information if you left Encompass Health. If you're unsure, do not disclose the information until you have discussed it with legal services or the ethics & compliance department.



**STANDARD: We seek business openly and honestly.**

We do not offer, pay, authorize or promise to pay money or provide anything of value to government officials or government employees in order to retain or obtain business, or to influence or induce government officials or employees to take, or refrain from, a particular official act on our behalf. We also have a “no gifts” policy for members of Congress and state legislators and their staffs.

**Key points to remember**

- Bribes include money or anything of value (e.g., gifts, services, offers of employment, fee waivers, free tickets or upgrades) that can be used to obtain a benefit. There is no exception just because the value is small.
- Things that are generally not bribes include social engagements (e.g., working lunch with a business partner), reasonable and proportionate hospitality or promotional expenditures, and modest gifts to business contacts at certain times of the year (e.g., Christmas), unless given with the intent to obtain a benefit.
- Never give or offer money or anything of value to any other person if you know or suspect it will be perceived

as a bribe to a government official or employee, such as making a contribution to a charity at the request of or for the benefit of someone else. Knowing or suspecting includes consciously avoiding the truth or ignoring clear red flags that a transaction is likely improper.

- Covered Persons who pay bribes are subject to criminal sanctions, including heavy fines and imprisonment.
- If a government official or employee ever demands a gift, service, special treatment or tickets to a sporting or other event, politely refuse and contact the ethics & compliance department or legal services.
- The fact that something is a normal business practice by local standards does not make it permissible if it does not comply with state or federal law, Encompass Health policies or the Standards.

**Policy cross-reference**

GVM-100 Government Affairs and Political Activities



**STANDARD: We respect intellectual property and confidential information.**

Intellectual property includes patents, trademarks, copyrights and trade secrets. All Covered Persons must safeguard Encompass Health's intellectual property and keep it strictly confidential. Moreover, if you have access to another company's intellectual property, make sure you obtain authorization from legal services to use it and that your use complies with our Company's policies and procedures. We may also have confidentiality obligations under the terms of contracts with third parties. This includes keeping their software, source code and other proprietary information confidential from anyone not authorized to receive it.

**Key points to remember**

- Safeguard Encompass Health intellectual property. Treat it as confidential.
- Violation of copyright laws can result in heavy fines. Covered Persons who willfully violate copyright laws can be subject to criminal sanctions as well, including imprisonment.
- Failure to follow contractual obligations to protect our vendors' confidential information could put the Company and you at significant legal and financial risk.

- We treat others' confidential information with the degree of care required by our contractual obligations and, at a minimum, as confidential as we treat our own.

## Q&A

**My friend at another healthcare organization forwarded me an industry survey report that her organization recently completed. Many of the observations in the survey report would be interesting to many of my colleagues at Encompass Health. Can I forward the report to interested colleagues at Encompass Health?**

No. Since the report was not created by Encompass Health or otherwise made public by your friend's organization, you should treat it as the intellectual property of that organization and maintain its confidentiality.

**STANDARD: We deal fairly with the government.**

We will maintain the highest standards of legal and ethical conduct in transacting business with local, state and federal governments. We will not submit false claims or statements to a federal or state agency or in connection with any government contract. We will also not conceal, avoid or decrease a legitimate obligation to pay the government.

**Key points to remember**

- A company that submits false claims can receive heavy civil and even criminal monetary penalties.
- False statements contained in a government filing or report could subject the Company or the employee responsible for preparing and submitting the filing or report to civil or criminal penalties.
- If you suspect that a false claim has been made, immediately contact the ethics & compliance department or the Hotline (888.800.2577).
- Immediately contact legal services if you are contacted by a government agent in connection with an investigation of Encompass Health.
- Immediately contact the risk management department at 205.970.3404 regarding investigations by the Occupational Health and Safety

Administration (OSHA), Environmental Protection Agency (EPA) or the Food and Drug Administration (FDA).

**Policy cross-reference**

CMP-410 Compliance with Federal and State False Claims Acts (including Whistleblower Protection)

**STANDARD: We follow political contribution and lobbying laws.**

State and federal laws regulate when and how corporate funds may be used in the political process (e.g., direct monetary support of candidates and political parties or lobbying). Covered Persons are prohibited from using any corporate funds or resources to help or promote any political candidate or party unless they have obtained approval from the governmental affairs department. Unless otherwise permitted based on his or her position, Covered Persons must obtain written approval from the governmental affairs department before communicating with policymakers (congressional and executive branch) about state or federal legislation, executive orders, regulatory matters and other programs and policies and positions of any state or the U.S. government that may be related to Encompass Health or other healthcare-industry matters.

## Key points to remember

- Lobbying laws can be complex, so if you have any questions about whether your activities on behalf of the Company could be considered lobbying, contact the governmental affairs department or legal services.
- Examples of prohibited activities include: using Company funds to purchase tickets to a political event, paying colleagues to work at a political function or making cash contributions or offering Company assets or services (such as a flight upgrade) to benefit a candidate or political party.
- Do not include any expense that could be considered a political contribution in any expense statement, disbursement or request for a disbursement of funds.
- Refrain from performing volunteer campaign work while at work and do not use Company time, facilities, or email or phone systems for political purposes.
- When participating in political activities do not speak or act on behalf of Encompass Health or let anyone think that you are speaking or acting on behalf of Encompass Health.
- Company policies are not intended to encourage or discourage Covered Persons from making personal contributions to candidates, parties or political action committees.
- Eligible Covered Persons may

contribute to Encompass Health's political action committee (PAC).

However, no employee will be compelled or pressured to do so.

- Violations of campaign finance laws can receive heavy fines. Covered Persons who willfully violate the laws can be subject to criminal sanctions, including substantial fines and imprisonment.

## Policy cross-reference

GVM-100 Government Affairs and Political Activities

GVM-101 Election-Related Communications to Employees

**STANDARD: We strictly adhere to all state and federal fraud, waste and abuse laws.**

Federal law prohibits a healthcare provider from paying or receiving kickbacks or other improper inducements to or from anyone for the referral of a patient or for the purchase or ordering of healthcare products or services that are paid for with federal healthcare funds. Many states have similar laws. These laws also prohibit referrals of certain types of services that are paid by government entities to entities in which the physicians have financial relationships. Entities are

prohibited from making claims for such services as well.

### Key points to remember

- Fraud and abuse laws apply not only to physicians, healthcare professionals, hospitals and other referral sources, but also to nursing homes, case managers, discharge planners and other professionals in a position to influence healthcare referrals, purchases or orders. These laws cover:
  - The offer or payment of a kickback or other improper inducement to secure referrals, purchases or orders
  - The request or receipt of an improper payment in exchange for referrals, purchases or orders of healthcare services
  - Improper payments or inducements can take many forms, including:
    - Above fair market value lease payments to a referral source or free or below fair market value lease payments from a referral source
    - Loans to referral sources with below market interest rates or other terms that do not meet commercial lending standards
    - Professional services contracts (e.g., medical director agreements) for more services than are needed or at rates in excess of fair market value
    - Management fees that fail to cover the full cost of services furnished to a referral source
- Extravagant gifts or entertainment (Super Bowl tickets, cruises, jewelry, etc.)
- Improper inducements may be indirect, such as a payment or concession made to a third party with the expectation that it will be passed on to a referral source. Even the mere offer of a kickback or improper inducement could be a violation of law and could subject you and the Company to criminal prosecution.
- Encompass Health will evaluate the financial and ownership interests maintained by referral sources to ensure that applicable agreements are executed and referrals are monitored.

### Policy cross-reference

CMP-304 Contracting for Physician Clinical Services or Ancillary Services with Referral Sources

CMP-301 Contracting for Physician Medical and Program Direction Services as well as Physician On-Call Services

CMP-303 Hospital Outpatient Clinic Models and Leasing Arrangements

CMP-302 Leasing Arrangements with Referral Sources

## Q&A

**Our patient is ready for discharge from the Encompass Health Rehabilitation Hospital. She lives locally, but cannot drive and has no one who can give her a ride. Can Encompass Health pay for a taxi to take her home?**

Yes, provided the following conditions are met: (1) the distance does not exceed 25 miles for an urban area or 50 miles rural area; (2) such transportation services may not be offered to any patient prior to the patient's decision and selection to come to an Encompass Health hospital and cannot be advertised or marketed; (3) the services are not air, luxury or ambulance-level transportation. Any exceptions to these requirements must be approved by the ethics & compliance department.

## Q&A

**Our medical director wants to lease an office from our hospital part-time for two years. Can we do that?**

Yes, provided that it is pursuant to a written agreement that details the space to be leased, the schedule, and the amount to be paid, and the amount is deemed to be within fair market value for the space.

**Our medical director is paid for her services and she refers patients to our hospital and home health agency. Is this a violation of the Stark Law and Anti-Kickback Statute?**

No. The medical director is paid for the administrative services she provides to our hospital, not for referrals. Our medical directors have contracts which are specifically structured to comply with the Stark Law and Anti-Kickback Statute. These regulations require that these contracts be in writing and that the compensation be fair market value among other things.

**STANDARD: We safeguard the environment.**

We comply with laws that safeguard the environment and promptly address any situation that results in the unauthorized discharge or emission of pollutants into the air, ground or water. We also follow the laws for storing, handling and disposing of hazardous materials, gases, chemicals and bio-wastes.

**Key points to remember**

- A company that violates environmental laws may be subject to heavy fines and other penalties. Covered Persons who knowingly violate environmental laws are subject to criminal sanctions, including heavy fines, penalties and imprisonment.

- Follow all applicable laws for storing, handling and disposing of hazardous materials, gases, chemicals and waste.
- If you learn of a dangerous or hazardous environmental condition, report it immediately to your supervisor or manager, facilities management department or the Hotline (888.800.2577).

**Policy cross-reference**

RIS-661 Safety Management Improvement Plan

HH&H Environment of Care 1.0-Safety Management Program





# Other resources to help you

## **APPENDIX A: QUICK REFERENCE GUIDE**

### **Ethics & Compliance Department** *Healthcare Regulatory and Business Ethics Issues*

Dawn Rock  
Chief Compliance Officer  
205.970.5900  
Fax: 205.970.4854  
dawn.rock@encompasshealth.com

Christopher Terrell  
Deputy Chief Compliance Officer, Privacy  
Officer  
205.969.6882  
Fax: 205.970.4854  
privacy@encompasshealth.com

Robert Leech  
Vice President, Home Health and Hospice  
Compliance  
205.970.7816 (Birmingham)  
877.330.7657 (Dallas)  
Fax: 205.970.4854  
robert.leech@encompasshealth.com

**Ethics & Compliance Hotline:**  
**888.800.2577**  
[ethicspoint.encompasshealth.com](http://ethicspoint.encompasshealth.com)



## **Legal Services**

*Legal Questions and Concerns*

Patrick Darby  
General Counsel  
205.970.7712  
patrick.darby@encompasshealth.com

## **Human Resources Department**

*Workplace Issues and Concerns*

800.765.4772  
humanresources@encompasshealth.com

## **Internal Audit and Controls**

*Financial Reporting/Tax/Internal Control Issues*

Dean Taggart  
Inspector General  
205.970.3425  
internalaudit@encompasshealth.com

Internal Audit and Controls Hotline:  
800.755.8215

## **Information Technology Group – Security**

*Data Security (e.g., phishing, spam, viruses, ransomware, cybersecurity)*

Mitch Thomas  
Chief Security Officer  
205.262.5461

mitch.thomas@encompasshealth.com

## **Information Technology Group (ITG) – Support Center Technology Help Desk**

800.646.9404  
support.encompasshealth.com

## **Marketing and Communications Department**

*Media Inquiries and Social Media*

Casey Lassiter  
National Director, Marketing and Communications  
205.969.6176  
casey.lassiter@encompasshealth.com

## **Quality & Clinical Excellence**

*Patient Quality of Care*

Mary Ellen DeBardeleben  
National Director, Quality  
205.970.3420  
maryellen.debardeleben@encompasshealth.com

## **Clinical Research Compliance Committee**

*Human Subject Clinical Research*

Kendra Metcalf  
Quality Improvement Research Analyst  
205.970.5906  
kendra.metcalf@encompasshealth.com



## Finance Department

*Government Filings and Reporting;  
Financial Integrity*

Doug Coltharp  
Chief Financial Officer  
205.970.5829  
doug.coltharp@encompasshealth.com

## Accounting Department

*Asset Management and Accounting*

Andy Price  
Chief Accounting Officer  
205.970.4889  
andy.price@encompasshealth.com

## Governmental Relations Department

*Legislative Affairs and Public Policy*

Justin Hunter  
Senior Vice President, Public Policy,  
Legislation and Regulations  
202.448.1649  
justin.hunter@encompasshealth.com

## Risk Management

*Patient, Employee and Visitor Safety*

Lynne Lee  
Vice President, Risk Management  
205.968.4448  
lynne.lee@encompasshealth.com

## APPENDIX B: SUMMARY OF THE FEDERAL LAWS RELEVANT TO OUR INDUSTRY

- Title XVIII of the Social Security Act
- Medicare regulations governing Parts C and D found at 42 C.F.R. §§ 422 and 423 respectively
- Patient Protection and Affordable Care Act (Pub. L. No. 111-148, 124 Stat. 119)
- False Claims Acts (31 U.S.C. §§ 3729-3733)
- Federal Criminal False Claims Statutes (18 U.S.C. §§ 287,1001)
- Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b))
- The Beneficiary Inducement Statute (42 U.S.C. § 1320a-7a(a)(5))
- Civil monetary penalties of the Social Security Act (42 U.S.C. § 1395w-27 (g))
- Physician Self-Referral (“Stark”) Statute (42 U.S.C. § 1395nn)
- Privacy, Security, and Breach Notification Provisions of the Health Insurance Portability and Accountability Act, as modified by HITECH Act and Omnibus Rule
- Prohibitions against employing or contracting with persons or entities that have been excluded from doing business with the Federal Government (42 U.S.C. §1395w-27(g)(1)(G))

- Fraud Enforcement and Recovery Act of 2009
- All sub-regulatory guidance produced by CMS and HHS such as manuals, training materials, HPMS memos, and guides

the fact that the  $\mathbb{Z}_2$ -action on  $\mathbb{R}^n$  is not free, the quotient space  $\mathbb{R}^n/\mathbb{Z}_2$  is not a manifold. However, the quotient space  $\mathbb{R}^n/\mathbb{Z}_2$  is a manifold with boundary, where the boundary is the set of fixed points of the  $\mathbb{Z}_2$ -action, which is the set of points in  $\mathbb{R}^n$  where all coordinates are zero.

Let  $M$  be a manifold with boundary. The boundary of  $M$ , denoted by  $\partial M$ , is the set of points in  $M$  that do not have a neighborhood homeomorphic to an open ball in  $\mathbb{R}^n$ . The interior of  $M$ , denoted by  $\text{int} M$ , is the set of points in  $M$  that do have such a neighborhood.

Let  $M$  be a manifold with boundary. The boundary of  $M$  is a manifold without boundary. The interior of  $M$  is a manifold without boundary. The boundary of  $M$  is a manifold with boundary, where the boundary is the set of points in  $M$  that do not have a neighborhood homeomorphic to an open ball in  $\mathbb{R}^n$ .

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