

Title:	Ethics of Business Conduct	Page 1 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

OBJECTIVE

To outline guidelines/rules for conducting business and delivering healthcare in accordance with high ethical standards and compliance with laws and regulations. To protect corporate integrity and welfare by providing guidelines/rules for disclosing violations or potential violations of this policy.

The provisions set forth in this policy contain specific guidelines on certain conduct or activities. The provisions are a non-exhaustive list of guidelines for use in further development of conduct expectations by employees and for situations not specifically covered in the policy. Based upon the guidelines set forth within this policy, employees should refrain from conduct similar to that which is prohibited or discouraged by this policy.

SCOPE

All business activities within covered operating units.

DEFINITIONS

1. Affiliated Person:
 - a. Any individual who is associated with a covered operating unit, and acts on its behalf, but is not an employee of the covered operating unit (e.g. Wayne State University faculty and contract physicians and managers when they function as contractors who are responsible for the operation of an operating unit department).
 - b. An affiliated person is subject to the provisions of policies to the same extent as is an "employee" in any section specifically, during those periods of time when the affiliated person is conducting activities as a representative of a covered operating unit.
2. Covered Person :
 - a. Any employee who holds a position in which their activities or relationships with vendors, providers, contractors, third-party payors, or government entities may present a risk of impropriety, lead to a conflict of interest, or the appearance of a conflict of interest.
 - b. Any employee who holds a position which grants him/her the authority to allocate DMC assets. Such individuals will include: officers, all employees in the purchasing department; all Corporate Audit and Compliance Department employees; any employee or affiliated-person with purchasing or purchase requisitioning authority; physicians and consultants with recommendation authority; and any other employees, or affiliated persons as determined by each Senior Vice President.
3. Covered Operating Unit: The DMC parent corporation and any/all of its wholly owned operating units.
4. Employee(s): All employees of The Detroit Medical Center System and affiliated persons (NOTE: Members of the Board of Trustee are subject to this policy, except that disclosure obligations are covered by and superseded by the policy on "Disclosure of Interest of Members of the Board of Trustees", 1 CG 002).
5. Household: Any employee's current or former spouse, parents, children, siblings, grandparents, grandchildren, in-laws, aunts, uncles, cousins, nieces, nephews, step-family, and/or legal guardians wherever they reside; as well as any person(s) sharing the same living quarters with an employee or who interacts with an employee in an intimate and personal relationship that could have an adverse affect on the objective of this policy.
6. Vendor: An individual or organization that conducts business with the DMC or that indicates an interest in doing so.

POLICY

Each employee is expected to conduct his/her duties in a manner that meets the highest legal and ethical standards. An employee who participates in any activity that violates legal standards, or which could adversely

Title:	Ethics of Business Conduct	Page 2 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

impact corporate integrity and welfare, will be subject to disciplinary action, up to and including discharge, prosecution, or both.

No action that would otherwise be suspect of discouraged under this policy is permissible simply because it is customary. A prohibited action is not excused simply because the action was taken with the knowledge, or at the discretion of a supervisor.

PROVISIONS

1. Gifts or Inducements: Employees and household members may not solicit or accept anything of value including, but not limited to; monetary gifts, awards, bribes, incentives, inducements, trips, discounts or other tangible benefits that would suggest or create any obligation from employees, vendors, or any other persons whom they contact or who contacts them on behalf of a covered operating unit. Such gifts, if received, must be returned to the donor/vendor. Whenever an offer of a gift, entertainment, or other gratuity is made because of the employee's position with the DMC, the employee shall question the propriety of accepting such an offer and refer to this policy and/or their supervisor for guidance.
 - a. Employees may accept non-monetary, unsolicited gifts from vendors, which have a nominal value, such as promotional items and refreshments.
 - b. Employees may not accept excessive meals and entertainment paid for, or given by a vendor, nor may employees accept loans offered by a vendor. This does not include those loans which are granted by lending institutions in the ordinary course of business of such institutions.
 - c. Assets of a covered operating unit shall not be used to provide gifts, personal favors or benefits to others, except for lawful and reasonable business-related expenses. Any expenditures for lawful and reasonable business related expenses shall be properly entered on the corporate records of the covered operating unit.

2. Travel and Lodging: Travel and/or lodging for an employee may not be accepted from, or be reimbursed by, a vendor or provider of a service to a covered operating unit unless such travel or lodging is for educational or consultative purposes, and is approved in advance by the appropriate Senior Vice President. All other business travel will be reimbursed, if appropriate, at the expense of a covered operating unit and according to its established business travel practices. Under no circumstances may an employee accept travel or lodging from a vendor for a household member without prior approval of the appropriate Senior Vice President.
 - a. Unless charged and paying a fair market price, an employee may not utilize, for his/her personal use, living quarters, a cabin, lodge, apartment, vehicle, office, or retreat facility owned or supplied by vendors, suppliers, contractors, or agencies.
 - b. Infrequent exceptions may be made for events such as supplier-sponsored seminars, or trips outside of the continental limits of the United States and/or to non-traditional business sites upon advance written approval by the Senior Vice President of a covered operating unit.

(NOTE: Blanket approval may be given for recurring, industry-wide practices that are in compliance with law and regulations and applicable industry ethical standards.)

3. Employee Discounts: The only approved employee discounts are those listed in an "Employee Discount" or similar policy of a covered operating unit. The giving of any other merchandise or service discount by a covered person within a covered operating unit is a violation of this policy.

4. Direct Purchase from Vendors: For Personal Use: Purchases from vendors (and discounts associated with such purchases) that are for personal use shall be permitted only when they are available expressly to all

Title:	Ethics of Business Conduct	Page 3 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

employees. A covered operating unit shall communicate the existence of such special purchase arrangements to its employees.

5. Bribes: No funds or other property of a covered operating unit shall be used to bribe, or attempt to bribe; any decision, action or inaction by any public official, employee, agency, or organization. Any employee who believes that there has been an attempt at bribery is obligated to report the suspicion to his/ her supervisor, one of the covered operating unit's Senior Vice President, the Vice President of Corporate Audit and Compliance, or to call the DMC Fraud and Ethics Hotline (1-800-484-9200).
6. Political Contributions: No employee may make any agreement to contribute any money, property, or services of any employee at a covered operating unit's expense to any political candidate, party, organization, committee, or individual in violation of applicable law, or in a manner that may jeopardize the tax exempt status of a covered operating unit. Employees may personally participate in and contribute to political organizations or campaigns, but they must do so clearly as individuals not representing a covered operating unit, and they must use their own funds and do so on their own time.
7. Receipt of Samples and/or Free Goods: While receipt of free goods and samples from vendors is discouraged, it is recognized that it may be necessary to receive sample products from a vendor for trial and evaluation. Free samples obtained for purposes of trial and evaluation must be obtained from the vendor via established Tier 2 Purchasing Policy Number P/AP 0007, "Processing of Purchase Requisitions," to ensure appropriate receipt, usage, disposal and return of samples. A "no charge" Purchase Order will be issued to the vendor. Such procedures for obtaining samples will be consistent with the provisions and philosophy of this policy.
8. Promotions/Contest: Participation with a vendor in a promotion or contest, which results in personal gain/loss, is not permitted.
9. Meals and Entertainment:
 - a. Covered persons may accept meals at a vendor's expense, if appropriate and in connection with the cover person's job and duties. Excessive meals and entertainment, and excessively frequent acceptances or elaborate arrangements are prohibited. At the appropriate opportunity, a reciprocal business-related invitation should be offered to a vendor. The employee's supervisor or the appropriate Senior Vice President must approve, in writing, participation of the covered person in meals and entertainment.
 - b. Occasional attendance at a theater, sporting event, or similar entertainment at vendor's expense, may be accepted by a covered person. Regularly involved business representative of the vendor must be in attendance with the covered person. The employee's supervisor or the appropriate Senior Vice President must approve, in writing, participation of the covered person in such entertainment.
 - c. Employees may not solicit meals, theater, sporting events, or other entertainment from any person affiliated or doing business with the DMC, including vendors.
10. Honoraria for Speeches and Articles: Honoraria opportunities for DMC employees must be conducted on an individual's own time and must not conflict with an individual's job responsibilities. Each honorarium opportunity for an employee will be considered on an individual basis and must have the documented, advance approval of the Senior Vice President of the covered operating unit. Honoraria for speeches and articles given or prepared by employees of the DMC may be retained by him/her unless:
 - a. His/her speech or article is prepared at a specific direction of a covered operating unit,

OR

Title:	Ethics of Business Conduct	Page 4 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

- b. There is an agreement to the contrary with the DMC employee. In such a case, any honorarium will belong to the covered operating unit.

(NOTE: Wayne State University faculty members are subject to this provision, with respect to their DMC employment and also are subject to the Wayne State University rules of governance regarding this matter).

14. Confidentiality: Unless authorized by Federal or State statute, a covered person will not disclose confidential or material information, to any outside or unauthorized persons, which relates to a covered operating unit, an employee, or a patient. Within a covered operating unit, confidential or material information should only be revealed to those employees who are authorized to receive such information and have a need for such information in connection with their duties. This requirement continues after termination of employment.
15. False or Misleading Information: No employee shall make any false or misleading statements to others related to patients, persons, or entities doing business or competing with a covered operating unit, nor shall an employee make false or misleading statements about the products or services of such a covered operating unit, DMC parent corporation, persons, patients, or business entities in relation to DMC.
16. Compliance with Laws: An employee is required to comply with all laws affecting the operation of covered operating units. An employee will not knowingly:

- a. Participate on the behalf of a covered operating unit or use corporate assets, to carry out any unlawful action, scheme (regardless of past practice) or permit such practice to continue in a department under the employee's supervision.
- b. Receive money, favors, goods, services, or property, directly or indirectly, with an understanding that a covered operating unit will pay rebates or refunds.

An employee is not expected to have full knowledge of all laws affecting the operations of a covered operating unit. However, it is expected that every employee will have a general knowledge of prohibited activities involved in his or her work. An employee shall seek guidance from his/her supervisor, Senior Vice President, or the Corporate Audit and Compliance Department regarding any matter on which he/she has a question and shall participate in continuing education at the system as appropriate to the employee's job duties.

17. Outside Employment and/or Consulting Opportunities ("Moonlighting"): Outside employment and/or consulting opportunities for all employees must be conducted on an individual's own time and must not conflict with an individual's job responsibilities. Each "moonlighting" opportunity being considered by a covered person must be disclosed on the "DMC Employee Disclosure/Moonlighting Form" (Attachment 1) contained in this policy. Covered persons must have the advance written approval of their supervisor or manager of the covered operating unit. If the supervisor or manager denies approval, the supervisor or manager shall check the "denied" box on the Disclosure Form, send a copy of the form to the Corporate Audit and Compliance Department, give the original form back to the employee, and refer the employee to the *Employee Problem Solving Policy (Tier I Policy HR 505)* for guidance regarding the employee appeal process.
- a. Covered persons are prohibited from working at a business where: (1) such activities conflict with the covered person's ability to perform his/her job at a covered operating unit; and/or (2) the employee is in any way soliciting business for the other employer while working for the covered operating unit.
- b. All names, addresses, and other identification of employees, affiliated persons, customers, suppliers, and contractors of a covered operating unit are the property of the covered operating unit and shall not be used or disclosed to any other person, except in the regular course of employment.

Title:	Ethics of Business Conduct	Page 5 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

- c. Covered persons seeking to hold employment elsewhere or to contract independently ("moonlight"), must inform and receive written approval by the supervisor of the department of the covered operating unit, prior to accepting any such position.
- d. Those covered persons who held a position elsewhere prior to accepting employment with the DMC, or who began a "moonlighting" opportunity without prior written approval, are required to inform their supervisor of such "moonlighting", the nature of the moonlighting, and the name of the outside employer.
- e. With the exception of expense reimbursement, no covered person is to be paid any form of remuneration by a covered operating unit, other than through the employee's regular payroll account.
- f. No covered person of a covered operating unit, or group of such persons, may operate on the property of any covered operating unit, any enterprise for personal profit, such as vending machines, rental service, cleaning, etc. An exception is a contractual relationship to provide services on behalf of, to, or at the DMC for delivery of goods or services to the DMC.

(NOTE: Wayne State University faculty are subject to this policy when such faculty members are acting in a DMC capacity (i.e. on the DMC payroll system as a teaching physician).

- g. No covered person shall render his/her services, outside of the normal course of his/her employment, to any competitor of a covered operating unit, or to anyone that does business with or seeks to do business with the covered operating unit, without the written approval of the Senior Vice President of the covered operating unit. Nor shall any such covered person be a director, officer, or consultant of such an organization, nor permit his/her name to be used in any fashion that would indicate a business relationship with such an organization.
18. Dealings with Current or Former Employees or Trustees: Caution shall be used when consideration is given to entering into any financial arrangement with a current or former Trustee, current or former employee, or an employer or any entity in which they hold a business interest. Preferential treatment is prohibited. The nature of any such proposed arrangement shall be fully disclosed to the appropriate covered operating unit, parent corporation Vice President, or Senior Vice President. Full disclosure is required.
19. Conflict of Interest: All employees shall regulate their activities so as to avoid conflicts of interest, actual impropriety, and/or the appearance of impropriety. Employees are required to disclose conflicts of interest, an actual impropriety, and/or appearances of an impropriety. Procedures for disclosing and the necessary forms are included in this policy.
- a. While not all inclusive, the following will serve to guide employees in evaluating the potential for a conflict of interest, and the appropriateness of activities or behaviors with vendors, providers, contractors, third-party payors, and government entities. The potential for a conflict of interest may exist where :
 - 1) An employee or members of their household have an ownership interest in, or are employed by, any outside business that provides products or services to a covered operating unit. This does not apply to stock or other investments held in a publicly held corporation, provided the value of that stock or investment does not exceed five percent of covered person's net worth.
 - 2) An employee or members of their household, conduct personal business with any vendor, supplier, contractor, third-party payor, or government entity.
 - 3) An employee or members of their household, attempt to represent a covered operating unit in any transaction in which he or she, or a household member, has a substantial personal interest.

Title:	Ethics of Business Conduct	Page 6 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

- 4) An employee or members of their household, disclose or use confidential, special, or inside information pertaining to a covered operating unit, for personal gain or to benefit a household member or any other persons.
- 5) An employee or members of their household, compete, directly or indirectly, with the interest of a covered operating unit, in the purchase, sale, or ownership of property or property rights, or business investment opportunities.

b. Disclosure by Employees:

- 1) All employees have a continuous obligation to disclose conflicts of interest, an actual impropriety, and/or an appearance of an impropriety.
- 2) Each employee is required to disclose such activities on the "DMC Employee Disclosure/Moonlighting Form" (Attachment 1) contained in this policy. The form shall be submitted to the Corporate Audit and Compliance Department. All disclosed information shall be confidential, except to the extent necessary for the protection of the interests of the DMC.
- 3) The Corporate Audit and Compliance Department will make a determination regarding the existence of a conflict. If it is determined that a conflict does in fact exist, the employee will be notified and will be given the option to either seek a waiver and written approval for the DMC President/Chief Executive Officer, or immediately discontinue all activities surrounding the said conflict.

c. Disclosure by Vendors

- 1) Vendors are required to continuously disclose to the DMC all conflicts of interest, gifts, honoraria, trips, equipment, and all remuneration given to the DMC and its physicians, and Wayne State University Medical School.
- 2) Vendors will be required to complete the "DMC Vendor Disclosure Form" (Attachment 2) contained in this policy, at the request of DMC. The form shall be submitted to the Corporate Audit and Compliance Department. All disclosed information shall be confidential, except to the extent necessary for the protection of the interest of the DMC.
- 3) The DMC reserves the right to discontinue or decline to do business with those vendors who refuse to complete the disclosure form or whose disclosure forms raise concerns about the vendor's compliance with DMC policy.

d. Participation on Boards of Directors/Trustees:

- 1) An employee must obtain written approval from his/her Senior Vice President prior to serving as a member of the Board Of Directors/Trustees of any organization whose interests may Conflict with those of the DMC or its' operating units.
- 2) An employee who is asked, or seeks to serve on the Board of Directors/Trustees of an organization whose interests would not impact the DMC or its operating units (e.g. civic [non-governmental], charitable, fraternal and so forth), will not be required to obtain the approval of the Senior Vice President.
- 3) All fees/compensation (other than reimbursement for expenses arising from Board participation) that are received for Board services provided at the request of the DMC and during normal work time shall be paid directly to the covered operating unit where the employee is employed.

Title:	Ethics of Business Conduct	Page 7 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

- 4) The DMC retains the right to prohibit membership on any Board of Directors/Trustees where such membership might conflict with the interest of the DMC or any of its operating units.
 - 5) Questions regarding whether or not Board participation might represent a conflict of interest should be discussed with an employee's Senior Vice President, or designee.
 - e. Any proposed transaction involving a covered operating unit and an employee, household member, or any individual or entity associated with an employee or member of their household must have the prior written approval of the DMC President/Chief Executive Officer and of the Board of Trustees/Directors, or a duly authorized committee of the covered operating unit(s).
 - f. If a conflict of interest situation arises and the Senior Vice President of the covered operating unit cannot resolve it, it shall be reported to a DMC Executive Vice President or the Vice President of Corporate Audit and Compliance.
20. DMC Code of Conduct: Each employee will be provided with a copy of the DMC Code of Conduct ("The Code"). Each employee will receive corporate compliance training and education. The provisions of the Code are to be read, and adhered to, by each covered person. Employees may contact the Corporate Audit and Compliance Department for interpretation of any of the Code provisions. Each employee shall acknowledge receipt of the Code of Conduct, make a commitment to abide by the provisions of the Code, and sign the "My Commitment" form, which is included in this policy.
21. Policy Violations: Employees have a duty to report any situation that violates or may violate DMC policies and procedures, the Code of Conduct, or applicable laws and regulations. Reports of such violations or potential violations are to be reported to the employee's supervisor, Senior Vice President, or designee.
- a. Incidents of alleged policy violations will be treated as follows:
 - 1) The Corporate Audit and Compliance Department will determine whether interviews and/or an investigation are necessary with respect to allegations of policy violation. Investigations may be assigned to one or more of the following departments: Corporate Audit and Compliance, Security, Legal Affairs, and/or Human Resources.
 - 2) The President of the covered operating unit will ensure that all data necessary to conduct an investigation is made available for review. Subsequent interviews, of person(s) determined to have knowledge or information relative to the investigation, will be conducted with the consent and approval of the DMC department that conducted the initial interviews and/or investigation.
 - 3) Further investigation will be conducted if advisable, based on the results of the interviews. Facts will be assembled and reviewed with the employee's Supervisor/Department Head, at the discretion of the DMC department that initiated the investigation process and the Senior Vice President of the covered operating unit. This group will determine if any further action is necessary.
 - b. The investigation and resolution of suspected policy violations must be given priority over other responsibilities of management involved.
 - c. In the event that disciplinary action is required, such action will be administered in accordance with the provisions of the progressive discipline policy/program of the DMC.
 - d. An employee who disagrees with a decision pertaining to disciplinary action may submit the matter for review in accordance with the employee grievance/problem solving policy/program of the DMC.

Title:	Ethics of Business Conduct	Page 8 of 8
Policy No:	1 CG 015	Effective Date: September 1, 2004

22. In any provision of this policy, where the President or Executive of a covered operating unit is the employee, approvals/disclosures are to be secured from, or made to, the Chairman of the Board of Trustees of the DMC and the President/Chief Executive Officer of the DMC or designee.

ATTACHMENTS

[Attachment 1: Employee Disclosure/Moonlighting Form](#)

[Attachment 2: Vendor/Supplier Disclosure Form](#)

ADMINISTRATIVE RESPONSIBILITY

The President/CEO has overall administrative responsibility for this policy. The Executive Vice President/COO and the Vice President, Corporate Audit and Compliance, have overall operational responsibility for this policy. The Senior Administrator of each covered operating unit has operational day-to-day responsibility for policy administration and audit for policy compliance. Should an exception to the policy be required, individuals in the positions designated below may make such exception. In instances where an exception to this policy has been made, such exception is to be documented in writing and a copy filed with both the Senior Administrator of the covered operating unit and the President/Chief Executive Officer, or designate, of the DMC. The DMC President/Chief Executive Officer will review all policy exceptions and will consult with the appropriate Board Chairman to reassess the organizational necessity of an exception when such an exception may be considered to be inconsistent with the objective/purpose of this policy.

Authorization for policy exceptions:

- The DMC President/Chief Executive Officer; OR
- Executive Vice President/Chief Operating Officer in consultation with the Senior Administrator of a covered unit under his/her direct supervision; OR
- Presidents in a covered operating unit, other than the DMC, in consultation with the appropriate DMC Executive Vice President and with the concurrence of the Chairman of the Board of Trustees.

Any decision or judgment to be exercised pursuant to this policy shall be at the sole discretion of the management of the DMC and/or its wholly owned operating units.

If any provision(s) of this policy is, at any time during the life of this policy, in conflict with any applicable valid state federal or local law, such provision(s) shall continue in effect only to the extent permitted by such law. If any provision(s) of this policy is or becomes invalid or unenforceable, such invalidity or unenforceability shall not affect or impair any other provision of this policy.

APPROVAL SIGNATURE(S):

DMC President/Chief Executive Officer

Date

Vice President, Compliance

Date

REVIEW DATE: September 1, 2007.
SUPERSEDES: February 29, 2004; February 14, 2000