

Supplier Code of Conduct

Munson Healthcare (MHC) and Northern Michigan Supply Alliance (NMSA) is committed to complying with all applicable laws and regulations and operating with the highest professional and ethical standards. As a Munson Healthcare supplier¹, you help us achieve these goals. This Supplier Code of Conduct sets forth the minimum standards² by which all Munson Healthcare suppliers are expected to conduct themselves when providing goods or services to our system. You are responsible for sharing this Supplier Code of Conduct with all your organization personnel who may be engaged in conducting business activities with Munson Healthcare.

Respectful Behaviors and Relationships: All suppliers must act with honesty, dignity and respect when providing services for Munson Healthcare. This includes maintaining a positive and courteous customer service orientation, speaking professionally and respectfully, and responding to requests for information or assistance in a timely manner.

Essential Services and Business Continuity: If a supplier's services are essential to Munson Healthcare's ability to provide health care services to Munson Healthcare patients and customers, supplier must maintain, test and continuously improve business continuity and disaster recovery plans. Essential Suppliers are also expected to maintain adequate security safeguards to prevent cybersecurity interruptions.

Gifts: Munson Healthcare recognizes the cost of gifts, including meals, entertainment, and social activities, provided by suppliers is ultimately borne in the cost of goods and services we purchase. Consistent with our mission to be faithful stewards of our resources, Munson Healthcare discourages suppliers from providing any gifts or other items of value to our colleagues, physicians or contractors working in Munson Healthcare facilities ("Munson Healthcare Personnel"). The following items are **never** acceptable:

- Gifts given to Munson Healthcare Personnel to influence a purchasing or contracting decision.
- Gifts that reasonably could be perceived as a bribe, payoff, deal, or any other attempt to gain a competitive advantage.
- Cash or items redeemable for cash such as checks, gift cards, stocks, etc.
- Gifts to or from government representatives.
- Gifts or other incentives to encourage or reward patient referrals; and
- Gifts that may violate a law or regulation.

¹ The term "Supplier" is used herein to refer to all vendors, independent contractors, agents, and other business partners providing goods or services to Munson Healthcare.

² Munson Healthcare hospitals, clinics, or departments may establish, and share with you, more restrictive guidelines than those described in this document. You are expected to adhere to the most restrictive standard provided to you.

The above requirements do not apply to meals and refreshments provided in connection with a conference or other educational program sponsored by a supplier for the benefit of all attendees.

Sponsored Events: Munson Healthcare colleagues may attend supplier sponsored local or out-of-town programs, workshops, seminars and conferences that have a legitimate educational purpose or otherwise support a Munson Healthcare business objective (e.g., product training) provided such events are infrequent (i.e., no more than once annually) and Munson Healthcare, not the supplier, pays for any related travel and overnight lodging costs.

Fundraising: As a tax-exempt, charitable organization, Munson Healthcare may solicit charitable contributions to support our health care ministries. Only Munson Healthcare foundations or specific departments responsible for fundraising activities may solicit such gifts. Munson Healthcare colleagues with responsibilities for ongoing supplier business relationships, including negotiation or supplier selection, are prohibited from solicitation and fundraising activities. ***Other than legitimate fundraising activities as described above, Munson Healthcare colleagues are not allowed to solicit gifts, entertainment or meals from suppliers at any time.*** Suppliers who encounter situations where Munson Healthcare Personnel are in violation of this policy are expected to contact the Munson Healthcare Compliance Hotline at 231.935.7748.

Conflicts of Interest: Conflicts of interest must be disclosed. Conflicts of interest include situations where a Munson Healthcare board member, medical staff, or colleagues' relationship (e.g., employment, investment, consulting services or other connection) with a supplier conflicts, or could appear to conflict, with Munson Healthcare's business interests. Munson Healthcare does not permit persons with conflicts to make purchasing decisions. In addition, Munson Healthcare colleagues are not permitted to work for a supplier if Munson Healthcare is a customer. We expect our suppliers to bring any actual, potential, or perceived conflicts of interest to the attention of a Munson Healthcare high-level representative (other than the person who has a relationship with the supplier) in a timely manner.

Compliance with Laws: Suppliers are required to conduct their business activities in compliance with all applicable laws and regulations, including laws applicable to individuals and entities directly or indirectly receiving Medicare, Medicaid and other federal funds.

Privacy and Security: Federal and state laws require Munson Healthcare and our suppliers to maintain the privacy and security of Munson Healthcare protected health information (PHI). Suppliers are responsible for ensuring all supplier personnel who provide services to Munson Healthcare are aware of and familiar with the requirements of both the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules and, where applicable, those state laws that provide more stringent protection of PHI or other personally identifiable information. Suppliers are also responsible for ensuring all supplier personnel who provide services using network connected devices receive role-appropriate and periodic cybersecurity training and assessments (at least annually). In addition, suppliers are responsible to ensure all reasonable and customary industry accepted actions are taken to protect supplier devices from malware, viruses, and other cyber threats prior to installation and/or use. If a

supplier's business relationship with Munson Healthcare will require access to or use of PHI, the supplier will be required to sign a Business Associate Agreement.

Infection Control Policies: Supplier personnel whose activities require access to direct patient care environments must adhere to Munson Healthcare infection control policies applicable to the organizations visited.

Eligibility to Participate in Federal and State Health Care Programs: Munson Healthcare will not conduct business with any supplier (or subcontractor to a supplier) excluded, debarred, or ineligible to participate in federal or state health care programs such as Medicare and Medicaid, or whose officers, directors or employees are excluded from participating in such programs. Suppliers are responsible for taking all necessary steps to ensure supplier and supplier subcontractor personnel providing goods and services to Munson Healthcare, directly or indirectly, are eligible to participate in federal and state health care programs. Such steps include conducting periodic checks of the Office of Inspector General's List of Excluded Individuals/Entities (LEIE) and General Services Administration's System for Award Management (SAM) databases.

Fraud, Waste and Abuse (FWA): Munson Healthcare will promptly investigate any reports of alleged violations of law, regulations, or Munson Healthcare policies involving supplier or a supplier's personnel, including allegations of FWA involving federal or state health care programs. Suppliers are expected to fully cooperate in such investigations and, where appropriate, take corrective actions in response to confirmed violations. *The Federal False Claims Act* and similar state laws make it a crime to present a false claim to the government for payment. These laws also protect "whistleblowers" – people who report noncompliance or fraud, or who assist in investigations – from retaliation. ***Munson Healthcare policy prohibits retaliation of any kind against individuals exercising their rights under the Federal False Claims Act or similar state laws.***

Deficit Reduction Act of 2005 (DRA) Requirements: The DRA requires Munson Healthcare to provide detailed information to its employees, contractors and agents regarding the *Federal False Claims Act* and applicable state false claims laws. Suppliers are responsible for reviewing the False Claims Act Information section of the Munson Healthcare Code of Conduct available and for sharing this information with employees conducting Munson Healthcare business.

Environmental Purchasing Policy: Munson Healthcare is committed to purchasing goods and services with sustainable environmental impacts. Munson Healthcare expects suppliers to develop price competitive, environmentally sound, and safe goods and services that help us achieve these objectives.

Supplier Diversity Program: Munson Healthcare has a long tradition of supporting programs that foster diversity in our organization and in our communities. Where applicable, Munson Healthcare expects its suppliers to mirror our commitment, through subcontracting opportunities with diverse businesses and providing supplier diversity information to Munson Healthcare when requested.

Visitation Policy: When visiting Munson Healthcare facilities, suppliers must comply with applicable MHC/NMSA visitor policy, including but not limited to, infection control policies. Supplier representatives are required to schedule appointments and must be register within the Munson Healthcare’s vendor credentialing system prior to visiting any Munson Healthcare medical facility. Representatives will be required to state the area to be visited, and visits must be restricted to those location(s) only. Visitor badges provided by the facility must be visible and worn at all times. Under no circumstances shall a supplier solicit products or services to any other areas during this time.

Product Samples: With the exception of drug samples provided to a physician office or clinic, supplier product samples may not be provided without the advance review and approval of Munson Healthcare Supply Chain (NMSA).

Publicity: Suppliers must not distribute advertising, press releases, or any other public announcement regarding its relationship with Munson Healthcare unless they have first obtained prior written permission from an authorized Munson Healthcare management colleague.

Business Record Retention: Munson Healthcare requires suppliers to retain and make available records related to business with Munson Healthcare in accordance with applicable law, regulation, and contract requirements. Munson Healthcare also requires suppliers to retain and disclose known cybersecurity vulnerabilities as well as mitigations for devices purchased from supplier.

Government Contractor Requirements: Munson Healthcare is not a federal government contractor; however, some of our individual affiliates may be federal government contractors. For those Munson Healthcare affiliates that are federal government contractors, supplier acknowledges the clauses regarding equal employment opportunity and affirmative action contained in 41 CFR 60-1.4(a), 41 CFR 60-300.5(a), and 41 CFR 60-741.5(a) shall apply. These regulations prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require covered federal government contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability.

Physician Owned Distributorships – Patients should be protected from inappropriate medical referrals or recommendations by health care professionals who may be unduly influenced by financial incentives. As such, Munson Healthcare generally does not purchase or enter into agreements for the purchase of products or supplies, including but not limited to pharmaceuticals, implants, instruments and other medical devices, from Physician-Owned Distributorships or similar entities that maintain ownership or investment interests held by physicians and/or immediate family members of physicians on the medical staff of a Munson Healthcare organization. Suppliers are required to disclose to Munson Healthcare any such ownership or investment interests in their companies for appropriate review. ***Munson Healthcare policy prohibits entering any arrangement that is intended to induce patient referrals.***

Resources – For more information on Munson Healthcare’s vendor visitation information olicies, visit Munson Healthcare’s web site at [Vendor Information | Munson Medical Center | Traverse City, Michigan](#).

Munson Healthcare Code of Conduct and Integrity & Compliance Line – The Munson Healthcare Code of Conduct describes actions and behaviors expected of all Munson Healthcare Personnel and all who work in Munson Healthcare. The Code of Conduct is available at [Vendor Information | Munson Medical Center | Traverse City, Michigan](#). Suppliers may use the Compliance Hotline at 231.935.7748, any time, day or night, 24/7 to report any actual or suspected violations of the Code of Conduct including FWA matters, safety concerns, or other matters on an anonymous basis without fear of retaliation. No attempt will be made to identify the caller.

Medicare Managed Care Obligations Applicable to Suppliers - Munson Healthcare contracts with health plans to provide healthcare, prescription drug, and/or administrative services to Medicare eligible individuals reimbursed through Medicare Parts C and D plan sponsors. The Centers for Medicare & Medicaid Services (“CMS”) requires Munson Healthcare and other First Tier, Downstream, and Related Entities (“FDRs”) contracting with Medicare Parts C and D health plans to comply with certain CMS' compliance program requirements. These requirements extend to Munson Healthcare suppliers engaged in one or more of the following activities on behalf of Munson Healthcare:

- Suppliers providing health care services to Medicare eligible individuals.
- Suppliers providing administrative services relating to Medicare program activities, including claims processing, patient management, and credentialing.

Munson Healthcare suppliers engaged in performing services reimbursed, in whole or in part, by the Medicare program are required to:

- Maintain and provide a code of conduct and Medicare compliance policies to all supplier and supplier subcontractor employees providing Medicare reimbursed services (“Applicable Supplier Personnel”).
- Provide FWA training and general compliance training to Applicable Supplier Personnel. See Fraud, Waste and Abuse (FWA) herein for more information.
- Screen all employees and subcontractors for eligibility to participate in federally funded healthcare programs. See *Eligibility to Participate in Federal and State Health Care Programs* herein for more information.
- Receive and respond to reports from employees and subcontractors of suspected or detected non-compliance or potential FWA.
- Obtain Munson Healthcare approval prior to conducting any offshoring activities by supplier, its employees or subcontractors including receipt, processing, transferring, handling, storing or accessing of Protected Health Information (“PHI”) involving Medicare eligible members from outside the United States and its territories.
- Maintain operational oversight of supplier employees and subcontractors to ensure compliance with applicable laws, rules, and regulations, including Medicare, Medicaid and other government funded health care program regulations.

- Maintain documentation supporting supplier's compliance program and all records pertaining to supplier's business relationships with Munson Healthcare for a period of not less than ten (10) years.

As a component of the operational oversight required by Medicare, Munson Healthcare reserves the right to audit and/or monitor supplier's compliance with Medicare managed care requirements at any time upon seven (7) days' notice.

Suppliers who are currently or were formerly enrolled Medicare, Medicaid, or Children's Health Insurance Program (CHIP) are requested to notify Munson Healthcare of any Disclosable Events occurring within the past ten (10) years. Suppliers must also notify Munson Healthcare of Disclosable Events involving their owners/managing employees occurring within the past ten (10) years. Disclosable Events are defined as:

- Supplier/owner/managing employee currently has an uncollected debt to Medicare, Medicaid or CHIP.
- Supplier/owner/managing employee has been or is subject to a payment suspension under a federal health care program.
- Supplier/owner/managing employee has been or is excluded from Medicare, Medicaid or CHIP; or Supplier/owner/managing employee had its Medicare, Medicaid or CHIP billing privileges denied, revoked or terminated.

The Affordable Care Act provision 42 C.F.R. § 424.519 Disclosure of Affiliates requires Munson Healthcare to report to the Centers for Medicare and Medicaid Services any supplier Affiliations with Disclosable Events upon request.