

# **QSOURCE CODE OF BUSINESS CONDUCT**

## **INTRODUCTION**

The QSource Code of Business Conduct provides an overview of the values that should guide the behavior of the organization and a summary of the key policies for conducting business in an honest, legal and ethical manner. This code, along with the QSource Personnel Policy and Procedure Handbook, collectively describe the manner in which QSource – as a corporate entity, its board of directors, managers, executive team and associates – will conduct business. This code may not answer every legal or ethical question, nor is it intended to do so. Rather, it is a set of fundamental principles that form the building blocks necessary to promote the best interests of QSource. This code applies to all executives, officers, board members, advisors, and associates.

## **CORPORATE MISSION STATEMENT**

### **Our Mission**

Improving the quality of healthcare through education and advocacy

### **Our Philosophy**

A belief that achieving our potential depends upon:

Working together, growing together, prospering and celebrating together, in an atmosphere of openness, dignity, respect and pride.

Achieving a lasting partnership with our customers, our providers, and our community. Providing them with our best, both today and tomorrow.

### **Our Standards**

QSource is committed to fairness and unbiased treatment of all of its business partners and associates. To prove the strength of our commitment, we pledge to follow these principles at all times and in all situations. Our executive team, board, members, advisors and associates are committed to ensuring:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest
- Compliance with applicable laws, rules and regulations
- Prompt internal reporting of violations of this code
- Accountability for adherence to this code

## **A. COMPLIANCE WITH THE LAW AND CODE OF BUSINESS CONDUCT**

QSource seeks to achieve and maintain a reputation of honesty, integrity and fairness. Such a reputation is earned and must be supported with an ongoing commitment. Every board member, associate, advisor, member, officer, and executive (hereinafter referred to as “covered persons”) is expected to comply with QSource’s Code of Business Conduct and all underlying policies and procedures.

It is the corporate policy of QSource that all covered persons are to comply fully with all applicable laws, rules and regulations at all times in their conduct of QSource business. Compliance with the law is a component standard of conduct but it is not complete. In today’s complex world and sophisticated business legal environment, there may not always be a simple choice between absolute right and wrong. Therefore, every covered person shares the responsibility to carry out his or her duties not merely in strict compliance with the law, but in a manner above reproach. Covered persons must obey both the language and the spirit of the law, and avoid efforts to circumvent its intent by dubious means or questionable interpretations. If there is any doubt about laws or regulations they may apply to a particular situation, it is each covered person’s duty to make the appropriate inquiries, which could ultimately include legal opinion from QSource counsel, where warranted.

Every covered person is expected to be alert to ethical and legal ambiguities. It is each covered person’s personal responsibility to immediately report violations or suspected violations of this code, applicable laws or regulations and/or company policies, including suspected misconduct, fraud, misuse of company assets or other violations of QSource’s Code of Business Conduct as provided in the reporting requirements section of this code.

## **B. CORPORATE ASSETS**

### **Protection and Use of Corporate Assets and Property**

QSource has established accounting control standards and procedures to ensure that assets are protected and properly used, and financial records, and reports are accurate and reliable. Every QSource associate is responsible for supporting, maintaining and complying with the required internal controls relevant to his or her responsibilities.

Control and judicious use of QSource’s assets is a fundamental responsibility of each covered person. Covered persons should safeguard physical property and other assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust.

Associates should read and comply with the sections of the Personnel Policies and Procedures Handbook entitled “Confidentiality” and “Computer Usage Policy”.

## **Travel and Business Expenses**

Travel and business expenditures should be consistent with the needs of QSource. Covered persons will be reimbursed for reasonable expenses incurred while traveling on QSource business. Covered persons are expected to spend QSource funds judiciously and prudently, and with sensitivity to issues of personal gain from such transactions.

Managers who approve travel are responsible for the propriety and reasonableness of such expenditures. Associates are responsible for ensuring travel expenses are submitted timely and verifying that receipts and explanations properly support reported expenditures. Associates must follow all QSource travel and expense policies.

## **Data and Confidentiality**

It is the policy of QSource to ensure that the operations, activities and business affairs of QSource, its members and affiliates are kept strictly confidential and used only as necessary to conduct QSource business. If, during the course of employment or affiliation with QSource, a covered person acquires confidential or proprietary information about QSource or any of its members or affiliates, this information is to be handled in strict confidence and only used in the conduct of business with those who have a need to know.

Confidential information, such as financial projections, contractual fees or other sensitive data, whether identifiable or non-identifiable, should only be released with prior authorization from Senior Executive Management. This information, regardless of whether communicated verbally, in writing or electronically, should not be released to anyone not employed by, or an agent or director of QSource, or to a covered person who does not have a business need for such information.

In the same manner, QSource shall regard employment information as confidential, and will respect the need for protecting each associate's privacy by providing guidelines for the proper receipt, possession, use, retention and transmittal of personal information concerning associates as may be necessary to enable QSource to make appropriate judgments regarding prospective associates, current associates, retirees and/or beneficiaries of corporate benefit programs. QSource will collect and retain only such personal information as is pertinent to effectively conduct QSource business, and/or is necessary to administer personnel and benefits programs, and/or remain in compliance with relevant state and federal employment laws.

Associates must understand and comply with the relevant security standards set forth by the HIPAA compliance manual. Every associate is expected to complete mandatory HIPAA training. Associates must also read and comply with the security standards set forth by the SDPS security standards manual.

## **C. POLITICAL ACTIVITIES AND CONTRIBUTIONS**

There shall be no political advocacy in support of the interests of QSource and its members financed by federal or state contract revenues. Any political advocacy on behalf of QSource, must be coordinated through the VP, Corporate Development and the Chief Executive Officer. These activities will be considered an unallowable cost to state and federal contracts.

While QSource encourages associates to exercise their political rights, associates must be sensitive to the non-partisan nature of our governmental contracts in their relationships with potential and incumbent government and legislative officials (elected or otherwise). All individual political activity should be clearly distinguished as personal in nature and not as a representative of QSource.

### **Coordinated Advocacy**

QSource recognizes the role of the Quality Improvement Organization (QIO) trade association American Health Quality Association (AHQA) as it pertains to national political advocacy on behalf of the QIO program.

### **Contributions**

No covered person shall contribute QSource funds, property or services to any political party or committee, or to any candidate for or incumbent holder of any office of any governmental body. QSource allows individual contribution to the AHQA political action committee; however, these contributions should be considered completely voluntary. Covered persons shall abide by applicable state and federal laws and regulations relating to such contributions.

## **D. BUSINESS RELATIONS**

QSource is committed to the principles of fair competition and dealing openly and honestly with individuals and organizations. QSource pledges to foster an environment that is fair, ethical and honorable, and ensures full and consistent compliance with all antitrust and competition laws applicable to QSource business.

## **E. GIFTS, GRATUITIES AND ENTERTAINMENT**

Giving or accepting gifts or entertainment can be construed as an attempt to influence another party. Therefore, it is QSource policy not to accept gifts from any company that is currently doing business, seeking to do business, or would reasonably be expected to do business with QSource. This prohibition does not apply to complimentary travel, lodging, meals or fees derived from bona fide business, education or marketing related trips or to nominal gifts that have been disclosed to and approved by the associate's

supervisor in consideration for services rendered. QSource associates shall exercise prudent judgment at all times and avoid any situation that might be subject to question.

Gifts from QSource to associates of any company or governmental entity that currently is doing business, seeking to do business or would reasonably be expected to do business with QSource may be restricted by the relevant policies of that company. QSource will not knowingly make gifts that violate state or federal law or any other company's policy. The associate's supervisor may approve appropriate expressions of condolence or congratulations to federal entities or officers.

## **F. CONFLICTS OF INTEREST**

Each covered person shall avoid conflicts of interest between his/her responsibilities to QSource and any outside interest. Appearances often count, so be mindful that others may judge the fairness and appropriateness of a person's conduct by how it appears. A good rule of thumb is a potential conflict of interest may exist any time a third party viewing an individual's action might believe these actions are motivated solely by the person's responsibilities to QSource or by another "personal" or "outside" interest.

It is the policy of QSource to avoid conflicts of interest in appearance and in fact. If an individual believes that a conflict exists, it must be disclosed to QSource. For an associate, disclosure will be made to his/her supervisor. For a director, disclosure will be made to the QSource Board of Directors. All other potential conflicts of interest will be disclosed to QSource's general counsel.

No list of examples can cover every type of conflict of interest. Always disclose and seek resolution of any potential conflict of interest, whether or not it is considered an actual conflict, before taking a potentially improper action. The following list is by no means exhaustive, but merely highlights some specific restrictions QSource imposes.

**Board of Directors:** Each member of the Board of Directors is required to disclose any conflict of interest that he or she may have with vendors currently doing business, seeking to do business, or would reasonably be expected to do business with QSource. After disclosure to the board, the conflicted director should excuse himself or herself from any and all discussions and decisions involving such vendor.

**Associates:** If an associate is involved in a personal business venture, the associate will conduct all business relating to that venture outside QSource offices, and will not conduct such business on QSource time.

**Family Members:** Covered persons shall disclose any known relationships (spouse, relative or significant other) who have a financial interest in vendors that currently are doing business, seeking to do business, or would reasonably be expected to do business with QSource.

**Loans:** QSource will not extend a loan or letter of credit to any director, officer, consultant, or associate. Loans paid to associates as part of QSource's Education Assistance Program, and subject to repayment for non-performance or termination are excluded.

**Outside Employment:** No QSource officer or associate may work for a company that is currently doing business, seeking to do business, or would reasonably be expected to do business with QSource. Associates shall review and maintain compliance with the Personnel Policy and Procedure Handbook in relation to outside employment.

**Service on Boards:** **Service on Boards:** If a QSource officer or associate serves on the board of directors (or company body) of any company doing business, seeking to do business or would reasonably be expected to do business with QSource, the officer shall disclose that service to the QSource board of directors if an Officer, or to the Human Resource Manager if an associate. Prior authorization is required for all board service proposed to be conducted as a representative of QSource. Board service authorization requests must be submitted in writing and approved by the Department Director and Chief Executive Officer.

## **G. REPORTING REQUIREMENTS/WHISTLEBLOWER PROTECTION**

It is a covered person's responsibility to report actual or suspected violations of this Code of Business Conduct, including suspected misconduct, fraud, misuse of QSource assets or other violations. Any covered person who, in good faith, reports a violation will not suffer harassment, retaliation, or adverse employment consequences. An associate who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. Associates are encouraged to raise serious concerns within the organization prior to seeking resolution outside the organization.

Whistleblower protections are provided in two areas – confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense.

Associates should discuss questions, concerns, suggestions, or complaints about the Code of Business Conduct with their supervisor or other manager/director. If the associate is not satisfied with the supervisor's or manager's/director's response, they may speak with the Human Resource Manager. Supervisors and managers/directors should report suspected violations of the Code of Business Conduct to the Human Resource Manager.

Covered persons, other than associates of QSource, should report suspected violations to the QSource Board of Directors or QSource general counsel. All reported complaints and

allegations concerning suspected or known violations of the Code of Business Conduct will be investigated and resolved by the Human Resource Manager and/or the QSource Board of Directors. QSource will take appropriate corrective action as warranted by the investigation. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

#### Accounting and Financial Auditing

The Human Resource Manager immediately notifies the QSource Board of Directors of any reported concerns or complaints regarding corporate accounting practices, internal controls or financial auditing. Other covered persons should report complaints of this nature directly to the QSource Board of Directors or QSource general counsel. The Board of Directors is responsible for addressing and resolving suspected or known accounting and financial auditing violations.

QSource views any allegations that prove not to be substantiated and to have been made maliciously or knowingly to be false as a serious disciplinary offense.

#### **H. ENFORCEMENT**

This Code of Business Conduct is an attempt by QSource to present principles of legal and ethical business behavior. It is by no means a complete and exhaustive list, but QSource believes it is sufficient to direct covered persons through most ethical considerations. In the event a legal or ethical violation does occur violators should expect disciplinary action, up to and including termination. Additional actions may include, if an associate, removal, or suspension; or if a director or member, fines, civil and criminal prosecution, and/or imprisonment.



Acknowledgement of Receipt and Understanding  
of the  
*QSource Code of Business Conduct*

**Please sign and return this form to Human Resources.**

- I acknowledge that I have read and understand the *Code of Business Conduct*.
- I agree that I will conduct myself in accordance with the *Code of Business Conduct*.

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_