BAY ARENAC
BEHAVIORAL HEALTH

Operating Philosophy and Ethical Guidelines

2004 Edition

A Statement From The Executive Management Of Bay-Arenac Behavioral Health

Bay-Arenac Behavioral Health (BABH) is in existence to arrange for a comprehensive array of supports and services for people with developmental disabilities and /or people with mental health and substance abuse needs. It is the mission of Bay-Arenac Behavioral Health to ensure quality behavioral health care that promotes achievement of personal objectives, effective freedom, and responsiveness to stakeholders' and community needs.

An important agency goal is to maintain the respect and trust of stakeholders. Our reputation is important to us. Consumers, employees, business partners, local communities and governmental bodies have different needs, concerns and expectations. Our commitment to all of our stakeholders is one of delivering value and operating as a responsible corporate citizen.

Given that commitment, all employees are expected to maintain the highest standards of business and personal ethics in the course of their work, adhering to relevant professional standards of conduct.

Employees are provided standards on how to implement our core principles in their daily work activities through our Policies and Procedures, management systems, standards and practices, and Operating Philosophy and Ethical Guidelines. Reporting, training, auditing, oversight and enforcement mechanisms exist to ensure that effective implementation of our Ethical Guidelines is achieved.

Adherence to the BABH Operating Philosophy and Ethical Guidelines is a condition of employment. *Every employee has the responsibility for understanding and observing the Guidelines and seeking guidance when questions arise.*

While we cannot exercise the same level of authority and control in implementing and enforcing our Operating Philosophy and Ethical Guidelines with business partners and contractors, we nonetheless will make every effort to associate only with those whose practices are in keeping with the core principles of our Guidelines.

William Powell, Chairman, Board of Directors
William Cammin, Chief Executive Officer

Bay-Arenac Behavioral Health

Operating Philosophy and Ethical Guidelines

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Guiding Principles

General Standards & Practices

BABH strives to achieve standards consistent with our mission and values, even when issues may pose particular challenges and dilemmas. We maintain the strongest commitment to complying with the laws, standards, rules and regulations applicable to the conduct of our business and to those professional standards for conduct relevant to the services we provide. Employees must avoid activities that could lead to the involvement of the agency or its personnel in any unlawful or unethical practice. The employment of personnel or the use of the agency's assets for any unlawful or unethical purpose is strictly forbidden.

Business Principles

Our employees are key to achieving our Mission; they embody our Values and are responsible for following our Guiding Principles for doing business. Our principles are based on our mission and values and affirm our commitment to responsible practices in our communities. Together, these principles are the basis for our Operating Philosophy and Ethical Guidelines. Our employees understand these principles and are guided by them during the course of their employment at BABH.

Ethics and Values. We will conduct our business openly, honestly, and with integrity and trust. We will respect human rights in all our activities. We will adhere to the law and operate in accordance with the highest ethical standards; and while we cannot exercise direct oversight, we will nonetheless expect the same from our partners, contractors and suppliers.

Community Initiatives. We will be sensitive to the needs and culture of our local communities and strive to help them become more inclusive places to live. We will support initiatives that promote health, prevention, recovery, education and economic well-being and will encourage employee involvement in community programs and socially responsible activities.

Environmental Considerations. We will take steps to ensure that we operate in ways that are efficient and environmentally responsible.

Workplace and Environment of Care Issues. We will provide a safe, supportive, and secure working environment where employees feel free to contribute their talent. We will seek a diverse base of employees and ensure equal opportunity to all qualified individuals in recruiting, compensation, professional development, promotion, and other employment practices.

Issues of Incentive. We believe in, attempt to create, and support activities that promote effective freedom, self-determination, employment of individuals with different abilities and with disabilities, and a number of other important public policy activities. Toward these ends, the agency will use resources, where feasible, to promote, create, and support activities designed to implement or further these important public policy objectives, and encourage good stewardship of public resources. BABH believes in, attempts to create, and supports partnerships with individual practitioners, provider organizations, advocacy groups, and others where incentives are aligned in such a way as to promote the implementation of these values.

Consumer Services. Services and supports provided for and on behalf of consumers are determined by their person-centered plans (PCP). Every effort is made to enhance and respect consumer self-determination in developing their PCP's. The integrity of clinical decision-making is based upon the bio-psychosocial needs assessment of the consumer.

- The welfare of consumers is a high priority and staff may provide educational and experiential opportunities to assist them in making decisions that minimize the potential for serious conflicts with the consumer's health and safety.
- Consumers will participate in the development of their PCP, to every degree possible.
- Staff will serve consumers with the idea of assisted competence, providing supports and services to help them with the aspects of daily living with which they have extreme difficulty.

Business Ethics

All employees are expected to maintain the highest standards of business and personal ethics in the course of their work, adhering to relevant professional standards of conduct. This includes working honestly and with integrity at all times, whether dealing with consumers, other employees, the community, local organizations, suppliers and contractors, or governmental and regulatory authorities. It also means avoiding questionable relationships with people or organizations with which the agency could transact business, avoiding the disclosure of confidential information and avoiding situations, which could place employees or the agency in a conflict of interest position.

Staff members will not engage in sexual activities with consumers or family members of consumers whom they serve or have served in the past in a professional capacity.

Consumer Rights, Labor & Community Issues

Consumer rights, including appropriate care, informed consent, access to records, and information on fees for services, are guaranteed. Consumers are not discriminated against, nor denied admission or professional services, on the basis of ability to pay, race, color, age, gender, religion, national affiliation, marital status, height, weight, arrest record, disability, sexual orientation, or any other legally protected status.

In the workplace, we also recognize and abide by certain principles: freedom from discrimination, providing our employees with a safe and healthy work environment, and a supportive work environment where employees can contribute their skills. All employees must respect the human rights of others and understand that each person is unique, and will be treated with dignity and respect. Our employees are committed to excellence and ongoing quality improvement and believe in consumer choice and individual services that are accessible, effective and clinically appropriate. We are committed to ensuring the availability of programs and services that promote independence and to encouraging the involvement of

family, friends and community support. We are committed to collaboration with other organizations to address community health needs, to promote prevention, and to increase understanding of behavioral health.

Political Contributions & Contact with Government Officials

It should be clearly understood that political activity by employees must be performed strictly in their individual and private capacities as responsible citizens and not on behalf of BABH. Any political activities on the part of the agency is covered by and in accordance with state and federal law including 1976 PA 169, as amended (M.C.L. 15.104, et seq.) and, where applicable to employees funded through federal funds, by Federal law, being 5 U.S.C. Section 1501-1508 (commonly known as the "Hatch Act") and any applicable regulations relating to these statutes.

No employee may receive any agency direct or indirect reimbursement or offsetting refund of any nature whatsoever with respect to political contributions made by them in any form. In addition to the restrictions on political contributions, it is important to recognize that all personnel must abide by the laws pertaining to contact with governmental officials (including lobbying and issue registration) in the United States. Although the agency may make appropriate contact through lawful channels when warranted to address issues affecting the delivery of products, services and supports to consumers or other business issues, this will be done by designated personnel and with management approval. Coordination with executive management is required in order to ensure compliance and issue management.

Business Records and Internal Controls

Accurate and reliable business records are not only required by law, but are of critical importance to the agency's decision-making process and to the proper discharge of financial, legal and contractual reporting obligations. All business records, accounts and reports to government agencies and others must be prepared with care and honesty. False or misleading entries in the records are unlawful and are not permitted. No officer or employee, regardless of position, is authorized to deviate from this requirement nor condone such action by anyone else. All agency funds, assets and liabilities must be recorded in accordance with appropriate and Generally Accepted Accounting Principles. Further, accurate records of service will be maintained to insure consumers are billed only for services provided and to expedite resolution of any claims or disputes.

For the safeguarding of assets, all employees must ensure that accounting and internal control procedures are strictly adhered to. In this regard, employees should advise their supervisor or other appropriate management of any deviations they observe.

The agency's records of transactions are important assets and the finance and accounting department must make its own initial determination of how long its records need to be retained for effective operations in accordance with contractual and legally required retention periods. All records must be retained for the period established by record retention guidelines.

Business Communications

When BABH presents itself to the public, it may provide information about programs, finances, policies and procedures. Such information must have prior approval of management. However, when writing about our agency occurs, business records may be subject to disclosure to the government or other parties. More importantly, our records may be used by the news media to shape public opinion

about our image, or other issues. No matter where the communication occurs, the content and nature may have significant consequences.

Business records are broadly defined and may include e-mail and even individual's notes. Use of e-mail is intended for business purposes and must comply with BABH e-mail Guidelines enclosed in our Policies and Procedures distributed at orientation and available from supervisors. All e-mail communications are the property of BABH. Employees may not use e-mail for personal business, advertising, soliciting, chain letters, or any communication which could damage our reputation. E-mail should be used with discretion when sending confidential or proprietary information.

Employees should also apply appropriate judgment when using the Internet at work. All Internet usage should comply with BABH's Internet Policy which states that the Internet should be used only for business purposes. This policy is enclosed in our Policies and Procedures, distributed at orientation and available from supervisors. The Internet is public, so additional measures must be taken to not disclose confidential information, or acquire unauthorized information. Employee use of the Internet and any information accessed over it may be monitored by management and others. Accessing or distributing pornographic or offensive materials by Internet or e-mail is strictly prohibited.

Conflict of Interest

"Conflict of Interest" generally arises out of situations where an employee's own interest influences the way he or she handles the agency's business. It would typically involve a situation where an employee or an employee's family member could benefit personally from transactions involving the agency or a consumer receiving services.

While a possible conflict between personal interests and agency interests does not always result in damage to the agency, the mere existence creates an inappropriate condition. Even the appearance of a conflict of interest should be avoided. While it would be impossible to describe all instances where a conflict could occur, the following guidelines help define a potential conflict of interest.

A conflict of interest can exist when an employee or immediate family member has a direct or indirect financial interest in, or receives any compensation or other benefit from, any individual or organization that:

- sells material, equipment, property or services to the agency;
- renders any service to, on behalf of, or at the direction of the agency;
- has contractual relations or business dealings with the agency, including leases, and purchased or contracted services; and/or
- competes with or engages in a similar business as that of the agency.

A conflict of interest may also exist when an employee uses BABH equipment, personnel or facilities for personal gain. Agency business must be conducted solely on the basis of merit and be clinically or business-appropriate for the given conditions. Employees must refrain from actions that might impair their independent judgment or provide an unfair advantage to a contractor.

The following illustrates some of the kinds of activities employees should avoid:

Loans. Employees should not borrow from the agency, its customers or individuals or firms with which the agency does business nor should loans of any kind be made to consumers.

Gifts and gratuities. Employees will not solicit nor accept gifts, services, benefits or hospitality from consumers, contractors, other customers or suppliers. In addition, employees should not accept gifts, services, benefits or hospitality from any person or organization that might influence or even appear to influence the employee's conduct in representing the agency. Gifts and entertainment may be exchanged at a level that does not exceed customary courtesies extended in accordance with ethical business practices. With respect to consumers, staff should consult their supervisor regarding any other tokens of appreciation. Employees should refer to BABH Policies and Procedures for general guidance and check with supervisors for further explanation of what constitutes inappropriate gifts and entertainment in specific areas of operations.

Business Information. In general, employees should not disclose or use for their own benefit, or the benefit of anyone other than the agency, information that is not known to the general public. Such information includes reports, internal memos, technical or clinical data, financial data, operating data and other information regarding the agency's business and operational activities and future plans. Distribution of information that would become a matter of public record must be reviewed and approved by management and the Board.

Payments. Employees should not make, on behalf of the Agency, illegal, questionable or unauthorized payments of money or other property to anyone.

Employment. Employees should not perform work or render services for any organization with which the agency does business without appropriate approval from management.

If an employee is engaged in activities that create or even appear to create a conflict of interest, all pertinent information must be passed on to the employee's supervisor. In such cases where consumers may be involved, the staff could be removed from the case and the supervisor will then send the information to a member of the Agency Ethics Committee for concurrence or additional guidance on how to address the conflict appropriately.

Confidential Information

Staff members will respect the confidentiality of all consumers: they will neither seek information, nor convey information to others, about any consumer, past or present, except as necessary for therapeutic purposes. (For additional clarification, refer to BABH's Policies & Procedures - Member Rights & Responsibilities, Recipient Rights System, and Confidentiality).

In the event that staff should engage in inadvertent and unavoidable public relationships (social, business or financial) with past or present consumers, or if staff are required to provide natural supports, confidentiality will be preserved and conflicts of interest avoided.

Human Resources

Equal Employment Opportunity

We are committed to compliance with federal and state equal employment opportunity laws. BABH complies with federal and state regulations prohibiting discrimination against any employee or applicant for employment because of religion, race, color, national origin, age, sex, height, weight, marital status, veteran status, or physical or mental disability as required by law. This applies to recruitment, compensation, training, promotion and other conditions or privileges of employment.

Discrimination against any employee or applicant for employment is a serious violation of policy and of equal employment opportunity laws and it is the responsibility of every supervisory employee to ensure that all employees are treated fairly. BABH specifically recognizes its obligation under the Michigan Persons with Disabilities Civil Rights Act and further informs all employees that the Act requires that the employee notify the Agency within 182 days of becoming aware of the need for accommodation.

Employees who have questions or complaints can discuss the matter with their supervisor, the Human Resources Administrator or with other appropriate management officials. If an employee feels unable to talk to a supervisor, human resources manager or management official, complaints can be made to the Corporate Compliance Hotline.

Harassment

BABH will maintain a workplace in which every employee may work free from intimidation, humiliation, and insult, and without being subject to offensive, physical, or verbal abuse or actions, involving sexual, ethnic, racial, or religious harassment. Such conduct is strictly forbidden and will not be tolerated. While it is impossible to describe all forms of harassment, the following is considered offensive and subject to disciplinary action:

1. When submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.
2. When submission to, or rejection of, such conduct by an individual is used as a basis for employment decisions affecting such individual, or
3. When such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment, or has an ethnic, racial, religious or sexual basis.

Any employee who feels they may have been the victim of harassment should report such activity to their supervisor or directly to the CEO.

Health, Environment and Safety

Management is committed to ensuring the well-being of consumers, employees and the environment, as well as others living and working in the communities where we operate. Efforts will be made to enable employees and contractors to work safely, and prevailing legal standards will be upheld to protect the health and safety of consumers and the general public, and to protect the environment.

Patents and Intellectual Property

Agency assets include not only tangible and real property but also intellectual property, or IP. IP is proprietary business or technical information of value, which may be protected by patent, trademark, copyright or trade secret laws. It is in our best interest to protect and maintain IP, do nothing to jeopardize its value, and thus be positioned for maximum return for its use, purchase, or assignment. Due to the uniqueness of IP issues, the agency consults with counsel to handle all significant agency IP issues and to select outside IP counsel if required.

Before undertaking a course of action involving intellectual property, management should review the proposed course of action, including utilizing counsel if required for matters pertaining to inventions, patents, trademarks, copyrights, trade secrets and contracts involving:

- a license, sale, purchase or disclosure of proprietary information;
- software development, or a software purchase or license costing more than $10,000 per copy or $50,000 in the aggregate;
- confidentiality of technical or business information;
- consulting or service arrangements where the development of new technical information or the divulging of proprietary information can be foreseen;
- joint venture relationships where the development of new or improved technology is expected; or
- research work, development or programs.

Just as the agency regards patents, trade secrets, trademarks and copyrights as valuable assets, we also respect the valid IP rights of others. When our agency receives for use, or purchases the IP of another party, the legitimate bounds of such property should be identified and appropriate action taken. The agency will not knowingly infringe on others' patents, trademarks or copyrights, or misappropriate others' trade secrets, or the like. Procedures for the proper licensing or other permitted use of these assets, as set forth herein must be followed by all employees. Of particular importance to operations, and something that must be avoided, is the unauthorized copying of printed materials, computer software or any other copyrighted material.

Accountability

All employees are expected to follow our Operating Philosophy and Ethical Guidelines in their day-to-day activities. This includes participating in required training, being sensitive to situations that could lead to illegal or unethical actions, and avoiding or preventing behaviors that could give even the appearance of impropriety.

Supervisors are responsible for maintaining a work environment that encourages compliance and open communication regarding legal and ethical problems and concerns.

Managers are required to establish systems to identify legal requirements, train employees to meet their responsibilities and monitor their area(s) for compliance.

Strategic Leadership Team and/or a delegated committee regularly review compliance policies and guidelines, receive and respond to complaints and assess goals and performance.

Human resource representatives are responsible for providing a copy of this Operating Philosophy and Ethical Guidelines to new employees, and for ensuring that employees receive the required compliance training.

Finance representatives are responsible for protecting agency assets, keeping accurate and detailed records, and making full and proper financial disclosures.

Partners, contractors and suppliers are expected to comply with all applicable laws and our agency's high ethical standards. We will seek partners whose policies are consistent with our own. When contractors are found to be in violation of our ethical standards, they may be found to be in material breach and offered a period to cure the breach before additional action is taken. Compliance with our Ethical Guidelines is a condition of employment for BABH employees. Failure to comply may result in a range of disciplinary actions, up to and including dismissal. This includes failure by any employee to disclose violations of these standards and practices by other employees or contract workers.

Employees have several resources available to assist with compliance questions and concerns. The first

Compliance Resources

step is to speak with their immediate supervisor. If preferred, employees can discuss the matter with the Human Resource Administrator or other appropriate management official. Consultation is available from the BABH Ethics Committee who can provide expert advice. In the event of a disagreement concerning interpretation of any matter pertaining to Ethical Guidelines, the CEO is the final arbiter.

USING THE CONFIDENTIAL TELEPHONE LINE

If an employee feels uncomfortable consulting a supervisor or manager, a call may be made to the BABH Corporate Compliance telephone hotline to report a violation of law or agency policy. Calls made to this number are confidential, and the line is available 24 hours a day.

Our agency appreciates receiving information from any source regarding violations or potential violations of law of our Operating Philosophy and Ethical Guidelines and prohibits retaliation of any kind against "whistleblowers." An investigation, disciplinary action and remedial measures are taken as deemed appropriate. Employees are encouraged to report concerns regarding compliance matters. The agency will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions with respect to good faith reporting of complaints.

BABH Corporate Compliance Hotline 1-800-243-7483

Bay-Arenac Behavioral Health

Operating Philosophy and Ethical Guidelines

Employee Attestation

- I have received a copy of Bay-Arenac Behavioral Health's Operating Philosophy and Ethical Guidelines
- I understand the content of BABH's Operating Philosophy and Ethical Guidelines
- I am aware of the possible consequences of failure to adhere to the principles stated within.

_____	_____	_____
Printed Name	Signature	Date

Sign and return this page to Human Resources within 30 days of hire date.