

**MASTER CLINICAL EDUCATION AND EXPERIENCE AGREEMENT**  
**between**  
**DEFIANCE COLLEGE**  
**and**  
**MERCY HEALTH NORTH LLC**  
**MERCY HEALTH PHYSICIANS – NORTH, LLC**  
**MERCY MEDICAL PARTNERS, NORTHERN REGION, LLC**

This Agreement is entered into this 1<sup>st</sup> day of December 2024 (“**Effective Date**”) by and between Mercy Health North LLC, an Ohio nonprofit limited liability company, on behalf of its subsidiaries and affiliates; Mercy Health Physicians – North, LLC, an Ohio nonprofit limited liability company, on behalf of itself and its subsidiaries and affiliates; and Mercy Medical Partners, Northern Region, LLC, an Ohio nonprofit limited liability company, on behalf of itself and its subsidiaries and affiliates (collectively hereinafter referred to as "**Clinical Agency**") and the Defiance College (hereinafter referred to as "**School**").

**W I T N E S S E T H**

WHEREAS, Clinical Agency is affiliated with Bon Secours Mercy Health, Inc. (“**BSMH**”); and

WHEREAS, Clinical Agency is an integrated health care network that provides comprehensive inpatient and outpatient health care to patients in its service area; and

WHEREAS, School is an accredited educational institution with one or more approved programs leading to degrees and/or certificates in health care related professions (“**Clinical Program**”); and

WHEREAS, School desires to obtain for its students, health care related education and/or clinical experiences (collectively, “**Clinical Experiences**”) from Clinical Agency; and

WHEREAS, the Clinical Agency is willing to furnish Clinical Experiences for School students enrolled in one or more of the Clinical Programs as agreed between the parties; and

WHEREAS, School and Clinical Agency and/or its affiliates and subsidiaries, previously entered into non-compensated Clinical Practice Site Agreements (“**Original Agreements**”), pursuant to which Clinical Agency and/or certain of its affiliates and subsidiaries serve as clinical and/or non-clinical rotation sites for School students upon the terms and conditions set forth in the Original Agreements.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, and other good and valuable consideration the sufficiency of which is hereby acknowledged, the parties agree that this Agreement replaces in their entirety all Original Agreements, and further the parties agree to the following:

**I. Responsibilities of SCHOOL:**

- A. School shall designate a contact person for communication and coordination of the Clinical Experiences, and periodically review the Clinical Experiences. School will be responsible for establishing objectives for the fieldwork experiences for the applicable Clinical Program. School shall assume final responsibility for the education of students.
- B. School will schedule students for the Clinical Program in collaboration with Clinical Agency and consistent with applicable non-discriminatory practices.

- C. The School will make sure that the pre-clinical instructions or curriculum have been accomplished by the students before placement at Clinical Agency. School will assign to the Clinical Program only those students who have satisfactorily completed the prerequisite portions of the curriculum.
- D. School will provide students with information regarding expectations for the Clinical Program and with qualified instruction needed for students to perform specific assigned tasks.
- E. Unless otherwise agreed to in writing by the parties, the School will provide Clinical Agency with a list of the students who will be using the clinical facilities at least thirty (30) day prior to the beginning of the Clinical Experience.
- F. School warrants that each student and faculty member working with Clinical Agency is in good standing with the School and, if applicable, the appropriate licensure board, and has on record:
1. A physical examination showing that the student and faculty are free of communicable diseases, including results of tuberculosis tests, required vaccinations; and
  2. Coverage under a policy of health insurance; and
  3. Current immunizations as required by Clinical Agency. Current required immunizations/vaccinations include:
    - a. Proof of Hepatitis B, vaccination series or signed declination maintained by School;
    - b. Measles and mumps, Rubella vaccinations or titer confirming immunity for every student and faculty using Clinical Agency. If the student has proof of immunization (which is two vaccinations) or proof of immunity, this will suffice this requirement;
    - c. Tdap vaccination for every student and faculty using Clinical Agency;
    - d. Confirmation of Varicella (chicken pox) immunization, history of previous disease or titer confirming immunity.
    - e. Tuberculosis Screening: Within the past 3 months: proof of a 2 step TB skin test with negative symptom review, OR negative Quantiferon or T-spot blood test with negative symptom review
    - f. Annual Influenza vaccinations for every faculty and student present at any Clinical Agency facility. Administration of the vaccine is the responsibility of the School and not Clinical Agency. All faculty staff and School students who have not been vaccinated or exempted will be removed from their assignment.
    - g. COVID-19:
      - (i) All students and faculty who seek to participate in a Clinical Experience at Clinical Agency shall be required to follow the applicable COVID-19 vaccination requirement in place for BSMH associates and staff in the applicable BSMH market where the Clinical Experience is scheduled to occur. With regard to the vaccine, the current applicable BSMH COVID-19 policy is that students and faculty are encouraged, but not required, to receive the COVID-19 vaccination. School shall be obligated to comply with the CMS COVID-19 Rule (including any amendments) and related BSMH policies for Students and Faculty including the BSMH Associate Immunization Program Policy. In addition, Clinical Agency and School shall comply with any future changes in state or federal law regarding COVID-19 vaccination for hospital facilities.
        - All School students and faculty participating in a Clinical Experience at Clinical Agency are encouraged to receive a COVID-19 vaccination. It is the responsibility of the School, and not the Clinical Agency, to administer the COVID-19 Vaccine including retention of all required documentation evidencing compliance with the COVID-19 Vaccine, and review and decision-making on medical and religious exemptions requests.

- School shall provide the following information to Clinical Agency for each BSMH facility:
  1. List of all staff for the site(s)
  2. Date of 1st vaccine
  3. Date of 2nd vaccine
  4. Date(s) of booster(s)
  5. Manufacturer of each dose (Pfizer, Moderna, Johnson & Johnson, etc.)
  6. Identification of exemptions (Sincerely Held Religious Belief or Medical Contraindication)

(ii) NHSN Vaccine Reporting: Commencing October 1, 2020, CMS requires hospitals to report health care provider vaccination data into the Centers for Disease Control and Prevention's National Healthcare Safety Network (NHSN) surveillance system. This rule requires hospitals to report data for all health care personnel in its facilities, including adult students and faculty ([www.cdc.gov/nhsn/hps/weekly-covid-vac/faqs.html](http://www.cdc.gov/nhsn/hps/weekly-covid-vac/faqs.html)). For each BSMH hospital at which a School Student and/or Faculty participates in a clinical experience in a given month, the School will be required to report aggregate data regarding COVID-19 vaccine information. See <https://www.cdc.gov/nhsn/forms/57.219-p.pdf> for information regarding the specific data that must be reported.

BSMH is implementing a reporting solution to facilitate an efficient workflow for Schools and BSMH to collaborate on this CMS reporting requirement. Clinical Agency will send guidance to the School regarding the reporting instructions to submit its data report by the date designated in the reporting instructions, and Clinical Agency will provide updates regarding the reporting solution for future reports as needed. School shall review the CDC information to understand the required reporting elements so that School can begin to confirm its processes for collecting this data.

4. School warrants that it has on record a negative 9-panel urine drug screen and acceptable background checks for each student. Such background checks shall be in accordance with School standard policy and in accordance with Clinical Agency's policies, which include at a minimum: (i) name and social security number verification, (ii) 7-year multi-county or statewide felony and related misdemeanor criminal record search (Violent Sexual Offender and Predator Registry Search), and (iii) HHS/OIG search, and healthcare licensure/certification verification.

School shall provide copies of all of the above records to Clinical Agency upon Clinical Agency request, but with regard to student records, records shall be provided only after the School has obtained the written consent of the student to release such records if required under applicable law, including the Family Educational Rights and Privacy Act ("FERPA").

- G. The School agrees to provide evidence of Workers' Compensation coverage for its employees who will be onsite at Clinical Agency.
- H. School shall require all students to dress in an appropriate and professional manner and to prominently display their designated identification badges at all times while at the Clinical Agency.
- I. Students and faculty will be responsible for all personal expenses including meals and transportation. Students and faculty will be informed that Clinical Agency does not accept

responsibility for loss or damage to personal property belonging to students or faculty members of the School, including vehicles parked in Clinical Agency parking lot.

- J. School agrees to provide instruction to students pertaining to fire safety (including use of a fire extinguisher -P.A.S.S. and the appropriate response to a fire -R.A.C.E.), blood borne pathogens and universal precautions in compliance with Occupational Safety and Health Administration Regulations.
- K. School will instruct School faculty and students to abide by applicable federal, state, and local laws and policies of the Clinical Agency while assigned to the Clinical Agency. Students and School employees must abide by Clinical Agency's policies, procedures, rules, and regulations as amended from time to time, including but not limited to, the Bon Secours Mercy Health Confidentiality and Security Policy attached hereto as **Exhibit A** and the Ethical and Religious Directives for Catholic Health Care Services (the "**Catholic Directives**"), a copy of which is available at <http://www.usccb.org/about/doctrine/ethical-and-religious-directives/>. The School will instruct the students and employees of the requirements in this paragraph.

The School agrees to carry and maintain professional liability insurance covering both students and faculty in the amount of \$1,000,000 per claim and \$3,000,000 in the aggregate and general comprehensive liability insurance in the amount of \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate and/or in accordance with requirements set forth by the Governing Body of Clinical Agency. The insurance company must also be a financially secure and viable liability insurance carrier which has been granted an A.M. Best Company rating of A- or above (or an equivalent rating from a recognized national rating association and/or an appropriate actuarial opinion). This insurance shall be carried at all times during the term of this Agreement. In addition, the School shall cause Clinical Agency to be named as an additional insured party under the policy or policies providing such insurance. Current policies, or certificates of insurance evidencing such policies, shall be given to Clinical Agency before or at the execution of this Agreement and at each one (1) year interval, if any, following the effective date of this Agreement and shall be attached to this Agreement as **Exhibit C**. Such policies or certificates shall provide that the insurance shall not be canceled or altered without thirty (30) days prior written notice to Clinical Agency. School will endeavor to provide a thirty (30) days prior written notice to Clinical Agency of any cancellation or non-renewal.

- L. School acknowledges that Clinical Agency has established a Compliance Program ("**CP**") that promotes a culture that fosters prevention, detection and resolution of instances of misconduct. School shall immediately notify Clinical Agency's Compliance Officer of any violation of any applicable law, regulation, third party payor requirement or breach of Clinical Agency's CP of which School or its employees and agents working in Clinical Agency become aware. Clinical Agency requests that School specifically references the following section of Bon Secours Mercy Health's Code of Conduct, Integrity in Action: Fraud, Waste and Abuse and False Claims Act.

School shall maintain and actively support, at all times during the term of this Agreement, a compliance program plan that has been reasonably designed, implemented and enforced so that it generally will be effective in preventing and detecting criminal conduct and ethical lapses by School, its agents and employees and shall comply with the federal Sentencing Guidelines, and, if applicable, OIG Compliance Guidance. All compliance program training provided by School shall be conducted in an effective and comprehensible form (e.g. translated into other languages and written at an appropriate reading level) for the applicable employees and agents. (See **Exhibit B – BSMH Notice** attached.)

School shall cooperate with Clinical Agency in responding to or resolving any complaint, investigation, inquiry or review initiated by a governmental agency or otherwise. School shall cooperate with any insurance company providing protection to Clinical Agency in connection with the foregoing and School shall, consistent with applicable law, fully follow the directions of

Clinical Agency.

School represents and warrants to Clinical Agency that neither it, any of its affiliates, nor any person providing services under this Agreement are excluded from participation in any federal health care program, as defined under 42 U.S.C. § 1320a-7b (f), for the provision of items or services for which payment may be made under such federal health care programs. School further represents and warrants to Clinical Agency that it has not arranged or contracted (by employment or otherwise) with any employee, contractor or agent that School or its affiliates know or should know are excluded from participation in any federal health care program, to provide items or services hereunder. School represents and warrants to Clinical Agency that no final adverse action, as such term is defined under 42 U.S.C. 1320a-7e (g), has occurred or is pending or threatened against such School or its affiliates or to their knowledge against any employee, contractor or agent engaged to provide items or services under this Agreement.

- N. HIPAA. School shall direct its students and faculty to comply with the policies and procedures of Clinical Agency, including those governing the use and disclosure of individually identifiable health information under federal law, specifically 45 CFR Parts 160 and 164 (“HIPAA”). Solely for the purpose of defining the students’ and faculty supervisors’ role in relation to the use and disclosure of Clinical Agency’s health information, such students and faculty advisors are defined as members of Clinical Agency’s workforce, as that term is defined by 45 CFR part 160.103, when engaged in activities pursuant to this Agreement. However, such students and faculty supervisors are not and shall not be considered to be employees or agents of Clinical Agency. The parties will maintain safeguards as necessary to ensure that Protected Health Information (“PHI”) is not used or disclosed excepted as provided herein and report to the other any use or disclosure of PHI which is not provided for in this Agreement. This provision shall survive the termination of this Agreement. School acknowledges that Clinical Agency will train students on the rules of HIPAA as soon as possible after the students arrive at Clinical Agency.

**II. Responsibilities of Clinical Agency:**

- A. Clinical Agency shall designate a contact person for communication and coordination of the learning experiences. Clinical Agency agrees to provide the physical facilities, personnel and equipment, as Clinical Agency deems necessary to conduct the Clinical Program.
- B. Clinical Agency agrees to provide emergency care for any accident, injury, or illness at the student’s expense. The responsibility for follow up care remains the responsibility of the student.
- C. Clinical Agency agrees to orient faculty to Clinical Agency. Clinical Agency agrees to provide a copy of appropriate Clinical Agency policies and procedures to faculty. Faculty agrees to provide orientation and policy and procedure information to the students.
- D. Clinical Agency agrees to permit at reasonable times and with reasonable advance notice, the inspection of Clinical Agency, the services available for the Clinical Experiences and other items pertaining to the Clinical Program by School or by School’s accreditation agencies.
- E. Clinical Agency agrees to allow School’s students and supervising faculty participating in the Clinical Program access to Clinical Agency’s library facilities and cafeteria.
- F. Clinical Agency agrees to allow School’s students and faculty participating in the Clinical Program parking in Clinical Agency’s lots on the same basis as it provides parking to employees of Clinical Agency, space permitting.
- G. Clinical Agency agrees to use its reasonable efforts to incorporate School’s curriculum into the Clinical Program.

- H. Clinical Agency will provide a Clinical Education Coordinator who will serve as a liaison between Clinical Agency and School.
- I. Clinical Agency agrees to provide the Clinical Education Coordinator with time to plan and implement the Clinical Experience as deemed reasonable by Clinical Agency including, when feasible, time to attend relevant meetings and conferences.
- J. Clinical Agency may recruit students for employment without penalty from School.
- K. **If applicable to Clinical Program**, Clinical Agency agrees to allow individual nurses to function in a preceptor role when supervising a nursing student in the performance of nursing care for a mutually agreed period of time. Each such nurse who serves in a preceptor role shall be qualified according to the Ohio Administrative Code Chapter 4723-5. Each such nurse shall supervise only two students at a time, shall work at the direction of a designated School faculty member, and shall otherwise comply fully with the requirements of the Ohio Administrative Code Chapter 4723-5.
- L. Clinical Agency will maintain professional liability and commercial general liability insurance for itself and its employees, which covers Clinical Agency's operations at all sites where services are performed, with limits as follows: General Liability of \$1,000,000 per occurrence and \$2,000,000 in the aggregate and Umbrella coverage of at least \$5,000,000 and Professional Liability of \$1,000,000 per each claim and Three Million Dollars (\$3,000,000) in the aggregate. Clinical Agency shall maintain workers' compensation insurance for its employees. Clinical Agency will provide to the School certificates of insurance evidencing such coverage and Clinical Agency will endeavor to provide the School at least thirty (30) days advance written notice of any cancellation or non-renewal of such coverage.

### III. Joint Responsibilities:

- A. Clinical Agency reserves the right to restrict the clinical activities of students who evidence symptoms of communicable infections until such time as the symptoms abate or the student is determined not to be infectious by Clinical Agency.
- B. Clinical Agency reserves the right to restrict student involvement in procedures, tasks and/or care and treatment of patients, as deemed necessary by Clinical Agency staff.
- C. Clinical Agency reserves the right to deny or immediately terminate the placement of a student at Clinical Agency's location if Clinical Agency reasonably believes that the student is disruptive to Clinical Agency, poses a threat to the safety and well-being of Clinical Agency's patients and/or employees, does not meet Clinical Agency's standards and policies for good patient care, health, safety, dress, appearance or ethical behavior, or patient privacy. To the extent possible, as determined by Clinical Agency, such action will not be taken until the grievance against the student has been discussed with the student's School supervisor or other appropriate representative. However, if student's behavior poses an immediate threat to the effective delivery of health care services to patients of Clinical Agency, Clinical Agency may take such action immediately and without consultation of School representative.

Clinical Agency may resolve any problem situation in favor of the patient's welfare and may take the patient assignment from the student and restrict the student to an observer role. If deemed necessary by Clinical Agency, for any reason, the student may be removed from rotation and required to withdraw from the Clinical Experience at Clinical Agency.

- D. Clinical Agency and School will discuss the number of students to be assigned to each Clinical Agency required to achieve the established educational objectives; provided, however, that each

Clinical Agency shall have the ultimate right to determine the number and specialties of students to be assigned to such Clinical Agency.

- E. To the extent allowed by law, School agrees to hold Clinical Agency harmless from any liability which may arise from the acts and/or omissions of School's individual employees, agents or students acting within the scope of their duties under this Agreement, and shall indemnify Clinical Agency for any expenses incurred in the defense of claims and/or lawsuits arising from such acts and/or omissions, including reasonable attorneys' fees.
- F. To the extent allowed by law, Clinical Agency agrees to hold School harmless from any liability which may arise from the acts and/or omissions of Clinical Agency's individual employees or agents acting within the scope of their duties under this Agreement, and shall indemnify School for any expenses incurred in the defense of claims and/or lawsuits arising from such acts and/or omissions, including reasonable attorneys' fees.
- G. The term of this Agreement shall commence on the **Effective Date** and shall continue in full force and effect for five (5) years. Thereafter, the Agreement is renewable by mutual written agreement of the parties.
- H. Both parties may terminate this Agreement at any time for any reason. The terminating party will notify the other party in writing sixty (60) days prior to termination of the Agreement. All students involved in the Clinical Program at the time of termination will be permitted to complete the current assignment of Clinical Experience. Clinical Agency may immediately terminate this Agreement if the School breaches any material term of this Agreement. Clinical Agency may immediately terminate this Agreement if any party to this Agreement voluntarily or involuntarily suspends, surrenders or terminates a provider number or license necessary for this Agreement.
- I. Both parties agree that there will be no financial compensation for the services provided during Student's Clinical Experience.
- J. Any Notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered personally or 3 days after being mailed to the following addresses:

IF TO CLINICAL AGENCY:

Mercy Health North LLC  
2409 Cherry Street  
MOB 1, 4<sup>th</sup> Floor  
Toledo, OH 43608  
Attn: COO

Mercy Health Physicians – North, LLC  
Mercy Medical Partners, Northern Region, LLC  
2409 Cherry Street  
MOB 1, 4<sup>th</sup> Floor  
Toledo, OH 43608  
Attn: COO

Copy to:

Associate General Counsel  
2409 Cherry Street  
MOB 1, 4<sup>th</sup> Floor  
Toledo, OH 43608

IF TO SCHOOL:

Defiance College  
701 N. Clinton Street  
Defiance, OH 43512  
Attn: Clinical Experience Coordinator


- K. This Agreement is governed by the laws of the State of Ohio.
- L. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof and supersedes **all** prior written or oral negotiations or agreements between them regarding the subject matter hereof. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. This Agreement may be amended only in writing which writing must be signed by both of the parties.

IN WITNESS WHEREOF, parties hereto have set their hands as of the Effective Date.

**MERCY HEALTH NORTH LLC**

Signed by:  
  
 \_\_\_\_\_  
24F788DA706E41E...  
 James D. Weidner, COO

**DEFIANCE COLLEGE**

By:   
 \_\_\_\_\_  
 Name: Agnes F. Caldwell  
 Title: Executive Vice President

**MERCY HEALTH PHYSICIANS – NORTH LLC**

**MERCY MEDICAL PARTNERS, NORTHERN REGION, LLC**

DocuSigned by:  
  
 \_\_\_\_\_  
7E110E18E97F44B...  
 Michele Montague, COO



EXHIBIT A



**Confidentiality and Security Agreement**

Bon Secours Mercy Health (BSMH) has a legal and ethical responsibility to safeguard the privacy of all patients, residents, and clients and to protect the confidentiality of their personal health information. BSMH must also protect the integrity and confidentiality of organizational information and information systems that may include, but are not limited to, fiscal, research, internal reporting, strategic planning, communications, and computer systems from any source or in any form including, without limitation, paper, magnetic or optical media, conversations, electronic, and film. For the purpose of this Agreement, all such information is referred to as "Sensitive Data."

**I UNDERSTAND AND HEREBY AGREE THAT:**

1. During my employment/affiliation with BSMH, I understand that I may have access and exposure to Sensitive Data.
2. I will access and / or use Sensitive Data only as necessary to perform my job-related duties and in accordance with BSMH's policies and procedures.
3. My User-ID and password are confidential, and in certain circumstances may be equivalent to my **LEGAL SIGNATURE**, and I will not disclose them to anyone. I understand that I am responsible and accountable for all entries made and all information accessed under my User-ID.
4. I will not copy, release, sell, loan, alter, or destroy any Sensitive Data except as properly authorized by law or BSMH policy.
5. I will not discuss Sensitive Data so that it can be overheard by unauthorized persons. It is not acceptable to discuss information that can identify a patient in a public area even if the patient's name is not used.
6. I will only access and / or use systems or devices I am authorized to access and will not demonstrate the operation or function of systems or devices to unauthorized individuals.
7. I have no expectation of privacy when using BSMH information systems. BSMH has the right to log, access, review, and otherwise use information stored on or passing through its systems, including e-mail.
8. I will never connect to unauthorized networks through BSMH's systems or devices.
9. I will practice secure electronic communications by transmitting Sensitive Data in accordance with approved BSMH security standards.
10. I will practice good workstation security measures such as never leaving a terminal unattended while logged in to an application, locking up removable media when not in use, using screen savers with activated passwords appropriately, and positioning screens away from public view.
11. I will:
  - a. Use only my assigned User-ID and password.
  - b. Use only approved licensed software.
  - c. Use a device with virus protection software.
  - d. Not attempt to learn or use another's User-ID and password.
  - e. Not store sensitive data that is not in accordance with BSMH policy and standards.
12. I will disclose Sensitive Data only to authorized individuals with a need to know that information in connection with the performance of their job function or professional duties.
13. Unauthorized or improper use of BSMH's information systems and / or Sensitive Data, is strictly prohibited and may not be covered by BSMH's insurance or my personal professional malpractice insurance. **Any such violation may subject me to personal liability as well as sanctions for violation of state and federal law.**
14. I will notify my manager, BSMH Privacy Officer, IS Security, or other appropriate Information Services personnel if my password has been seen, disclosed, or otherwise compromised.
15. Upon termination of my employment / affiliation / association with BSMH, I will immediately return or destroy, as appropriate, any Sensitive Data in my possession.
16. Violation of this Agreement may result in disciplinary action, up to and including civil or criminal action, termination of employment / affiliation / association with BSMH, and suspension and / or loss of medical staff privileges in accordance with BSMH's policies.
17. My obligations under this Agreement will continue after termination of employment / affiliation / association with BSMH.

**By signing this document, I acknowledge that I have read this Agreement, and I agree to comply with all the terms and conditions stated above.**

Signature \_\_\_\_\_ Date \_\_\_\_\_

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

**EXHIBIT B****NOTICE TO AGENTS, VENDORS AND CONTRACTORS**

Bon Secours Mercy Health, Inc. (“**BSMH**”) has created a Compliance Program to ensure we comply with all laws and regulations that apply to a tax-exempt, church-based health care provider. This includes laws concerning health and safety, Medicare and Medicaid, fraud and abuse, tax, anti-trust, environmental and labor laws, among others.

We cultivate a culture of compliance from the Board Rooms to front-line care-givers, and we include our credentialed providers, vendors and contractors in that commitment. We commit to an effective Compliance Program to sustain that culture. Our program includes education, communications methods to encourage reports of concerns, investigations into concerns, monitoring and auditing for compliance and accuracy, and accountability and corrective action when we detect an error.

Vendors and contractors must be aware of, and agree to abide by, the following provisions of our Compliance Program as a continuing condition to do business with us:

**Eligibility to Do Business with a BSMH Entity**

1. As a Medicare-participating organization, we are prohibited from hiring or doing business with any entity or person who has been:
  - A. Excluded from participating in federal or state health programs by the Office of Inspector General of the U.S. Department of Health and Human Services;
  - B. Barred from contracting with the U.S. Government by the General Services Administration; or
  - C. Listed as a Terrorist Organization or supporting individual by the Office of Foreign Asset Control of the U.S. Department of the Treasury.
2. Vendors must certify their eligibility to do business with a BSMH entity by certifying that neither the organization, nor its owners or principals or any vendor employee (collectively, “**staff**”) who will provide services to the BSMH entity is prohibited from doing business with BSMH under paragraph 1.
3. Eligibility is a continuing condition of any contract with BSMH and vendors must agree to notify BSMH immediately if the government takes adverse action in paragraph 1 against Vendor or any of its staff. Vendor must also notify BSMH if they learn of an investigation that could reasonably result in adverse action in paragraph 1 against Vendor or its staff. BSMH may terminate a contract where the government takes adverse action listed in paragraph 1 against Vendor or its staff.

**Business Ethics, Gifts and Gratuities**

4. BSMH does business in an open, fair, impartial, and transparent manner and engages in arms-length negotiations with potential vendors, contractors or business partners. BSMH requires our employed associates, credentialed providers, board members and volunteers to act in the best interests of BSMH at all times. This includes avoiding conflicts of interest that might jeopardize the impartiality of their judgment and decision-making, as well as avoiding situations that create a reasonable appearance of a conflict of interest or an appearance of favoritism, partiality, personal gain or insider-dealing.
5. BSMH associates may not seek, request or accept any gift, gratuity or other item, regardless of value, that is intended to influence a business decision, or that is offered to them because of their position in a pending business decision. BSMH associates may not accept gifts, gratuities, discounts or other things of value from anyone doing business with, or desiring to do business with, BSMH or any BSMH entity, except in nominal amounts, which they must disclose to their reporting superior.
6. The Compliance Program includes a Compliance Officer (“**CO**”) who can assist or respond to any vendor concern about possible violations of BSMHs policies or applicable laws or regulations. Associates are required, and vendors are encouraged, to report any concerns anytime, 24/7/365, on an anonymous basis at 1-888-302-9224. BSMH policy prohibits retaliation for a report made in good faith.

## **Required Education on the False Claims Act and Whistleblower Protections for Providers of Medicaid-covered Services**

Because BSMH and its entities receive in excess of Five Million Dollars (\$5,000,000) in annual Medicaid reimbursements, we are required to provide additional education to our employed associates, vendors and contractors related to the False Claims Act and whistleblower protections available under those laws. Our vendors and contractors are required to ensure that their employees who will provide services to BSMH receive the following educational information also:

BSMH associates work hard to ensure that we create accurate and truthful patient bills and submit accurate claims for payment from any payer, including Medicare and Medicaid, commercial insurance, or our patients. It's the right thing to do, and federal and state laws require accuracy in health care billing.

The federal False Claims Act (31 USC 3729-33) makes it a crime for any person or organization to knowingly make a false record or file a false claim with the government for payment. "Knowing" can include deliberate or reckless ignorance of facts that make the claim false.

Examples of possible False Claims include someone knowingly billing Medicare for services that were not provided, or for services that were not ordered by a physician, or for services that were provided at sub-standard quality where the government would not pay.

A person who knows a False Claim was filed for payment can file a lawsuit in Federal Court on behalf of the government and, in some cases, receive a reward for bringing original information about a violation to the government's attention. Penalties for violating the federal False Claims Act can be up to three times the value of the False Claim, plus from \$13,508 to \$27,018 in fines, per claim. Penalties are increased each year to account for inflation. While state law does not permit private suits like the federal False Claims Act for Medicaid fraud, state law does include either civil or criminal penalties against those who attempt to obtain Medicaid payments to which they are not entitled, or who commit Medicaid fraud.

The False Claims Act protects anyone who files a False Claim lawsuit from being fired, demoted, threatened or harassed by their employer for filing the suit. If a court finds that the employer retaliated, the court can order the employer to re-hire the employee and to pay the employee twice the amount of back pay that is owed, plus interest and attorney's fees. State law provides equivalent protections from retaliation by an employer for employees who report Medicaid fraud to the authorities.

BSMH Compliance Program supports compliance with the False Claims Act by:

- Monitoring and auditing business activities to prevent or detect errors in coding or billing.
- Educating our associates, vendors and contractors that they are responsible to report any concern about a possible False Claim at a BSMH facility via our 3-Step Reporting Process.
- Investigating all reported concerns and correcting any billing errors discovered.
- Protecting our associates, vendors or contractors from adverse action when they do the right thing and report any genuine concern via the 3-Step Reporting Process. BSMH will investigate any allegation of retaliation against an associate for speaking up.