

BRONSON HEALTHCARE GROUP, INC.

Code of Conduct



A Message from the President

Dear Fellow Employee:

Bronson Healthcare Group and its affiliates have a longstanding commitment to corporate excellence. Our vision to be a national leader in healthcare quality drives the organization's performance and is supported by our mission and values, as well as our Code of Conduct.

As an expression of our values, and to obtain the highest level of legal and regulatory compliance, the Board of Directors has established a Corporate Compliance program for Bronson Healthcare Groups and all of its affiliates. The Board of Directors supports and has adopted the Code of Conduct included in this booklet. The Code of Conduct applies to all Board and committee members, officers, employees, volunteers, physicians and others working with us at Bronson Healthcare Group. This Code of Conduct is designed to provide guidance on how to conduct business both ethically and responsibly.

As a member of a workforce dedicated to quality and service excellence, I encourage you to become familiar with the standards defined in this booklet and apply them to your interactions with one another and with those you serve. If any standards are unclear to you, please go over them with your manager for clarification.

The Bronson Healthcare Group's Compliance Program will continue to evolve along with the organization. Your input, ideas and contributions are always welcome.

Thank you for your commitment to Bronson's vision, mission and values. We are one of the nation's best places to work because of you.

Sincerely,

A handwritten signature in black ink that reads "Frank J. Sardone". The signature is written in a cursive, flowing style.

Frank J. Sardone
President & CEO

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FREQUENTLY ASKED QUESTIONS

1. Why did Bronson implement a Corporate Compliance Program?

Bronson has always been committed to providing quality care to our patients. We strive to ensure an ethical and compassionate approach to health care delivery and management. We must demonstrate consistently that we act with absolute integrity in the way we do our work. The Bronson Corporate Compliance program provides guidance to ensure that our work is done in an ethical and legal manner. Bronson was, and is committed to continuing to be, an ethical organization, which complies with all laws and regulations. The Bronson Compliance program is part of the overall culture of Bronson, which promotes self-monitoring, detection, and resolution of issues.

2. What benefits will I see from the Bronson Corporate Compliance Program?

The Bronson Corporate Compliance Program will enhance Bronson's culture by providing you with standards of acceptable, ethical and legal business conduct. These standards correlate directly to our mission and core values. The Corporate Compliance Program provides a means to monitor your activities and the activities of those around you to ensure individual and organizational integrity.

The program was designed not only to provide you with guidance, education and tools for monitoring daily activities, but also reporting mechanism to address any concerns you have about how we are conducting business.

The program was designed to be interactive and evolving. As we proceed with the program, your input and recommendations are vital to its success and Bronson itself. We encourage you to use the reporting process as outlined in the Code of Conduct to provide any feedback about the program.

3. How was the Code of Conduct prepared?

The Code of Conduct was written by Bronson's Corporate Compliance Officer, with the assistance of outside legal counsel. Initial drafts of the Code of Conduct were extensively reviewed by an employee focus group made up of representatives from across the organization. The focus group members suggested various revisions to the Code of Conduct, all of which were incorporated into the final Code of Conduct. The focus group also recommended approval of the overall content of the Code of Conduct.

4. What happens if I do not comply with the Code of Conduct?

Compliance with the Code of Conduct is mandatory. Bronson will not condone a breach of the Code of Conduct, even if you are pressured into violating it by your supervisor or in an effort to meet a budget. If you have any concern about an action you have been asked to take, use the reporting process prior to taking the requested action. Bronson will hold you accountable for any decision you make which violates any of the standards defined in the Code of Conduct, or is not in compliance with laws and regulations governing your area of responsibility. Adherence to the Code of Conduct is a condition of employment. Accordingly, if it is determined that you have violated any of the Code of Conduct requirements or any related departmental policies, you will be subject to discipline, up to and including discharge.

Bronson management will be held accountable for ensuring that employees receive a copy of the Code of Conduct and ongoing, formal education on the standards contained in it.

5. How do I get answers to my questions and report any concerns or issues I may have?

Ask for clarification on any questions or concerns you have about the Code of Conduct. You are responsible for reporting in good faith any actual or potential breach of the standards contained in the Code of Conduct. We encourage you to use the existing reporting mechanisms in place within your department, including discussing the matter with your supervisor, human resources, risk management or security. In addition, we encourage you to contact the legal department (341-8907) or the Bronson Corporate Compliance Hotline (341-8686) with any legal, regulatory or other concern you may have.

6. What is the Bronson Corporate Compliance Hotline and how do I use this service?

Bronson has initiated a Corporate Compliance Hotline for you to report your concerns. The Bronson Hotline number is 341-8686. You are encouraged to call the hotline for clarification or to report any suspected violation of federal, state or local law, regulation, Bronson policy, or the Code of Conduct that you feel cannot be addressed through the normal reporting structure.

Bronson is committed to promoting a Corporate Compliance Program that encourages its employees to seek timely clarification or to report any question or concern. Bronson policy prohibits anyone from taking any action or retaliation or reprisal against any individual for discussing any conduct with their supervisor, management, legal department or by util-

izing the hotline to make a good faith report, complaint or inquiry. However, the anti-retaliation policy will not protect you from the consequences of your own conduct. If you report conduct in which you are involved, Bronson is free to impose the appropriate discipline.

7. What happens to any good faith report, complaint or inquiry once it is reported?

Any supervisor or member of Bronson’s management staff who receives a report of non-compliance with laws, regulations or the Bronson Compliance Program is responsible for promptly initiating an appropriate investigation, securing any information obtained from the investigation, and providing timely follow-up to the individual who made the report. Prior to initiating any investigation, the Bronson legal department should be contacted to determine whether the investigation should be conducted by the legal department. Supervisors are encouraged to address any inquiries, questions or reports to the legal department.

8. What are examples of violations of our Code of Conduct?

There are many examples of what could be considered violations of our Code of Conduct. A few illustrative examples are as follows:

- a. You are in charge of negotiating a contract with a vendor. The vendor suggests that he will send you and your spouse on a “nice trip” if you do the deal with his company. Your acceptance of this gift would be a violation of our Code of Conduct.
- b. You are reviewing completed medical records in preparation for an accreditation visit. Some of the medical records are missing signatures and other documentation. If you fill in the missing signatures yourself and insert the missing documentation, you are in violation of our Code of Conduct. You may not sign for another or add documentation under these circumstances.
- c. You receive a call from the billing office stating they need an inpatient chart coded as soon as possible because the account is getting old and they cannot bill it until it is coded. You review the record and determine that the physician documentation does not include a diagnosis for the patient. Abnormal findings are present on the laboratory reports, the radiology reports include diagnosis impressions and the nurses’ notes state the patients’ past medical history and current diagnosis. If you assign a diagnosis code based on your findings, you are in violation of our Code of Conduct. The appropriate response is to return the chart to the physician for additional documentation.

- d. You are out for lunch with your coworkers when discussion begins on the generalities of “what’s happening at work.” Gradually the discussion turns toward the treatment of a local celebrity, including names of doctors, etc. You should remind the group that this is inappropriate to discuss and change the subject. Patient information should only be discussed in private and only on a need-to-know basis. You should never discuss any confidential or sensitive information in public areas.
- e. You live in an area where most of the community knows one another. A local physician sometimes requests the medical records of patients that she is not treating. Is this allowed? Disclosure of this information would be a violation of our Code of Conduct. Patient information should be disclosed only on a need-to-know basis to authorized individuals.
- f. Someone calls your home, identifies himself as a “Medicare investigator,” and proceeds to ask questions regarding the hospital’s laboratory services. Are you required to answer these questions? You are not required to answer the questions; you have the right to remain silent. You are not required to discuss anything with a governmental agent who contacts you.

9. What do I need to do with the Acknowledgment of Receipt located at the back of the Code of Conduct?

After you have read the Code of Conduct, you need to sign the Acknowledgment of Receipt and return it to your supervisor.

BRONSON HEALTHCARE GROUP CODE OF CONDUCT

PURPOSE

This Code of Conduct has been adopted by the Bronson Healthcare Group (“BHG”) Board of Directors to provide standards by which officers, directors, employees and volunteers (collectively, “BHG Personnel”) of BHG will conduct themselves and by which BHG expects its vendors and their personnel to conduct themselves, in order to protect and promote organization-wide integrity and to enhance BHG’s ability to achieve the organization’s mission. BHG expects each person to whom this Code of Conduct applies to abide by the principles and standards set forth herein and to conduct the business and affairs of BHG in a manner consistent with the general statement of principles set forth herein.

As used in this Code of Conduct, the term “BHG” means BHG and each of its divisions, subsidiaries and operating or business units. The terms “officer,” “director,” “employee,” and “volunteer” include any person who fills such a role or provides services on behalf of BHG or any of its divisions, subsidiaries, or operating or business units. “Vendor” means any person or entity that provides goods or services to BHG.

PRINCIPLES AND STANDARDS

Section 1 - LEGAL COMPLIANCE

BHG has an obligation to comply with all applicable laws and regulations, and the applicable rules of third party payment programs, and BHG will strive to ensure that all activity by or on behalf of the organization is in compliance with these laws, regulations and rules. BHG Personnel are required to comply with all applicable laws, regulations and rules, whether or not specifically addressed in this Code of Conduct or other BHG policies. In addition, BHG Personnel are expected to conduct their activities in good faith and integrity.

The principles set forth in this Section 1 are neither exclusive nor complete. If questions regarding the existence, interpretation or application of any law, regulation or rule arise, they should be directed to the BHG Compliance Officer.

1.1 -Antitrust

All BHG Personnel must comply with applicable antitrust laws and other similar laws which regulate competition. Examples of conduct prohibited by such laws include (a) agreements to fix prices, bid rigging, or collusion with competitors (including price sharing); (b) boycotts, certain exclusive dealings, and price discrimination agreements; and (c) unfair trade practices, including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices. BHG Personnel are expected to seek advice from the BHG Compliance Officer when confronted with business decisions involving a risk of violation of antitrust laws or other similar laws.

1.2 -Tax

BHG Personnel shall refrain from engaging in any activity which may jeopardize the tax-exempt status of BHG. Compensation and other business arrangements must be entered into on an impartial and fair basis.

- (a) As a nonprofit, tax-exempt organization, BHG has a legal and ethical obligation to engage in activities in furtherance of its charitable purpose and to ensure that its resources are used in a manner which furthers the public good rather than the private or personal interests of any individual. Consequently, BHG and BHG Personnel must avoid compensation

arrangements in excess of fair market value, accurately report payments to appropriate taxing authorities, and file all tax and information returns in a manner consistent with applicable laws.

- (b) A number of the divisions, subsidiaries, operating units and business units of BHG are taxable entities. With respect to such taxable entities, BHG and BHG Personnel shall timely and accurately report payments to appropriate taxing authorities and file all tax and information returns in a manner consistent with applicable laws.

1.3 - Fraud and Abuse

BHG Personnel must refrain from conduct which may violate the fraud and abuse laws. These laws generally prohibit (a) direct, indirect or disguised payment in exchange for the referral of patients or other business; (b) the submission of false, fraudulent or misleading claims to any government entity or third party payor, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, claims for which appropriate documentation does not exist or claims which do not otherwise comply with applicable program or contractual requirements; and (c) making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service. BHG Personnel must report immediately to the BHG Compliance Officer any requests or demands by any person or entity for any improper benefit.

1.4 - Lobbying/Political Activity

A variety of lobbying and political activities, including but not limited to the following, are prohibited.

- (a) BHG Personnel shall not make any agreement to contribute, nor shall any such person contribute, any money, property, or services of any member of BHG Personnel to any political candidate, party, organization, committee or individual, where such money, property or services is at the expense of BHG or in violation of any applicable law. BHG Personnel may personally participate in and contribute to political organizations or campaigns, but they must do so as individuals, not as representatives of BHG. In addition, they must use their own funds. Any member of BHG Personnel who contributes to a political organization or campaign must file any required reports with respect to such contribution.
- (b) Where its experience may be helpful, BHG may publicly offer recommendations concerning legislation or regulations being considered. In addition, BHG may analyze and inform the public on issues that have a relationship to its operations and how such issues impact BHG, if BHG's experience contributes to the understanding of such issues. Any member

of BHG Personnel who makes such a public statement or recommendation concerning legislation or regulations shall include a copy of such statement or recommendation in his or her semi-annual lobbying report submitted to the Senior Vice President of Legal and Legislative Relations.

- (c) All BHG contacts and dealings with governmental bodies and officials shall be conducted in an honest and ethical manner, and BHG Personnel shall complete required BHG contact forms upon any contact with legislators. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit is absolutely prohibited. Any requests or demands by any governmental representative for any improper benefit should be reported immediately to the BHG Compliance Officer.

1.5 - Environmental

BHG manages and operates its business in a manner which respects our environment and conserves natural resources. BHG Personnel must utilize resources appropriately and efficiently, recycle where possible and otherwise dispose of all waste in accordance with applicable laws and regulations. BHG Personnel also must work cooperatively with the appropriate authorities to remedy any environmental contamination for which BHG may be responsible.

1.6 - Discrimination

BHG believes that the fair and equitable treatment of BHG Personnel, patients and other persons is critical to fulfilling its vision and goals. In furtherance of such vision and goals, it is a policy of BHG to (a) enroll subscribers and treat patients without regard to the race, color, religion, creed, sex, national origin, ancestry, age, marital status, sexual orientation, or physical or mental health status of such person, or any classification in violation of applicable law, (b) recruit, hire, train, promote, assign, transfer, layoff, recall and terminate BHG Personnel based on the ability, achievement, experience and conduct of each member of BHG Personnel, without regard to race, color, religion, sex, national origin, ancestry, age, height, weight, marital status, physical or mental handicap or disability, or any other classification in violation of applicable law, and (c) comply with the provisions of the Americans with Disabilities Act of 1990, as amended, and any successor statute thereto.

BHG will not permit or tolerate any form of harassment or discrimination on the basis of any unlawful classification or otherwise prohibited by law. Each allegation of harassment or discrimination against a member of BHG Personnel will be promptly investigated in accordance with applicable human resource policies.

Section 2 - BUSINESS ETHICS

BHG is committed to the highest standards of business ethics and integrity. In furtherance of that commitment, BHG Personnel must accurately and honestly represent BHG and shall not engage in any activity or scheme intended to defraud anyone of money, property or honest services.

BHG requires candor and honesty from individuals in the performance of their responsibilities and in communication with our attorneys and auditors. BHG Personnel shall not orally or in writing make false or misleading statements to any patient, person or entity doing business with BHG (a) about other patients, persons or entities doing business or competing with BHG, or (b) about the products or services of BHG or its competitors, including any applications, cost reports or other filings with governmental entities.

Section 3 – CONFIDENTIALITY

BHG Personnel shall maintain the confidentiality of business, patient and member information, and other confidential information, in accordance with applicable legal standards and its contractual obligations. BHG Personnel in possession of or with access to confidential, sensitive and proprietary information, the release of which could be injurious to individuals, BHG's business partners or BHG itself, shall maintain the confidentiality of such information in accordance with applicable BHG policies. All BHG Personnel have an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

3.1 - Patient/Member Information

Patient and member information is confidential and may be released in a very limited number of circumstances. Unless a patient or member has consented to the release of information regarding him or her, BHG Personnel shall not reveal any personal or confidential information concerning a patient or member without consulting the BHG Compliance Officer.

3.2 - Proprietary Information

BHG Personnel shall not misappropriate confidential or proprietary information belonging to another person or entity, nor shall they utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. BHG Personnel shall not improperly copy for his or her own use documents or computer programs in violation of applicable copyright laws or licensing agreements. BHG Personnel shall not utilize confidential business information obtained from competitors, including customers lists, price lists, contracts or any other information, in violation of a covenant

not to compete or a prior employment agreement, or in any other manner likely to provide an unfair competitive advantage to BHG.

Information, ideas and intellectual property assets of BHG are important to organizational success. Information pertaining to BHG's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with BHG Personnel or third parties, should be protected and shared only with BHG Personnel having a need to know such information in order to perform their job responsibilities. BHG Personnel must carefully maintain and manage intellectual property rights, including patents, trademarks, copyrights and software of BHG, to preserve and protect their value.

3.3 - Personnel Actions/Decisions

BHG treats salary, benefit and other personal information relating to employees as confidential. Personnel files, benefit files, employee health records, payroll information, disciplinary matters and similar information is maintained in a manner designed to ensure confidentiality in accordance with applicable laws. BHG Personnel must exercise due care to prevent the release or sharing of information beyond those persons who may need such information to perform their job responsibilities.

Section 4 - CONFLICTS OF INTEREST

Directors, officers, committee members and salaried/exempt employees (“covered persons”) owe a duty of undivided and unqualified loyalty to BHG. Such covered persons shall not use their positions to profit personally or to assist others in profiting in any way at BHG’s expense. Covered persons shall at all times conduct themselves in conformity with the BHG Conflicts of Interest Policy (a copy of which is available from the BHG Compliance Officer). All covered persons must regulate their activities so as to avoid actual impropriety and/or the appearance of impropriety which might arise from the influence of those activities on business decisions of BHG, or from disclosure or private use of business affairs or plans of BHG. If any activity of any covered person involves actual impropriety or gives the appearance of impropriety, the BHG Compliance Officer shall be contacted.

4.1 - Outside Financial Interests

The following types of activities by a covered person, or a household member of such person, may cause conflicts of interest. These examples serve only as a guide and are not all-inclusive. A covered person shall immediately contact the BHG Compliance Officer in the event the covered person is aware of any such activities.

- (a) A covered person who owns or is employed by any outside person or entity which does business with BHG. This does not apply to stock or other investments held in a publicly held corporation, if the value of the stock or other investments does not exceed 5% of the corporation's stock. BHG may, however, after a review of the relevant facts, permit ownership interests which exceed these amounts if the BHG Compliance Officer and BHG management conclude such ownership interests will not adversely impact BHG's business interest or the judgment of the covered person.
- (b) A covered person who conducts any business with any Vendor which does business with BHG (or any BHG Personnel), if such business is not on behalf of BHG.
- (c) A covered person who represents BHG in any transaction in which the covered person, or a household member of such person, has a substantial personal interest.
- (d) A covered person who discloses or uses confidential, special or inside information of BHG, or about BHG, particularly for personal profit or advantage of the covered person, or a household member of such person.
- (e) A covered person who competes with BHG, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests, or business investment opportunities.

4.2 - Services for Competitors/Vendors

No covered person shall perform work or render services for (a) any competitor of BHG, (b) any Vendor, or (c) any organization which seeks to do business with BHG, outside of the normal course of his/her employment with BHG, unless such person obtains the prior written approval of the BHG Compliance Officer. A covered person shall not be a director, officer, or consultant of any such organization, nor may he or she permit his or her name to be used in any fashion that would tend to indicate a business connection with such organization.

4.3 - Participation on Boards of Directors/Trustees

- (a) A covered person must obtain approval from the BHG Compliance Officer prior to serving as a member of the Board of Directors/ Trustees of any organization whose interests may conflict with those of BHG.
- (b) A covered person who is asked or seeks to serve on the Board of Directors/Trustees of any organization will not be required to obtain such approval if such organization's interest would not impact BHG.

- (c) All fees or compensation (other than reimbursement for expenses arising from Board participation) received by a covered person for services provided to a non-BHG Board of Directors/Trustees during normal work time must be paid directly to BHG.
- (d) A covered person must disclose all of his or her Board of Directors/Trustees activities in the annual Conflicts of Interest Policy and Director Conflict Disclosure.
- (e) BHG retains the right to prohibit membership on any Board of Directors/Trustees where such membership might conflict with the best interests of BHG.
- (f) In the event a covered person has any question whether participation on a Board of Directors/Trustees would present a conflict of interest with BHG, such participation must be discussed with the BHG Compliance Officer.

4.4 - Honoraria

BHG Personnel are, with the permission of the BHG Compliance Officer, encouraged to participate as faculty and speakers at educational programs and functions. A member of BHG Personnel shall turn over to BHG any honoraria in excess of One Hundred Dollars (\$100.00), unless he or she uses available Paid Time Off to attend the program or that portion of the program for which the honoraria is paid.

Section 5 - BUSINESS RELATIONSHIPS

BHG shall not offer or solicit gifts and favors or other improper inducements in exchange for influence or assistance in a transaction when conducting business with Vendors or other third parties. This policy is to be construed broadly in order to avoid even the appearance of impropriety. If a member of BHG Personnel has any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, such person should contact the BHG Compliance Officer. The standards set forth below are intended to guide BHG Personnel in determining the appropriateness of the listed activities or behaviors within the context of BHG business relationships, including relationships with Vendors, providers, suppliers, third party payors and government entities.

5.1 - Gifts and Gratuities

BHG desires to at all times preserve and protect its reputation and to avoid the appearance of impropriety. Consequently,

- (a) Gifts from Patients or Members. BHG Personnel are prohibited from soliciting tips, personal gratuities or gifts from patients and their family

members. BHG Personnel may accept unsolicited gifts from patients and their family members only if such gifts are of nominal value — less than One Hundred Dollars (\$100.00) in value from any one patient or their family members, and are designed as gifts for the department/unit. If a patient or another individual wishes to present a monetary gift, however, such person should be referred to the Bronson Health Foundation.

- (b) Gifts Influencing Decision-making. BHG Personnel shall not accept gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting BHG might be influenced. Similarly, BHG Personnel shall not offer or provide money, services or other things of value with the expectation of influencing the judgment or decision making process of any purchaser, supplier, customer, government official or other person. Any such conduct must be reported immediately to the BHG Compliance Officer.
- (c) Gifts From Existing Vendors. BHG Personnel may retain gifts from vendors only if such gifts are of nominal value less than Fifty Dollars (\$50.00). Such gifts may not aggregate more than One Hundred Dollars (\$100.00) in any twelve month period. BHG expects BHG Personnel to exercise good judgment and discretion in accepting gifts. BHG Personnel shall not accept gifts, meals, expensive entertainment or other offers of goods or services which have more than a nominal value, nor may they solicit gifts from vendors, suppliers, contractors or other persons. If any member of BHG Personnel has any concern whether a gift may be accepted, whether because of the value of that particular gift or the cumulative value of gifts received, such person should consult with the BHG Compliance Officer. To the extent possible, any acceptable gift should be shared with such person's co-workers.
- (d) Vendor Sponsored Entertainment. At a Vendor's invitation, an individual may accept meals or refreshments at the Vendor's expense. Occasional attendance at a local theater or sporting event, or similar entertainment at Vendor expense may also be accepted if approved by the BHG Compliance Officer. In most circumstances, a regular business representative of the Vendor should be in attendance with the BHG Personnel. Nothing in this policy shall prohibit the BHG Compliance Officer or BHG management from establishing stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors.

5.2 - Workshops, Seminars and Training Sessions

Attendance at local, Vendor-sponsored workshops, seminars and training sessions is permitted. BHG Personnel must obtain prior approval of the BHG Compliance Officer to attend, at a Vendor's expense, out of town seminars, workshops and training sessions. BHG Personnel must also follow

the normal approval process governing travel as contained in the Travel Booking Procedures and Travel/Expense Policy.

5.3 - Contracting

BHG Personnel may not utilize “insider” information for any business activity conducted by or on behalf of BHG. All business relations with contractors must be conducted at arm's length, both in fact and in appearance, and in compliance with BHG policies and procedures. A member of BHG Personnel must disclose any personal relationships and business activities with current or potential contractor personnel who may be construed by an impartial observer as influencing his or her performance or duties. BHG Personnel have a responsibility to obtain clarification from the BHG Compliance Officer on questionable issues which may arise and to comply, where applicable, with BHG's Conflict of Interest Policy.

5.4 - Business Inducements

BHG Personnel shall not seek to gain any advantage through improper payments, business courtesies or other inducements. BHG Personnel also shall not offer, give, solicit or receive any form of bribe or other improper payment to or from any person or entity.

Commissions, rebates, discounts and allowances may be offered and given if they are customary and acceptable business inducements, are approved by BHG management and do not constitute illegal or unethical payments. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to which the original agreement or invoice was made or issued. Such payments shall not be made to individual employees or agents of business entities.

BHG Personnel may provide gifts, entertainment and meals of nominal value to BHG customers, current and prospective business partners and other persons, when such activities have a legitimate business purpose, are reasonable and consistent with all applicable laws and applicable Travel/Expense Policy.

Section 6 - PROTECTION OF ASSETS

All BHG Personnel shall preserve and protect BHG's assets by making prudent and effective use of BHG resources and properly and accurately reporting its financial condition. BHG's expectations regarding activities or behaviors which may impact BHG's financial health, or which reflect a reasonable and appropriate use of the assets of the organization, are set forth below.

6.1 - Internal Control

BHG has established control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. All BHG Personnel share the responsibility for maintaining and complying with required internal controls.

6.2 - Financial Reporting

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. BHG Personnel shall not engage in improper or fraudulent accounting, documentation or financial reporting.

6.3 -Travel and Entertainment

BHG Personnel must comply with BHG policies relating to travel and entertainment expense, as set forth in the Travel/Expense Policy. It is BHG's policy that BHG Personnel should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Travel and entertainment expenses should be consistent with his or her job responsibility and the organization's needs and resources. BHG Personnel are expected to exercise reasonable judgment in the use of BHG's assets and to spend the organization's assets as carefully as they would spend their own.

6.4 - Personal Use of Corporate Assets

BHG Personnel shall not take assets of the organization for their personal use. All property and business of the organization shall be conducted in the manner designed to further BHG's interest rather than the personal interest of an individual member of BHG Personnel. BHG Personnel are prohibited from the unauthorized use or taking of BHG's equipment, supplies, materials or services. A member of BHG Personnel shall obtain the approval of the appropriate business unit or other management of BHG prior to engaging in any activity on company time which will result in remuneration to such person or the use of BHG's equipment, supplies, materials or services for personal or non-work related purposes.

REPORTING

All BHG Personnel have an obligation to report to the BHG Compliance Officer any action, activity or incident which he or she in good faith believes violates this Code of Conduct or any applicable law. A report may be made in person, by phone or by written communication to the BHG Compliance Officer. If the reporting party desires to remain anonymous, the report may be submitted through a voice mailbox system at (269) 341-8686. All reports shall be treated as confidential and anonymous, and BHG will attempt to protect the identity of the person who has made the report to the maximum extent possible consistent with this code of conduct. The current BHG Compliance Officer is James B. Falahee, Jr., and he can be reached in person at One Healthcare Plaza, Kalamazoo, Michigan 49007, or by telephone number at (269) 341-8907. Normal office hours of the BHG Compliance Officer shall be from 8:00 a.m. to 5:00 p.m. Monday through Friday. The after hours telephone number for the BHG Compliance Officer is (616) 341-8686.

No person will be disciplined, suffer retribution or be subject to adverse action in any manner for reporting any action, activity or incident he or she in good faith believes may be a violation of this Code of Conduct or any applicable law. Any person who files a report of an action, activity or incident pursuant to this Code of Conduct, where such report is false or made in bad faith, for personal gain or to satisfy personal animosity, shall be subject to disciplinary action for violating the Code of Conduct.

INVESTIGATION AND DISCIPLINE

Upon receipt of credible reports of suspected violations, the BHG Compliance Officer shall undertake a detailed investigation and take corrective action where appropriate. Violations of the Code of Conduct may result in discipline ranging from warnings and reprimand to discharge or, where appropriate, the filing of a civil or criminal complaint. Disciplinary decisions will be made by operating management, subject to review by the BHG Compliance Officer and the Vice President of Human Resources. Any member of BHG Personnel accused of violating this Code of Conduct will be informed of the charges against him or her and will be given the opportunity to state his or her position before any disciplinary action is imposed. In addition, managers and supervisors may be sanctioned for failure to adequately instruct their subordinates or failing to detect non-compliance with applicable policies and legal requirements, where reasonable diligence on the part of the manager or supervisor would have led to the discovery of any problems or violations and given BHG the opportunity to correct them earlier.

ADMINISTRATION AND APPLICATION OF THE CODE OF CONDUCT

This Code of Conduct articulates the policy of BHG, which applies to all BHG Personnel, and standards which are intended to provide additional guidance to such persons. All BHG Personnel are responsible to ensure that their behavior and activity is consistent at all times with this Code of Conduct.

Failure to abide by this Code of Conduct, or the guidelines for behavior which the Code of Conduct represents, may lead to disciplinary action. For alleged violations of the Code of Conduct, BHG will weigh relevant facts and circumstances, including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the Code of Conduct, the egregiousness of the behavior, the individual's history with the organization and other factors which BHG deems relevant. Discipline for failure to abide by the Code of Conduct may, in BHG's discretion, range from oral correction to termination.

This Code of Conduct shall be distributed to all BHG Personnel. BHG will communicate changes concurrent with or prior to the implementation of such changes. BHG reserves the right to modify, amend or alter the Code of Conduct. In furtherance of BHG's intent to communicate changes in the Code of Conduct to BHG Personnel, BHG has scheduled official office hours for the BHG Compliance Officer and will make presentations regarding the Code of Conduct at scheduled employee and leadership venues.

All BHG Personnel must review and furnish a signed Acknowledgement of Receipt and Understanding (the "Acknowledgement") upon adoption of this Code of Conduct or their initial affiliation with BHG, whichever is later, and then on an annual basis. All new BHG Personnel must sign the Acknowledgement within thirty (30) days of their initial affiliation with BHG. Failure to do so shall be considered an immediate voluntary resignation.

Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to employees or other persons.

**ACKNOWLEDGMENT OF RECEIPT AND
UNDERSTANDING OF THE BRONSON HEALTHCARE
GROUP CODE OF CONDUCT**

I acknowledge that I have received a copy of the Bronson Healthcare Group Code of Conduct.

I have reviewed the Code of Conduct and understand my obligations under it. In the event I have questions about the Code of Conduct or my obligations under it, I will direct any questions to the BHG Compliance Officer.

I acknowledge that I am responsible for and will comply with all aspects of the Code of Conduct. I understand that any violation of the Code of Conduct is grounds for disciplinary action, at the discretion of BHG, up to and including termination.

Unless otherwise noted below, I am not aware of any possible violation of the Code of Conduct. I will report any potential violation of which I become aware promptly to the BHG Compliance Officer. I also certify that I have not been convicted of, or charged with, a criminal offense related to health care, nor have I been listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded health care programs.

_____ Signature	_____ Date
_____ Name (Print)	_____ Position/Title
_____ Employee ID	

Possible violations of the Code of Conduct of which I am aware that occur at Bronson:

THIS FORM MUST BE RETURNED TO HUMAN RESOURCES.



VISION

Bronson will be a national leader
in healthcare quality.

MISSION STATEMENT

Provide excellent healthcare services

STATEMENT OF VALUES

We believe in, and our actions will reflect:
care and respect for all people, teamwork,
stewardship of resources, commitment to our community
and the pursuit of excellence.

PATIENT CARE EXCELLENCE COMMITMENT

Healing with our hearts,
Caring with our knowledge,
Working together for Bronson patients and families



One Healthcare Plaza
Kalamazoo, Michigan 49007

(June 2005)