The Genesis Healthcare

CODE OF CONDUCT

2015
# Code of Conduct

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GENESIS HEALTHCARE, INC.
CODE OF CONDUCT
February 2015

All references to the “company” include Genesis Healthcare, Inc. and its subsidiaries. For purposes of this Code of Conduct, all references to “covered persons,” are intended to include directors, officers and any employees of Genesis Healthcare, Inc. and its subsidiaries and any independent contractors performing functions similar to those of employees. This Code of Conduct applies to all covered persons. Any waiver of the Code for executive officers or directors may only be made by the Board of Directors or a Board Committee.

This Code of Conduct provides guidelines to help promote the caring and ethical work environment embodied in our mission statement:

We improve the lives we touch through the delivery of high quality health care and everyday compassion.

This Code expands upon the statements in Genesis’s Standard of Conduct.

Genesis is committed to the delivery of quality healthcare services. To achieve that goal, it is the policy of Genesis to conduct all business affairs with the highest level of integrity. Genesis requires that every employee strictly complies with all applicable laws and regulations. The Genesis Standard of Conduct applies to all aspects of its operations including patient care, billing, and maintenance of accurate corporate records, business conduct and all other facets of the Company’s operations.

This Code of Conduct has been developed specifically to set clear expectations and standards, to reinforce individual integrity and accountability, and to promote compliance with applicable governmental laws, rules and regulations as well as internal policies and procedures.

All covered persons are expected to meet professional standards and exercise good judgment regarding how best to uphold ethical behavior every day. A supervisor or member of the compliance team is always available to discuss any issues or to answer questions about this Code of Conduct or the Compliance Program.

Each employee is a vital link to ensuring integrity within his or her line of business and has a responsibility to meet ethical, legal and professional standards. Thank you for committing to provide quality customer service, not only for patients, residents and their families but also for business associates, investors and fellow employees.
OUR CORE VALUES

Our Core Belief is that patients and residents are the center of our work. Employees, directors, officers and contractors are expected to uphold the principles of the Genesis Core Values.

CARE & COMPASSION FOR EVERY LIFE WE TOUCH.

RESPECT & APPRECIATION FOR EACH OTHER.

TEAMWORK & ENJOYMENT IN WORKING TOGETHER.

FOCUS & DISCIPLINE ON IMPROVING THE QUALITY OF CARE.

CREATIVITY & INNOVATION TO DEVELOP EFFECTIVE SOLUTIONS.

HONESTY & INTEGRITY IN ALL DEALINGS.
CODE OF CONDUCT

INTRODUCTION
This Code of Conduct is the foundation of the Compliance Program. The Code is a guide to appropriate workplace behavior; it will help you make the right decisions if you're not sure how to respond to a situation. The Code of Conduct applies to everyone at Genesis -- from entry-level employees to top management.

As covered persons, we share a commitment to legal, ethical and professional conduct in everything we do. We support these commitments in our work each day, whether we care for patients, order supplies, prepare meals, keep records, pay invoices or make decisions about the future of the company. Success as a provider of healthcare services depends on us -- our personal and professional integrity, our responsibility to act in good faith and our obligation to do the right things for the right reasons.

The Compliance Program was created as a structure to teach, support and monitor these commitments and to help you apply standards of excellence to your specific position. It provides principles, standards, training and tools to guide you in meeting your legal, ethical and professional responsibilities.

For employees, this Code of Conduct supplements your Employee Handbook and the specific policies and procedures that apply to your job. Of course, no single resource can answer every question or cover every concern you may encounter at work. You should also be guided by your own good judgment and professional pride. You should also seek to avoid even the appearance of improper behavior in your daily interactions with the company, your colleagues, customers and other business associates. When in doubt, report your concerns. If you have questions or concerns about the Code of Conduct or any moral, legal or ethical issue, please follow the Reporting Process discussed on the next page.

The principles in the Code of Conduct are not suggestions; they are mandatory standards. There is no justification for departing from the Code of Conduct, no matter what the situation may be. Violations of the Code of Conduct or policies and procedures are grounds for dismissal.

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REPORTING ISSUES OF CONCERN

All covered persons must help ensure that the company is doing everything practical to comply with applicable laws. If you observe or suspect a situation that you believe may be unethical, illegal, unprofessional or wrong, if you have a clinical, ethical or financial concern, or if you suspect a violation of this Code of Conduct, you must promptly report it. You are expected to satisfy this duty by complying with the Reporting Process and your federal, state and local reporting obligations.

The company has a specific Reporting Process for communicating compliance issues:

1. **First, talk to your supervisor or manager.** He or she is most familiar with the laws, regulations and policies that relate to your work.
2. If you are not comfortable talking with your supervisor or are not satisfied with the response you receive, **talk to another member of the management team, or someone from human resources.**
3. If you still have a concern, discuss with a **regional representative or Compliance Liaison** (see Genesis Central for contact details).
4. If none of the above steps resolves your questions or concerns, or if you prefer, call the toll-free **Genesis Compliance Line at (800-893-2094)** for assistance. You may call anonymously.

Anyone who is uncertain whether a particular situation constitutes a compliance issue should discuss the issue with his or her supervisor, a member of management, a Liaison or the Compliance Officer.

Reports may be filed anonymously, but must provide enough information to start the investigation process. Reporters may make reports without fear of reprisal, retaliation or punishment for reporting. Anyone, including a supervisor, who retaliates against anyone for reporting an issue, will be disciplined, including possible dismissal.

Each covered person should ask any questions he or she might have about the Compliance Program. If anyone is unclear as to responsibilities under the Program, clarification should be sought from a supervisor, management, a Liaison or the Compliance Officer. All employees are required to act in accordance with the Program as a condition of employment. When an employee promptly discloses his or her own non-compliance, this positive action will be considered when the company is deciding on the appropriate consequences.

It is the company’s policy to provide information about the state and federal fraud laws, including the False Claims Act, to all covered persons, including remedies available under these provisions and how covered persons and others can use them, and about whistleblower protections available to anyone who claims a violation of the federal or state false claims act. The specific policies are described in the Employee Handbook, which should be consulted for more information.
Genesis Compliance Program
Professional Standards

These standards provide a brief summary of key professional expectations. Please refer to associated policies and procedures for more information.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>Behavior</td>
<td>No conduct which limits, restricts or interferes with our ability to respond to our customers’ needs is acceptable.</td>
</tr>
<tr>
<td>Allegations of Abuse, Neglect, Misappropriation or Crime</td>
<td>The company will not tolerate any type of patient abuse or neglect. Covered persons must immediately report any incident of suspected or known abuse, neglect, misappropriation or crime against a patient.</td>
</tr>
<tr>
<td>Equal Employment Opportunity and Non-Discrimination</td>
<td>Genesis does not exclude, deny benefits to, or otherwise discriminate against any person on any grounds prohibited by federal law, on the basis of race, color, national origin, disability, gender, or age.</td>
</tr>
<tr>
<td>Statement on Harassment</td>
<td>Effective working relationships must be based on mutual respect. Harassment is unacceptable.</td>
</tr>
<tr>
<td>Accurate Books and Records</td>
<td>All books and records must be accurate, complete, and truthful, including those maintained for financial reporting, health care, and other business purposes. Documentation in all records must comply with regulatory and legal requirements and support business practices and actions. No one may falsify or tamper with any information in any record.</td>
</tr>
<tr>
<td>Competition &amp; Solicitation</td>
<td>Certain employees must not compete with or solicit clients or business away from Genesis, or influence employees to leave Genesis.</td>
</tr>
<tr>
<td>Gifts</td>
<td>Covered persons must not accept or offer any form of gifts, gratuities, tips and/or loans from patients, their family members, suppliers, vendors, customers, or companies seeking to do business with Genesis.</td>
</tr>
<tr>
<td>Licenses/Certifications</td>
<td>All covered persons who need licenses or certifications must maintain credentials in compliance with state and federal laws.</td>
</tr>
<tr>
<td>Political Contributions</td>
<td>Payments of company funds to any political party, candidate or campaign, donation of company property and/or use of the company’s name in support of political causes may be made only if permitted under applicable law and approved in accordance with company policy.</td>
</tr>
<tr>
<td>Substance Abuse</td>
<td>The distribution, possession or illegal use of a controlled substance in the workplace is prohibited.</td>
</tr>
<tr>
<td>Workplace Violence</td>
<td>Fighting, disorderly conduct, physical, verbal or mental abuse of any person is unacceptable.</td>
</tr>
<tr>
<td>Rules &amp; Regulations</td>
<td>All covered persons must comply with the industry regulations and Company policies and procedures.</td>
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<tr>
<td>Disciplinary Procedure</td>
<td>Genesis supports a progressive discipline policy.</td>
</tr>
<tr>
<td>Complaints/Disputes</td>
<td>Give notice of complaint to supervisor, then to next level up and so on, or to the Genesis Compliance Line (800.893.2094).</td>
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CARE EXCELLENCE: OUR FIRST PRIORITY

Our most important job is providing quality care to our patients. This means offering compassionate support to our patients and their families and working toward the best possible outcomes, while following all healthcare rules and regulations. We care for people who are especially vulnerable; they may have impaired or limited cognitive abilities, or have physical restrictions because of illness, injury or disease. It is our responsibility to respect, protect and care for them with compassion and skill.

PROVIDING QUALITY CARE
Our primary commitment is to provide the care, services and products necessary to help the patient reach or maintain his or her highest possible level of physical, mental and psychosocial well-being. Our policies and procedures help guide to achievement of this goal. To meet the quality of care standards, we:
• develop interdisciplinary plans of care for all patients.
• review goals and plans of care to ensure that our patients’ ongoing needs are being met.
• provide only medically necessary, physician-prescribed services and products that meet the patient’s clinical needs.
• confirm that services and products (including medications) are within accepted standards of practice for the patient's medical condition.
• provide services and products that are reasonable in terms of frequency, amount and duration.
• measure clinical outcomes and patient satisfaction to confirm quality care goals are met.
• provide accurate and timely documentation and record keeping.
• ensure that patient care is given only providers with the appropriate background, experience and expertise.

PATIENTS’ RIGHTS
Patients receiving healthcare services have clearly defined federal and state rights. To honor these rights, we must:
• provide the same quality care to everyone regardless of race, color, national origin, disability, gender, or age
• treat all patients with compassion, courtesy, professionalism and respect.
• protect every patient from physical, emotional, verbal or sexual abuse or neglect.
• protect all aspects of patient privacy and confidentiality.
• obtain permission from patients or their authorized representatives before releasing personal, financial, or medical information to anyone outside of the company verbally, or via paper or electronic media.
• limit access to medical and other records only to employees, physicians or other healthcare professionals who need the information to do their jobs.
• respect patient's personal property and money and protect it from loss, theft, improper use and damage.
• respect the right of patients and their authorized representatives to participate in decisions about their care.
• respect the right of patients and/or their authorized representatives to access their medical records upon request.
• recognize that patients have the right to consent to or refuse care.
• protect the patient's right to be free from physical and chemical restraints.

ABUSE AND NEGLECT
The company will not tolerate any type of patient abuse or neglect – physical, psychological, emotional, verbal or sexual. Patients must be protected not only from employees but also from other patients,
volunteers, agency staff, family members, legal guardians, friends or any other person. This standard is for all patients at all times.

**Physical abuse** is any physical contact with a patient that is harmful or punitive, regardless of injury or pain. Psychological abuse, sometimes called emotional, verbal or mental abuse, is mistreating someone using words or deception or causing mental or emotional pain, fear or anguish. For example, emotional or psychological abuse can be name-calling, insulting, teasing, yelling, threatening, belittling or lying.

**Sexual abuse** is any type of inappropriate physical contact with a patient as well as sexual harassment, sexual coercion or sexual assault.

**Neglect** is failure to provide goods or services necessary to avoid physical harm, mental anguish, or mental illness. Any situation that can be considered neglect is illegal and will not be tolerated.

**Misappropriation** is the deliberate misplacement, exploitation, or wrongful, temporary or permanent use of a resident’s personal belongings or money without the resident’s consent. There is no minimum value associated with misappropriation.

**Criminal activity** is any action that may constitute a crime committed against a patient, whether by an employee or any other individual.

*Any employee who abuses, neglects or commits a crime against a patient is subject to dismissal. In addition, legal or criminal action may be taken. If you ever observe any incident of suspected or known abuse, neglect, misappropriation or crime against a patient, you must immediately report it using the Reporting Process described above and you must report to outside agencies if required. If you do not know if reporting to an outside agency is required, please discuss the situation further with your supervisor. Prompt reporting is important to ensure patient safety. Failure to report immediately may be considered gross misconduct and grounds for termination of employment.*

**PATIENT CONFIDENTIALITY**
Federal law protects the confidentiality of patients’ medical, financial and personal information. Patient information is exchanged in verbal, written and electronic forms. HIPAA regulations require that we protect patient information from being seen, heard or read by anyone who is not authorized to do so. Only specified individuals are permitted to access patient records: the patient or his or her authorized representative, the individual’s physician and the staff members who need the information. No medical, financial or personal information about a patient may be disclosed to anyone else, in any form, without permission from the individual or his/her authorized representative.

The right to privacy means that we cannot answer questions from friends, relatives or the news media without written authorization. All inquiries from reporters must be referred to your supervisor. Confidentiality is more than a courtesy - it’s the law.

**PATIENT PROPERTY**
Covered persons must respect patients’ personal property and protect it from loss, theft, damage or misuse. Covered persons who have access to property or funds, including resident trust funds, must maintain accurate records and accounts and ensure that these funds are properly safeguarded.
Genesis Compliance Program
Legal Standards

These standards provide a brief summary of key legal/regulatory requirements. Please refer to associated policies and procedures for more information.

Medical Necessity
The company will **bill only for services which are warranted** by a customer’s current and **documented** medical condition, and which **are ordered by a physician**.

Billing for Services Rendered
The company will **bill only for medically necessary services that are actually rendered**. Bills and claims for services should be reviewed for accuracy prior to submission. **Any post-submission discovery of errors** should be reported via the Reporting Process, with corrections submitted promptly.

False Claims
The company **will not make false statements** on medical claim forms to obtain payment, or higher payment, to which it is not entitled.

Anti-Kickbacks
The company **will not submit claims for customers who were referred to the Company under contracts or financial arrangements** that induce such referrals, **nor accept money in exchange** for referrals. More information is provided below.

Cost Reports
The company will **submit cost reports that accurately reflect actual allowable operating costs**.

Billing Codes
The company will **use billing codes that actually reflect the service furnished** and which **provide for the appropriate payment rate**.

Bundling of Services
The company will **bill for tests or procedures that are required to be billed together as a single bill** and not in a piecemeal or fragmented fashion.

Licensing
The company will **bill only for services that are rendered by a licensed practitioner**.

Covered Services
The company will **not bill for non-covered services** as covered ones.

Carriers
The company will **not bill the wrong carrier** to receive higher reimbursement.

Physician Self-Referral
The company will **not permit physicians to make referrals to an entity in which the physician or an immediate family member has a financial interest**.

Retention of Records
The company will **maintain all medical** documentation required by federal and/or state law and internal policies. Records will only be destroyed in accordance with company policy.
PROFESSIONAL INTEGRITY

CONFIDENTIAL INFORMATION
Confidential Information is information that is not generally known to the public, and includes, but is not limited to: personnel data, clinical records, financial information, pricing and cost data, information pertaining to acquisition and divestitures and other business combinations, strategic and marketing plans, proprietary documents, policies and computer software, medical records, patient/resident personal health information and other data. Responsible use of all confidential information is critical to maintain its confidential nature. Confidential information may only be used to perform job responsibilities and cannot be shared with others unless necessary to carry out specific obligations.

Covered persons must also consider the sections entitled Insider Trading and Health Insurance Portability and Accountability Act when determining whether confidential information may be shared.

CONFLICTS OF INTEREST
A conflict of interest exists when a person’s private interests interfere or appear to interfere in any way with the interests of the company. Covered persons must avoid situations that create, or appear to create, conflicts that may make it difficult for the person to perform work objectively and effectively. Conflicts of interest in the workplace can pose a potential for harm to the company’s business interests or create an appearance of improper influence. Covered persons must report actual or potential conflicts of interest using the Reporting Process described above.

Conflicts of interest also arise when a covered person or a member of his or her immediate family receives improper personal benefits as a result of his or her position in the company.

No covered person should engage in undisclosed or unapproved business arrangements on behalf of the company with family members. Covered persons cannot employ or engage family members in company positions that create conflicts of interest. Examples include, but are not limited to, an employee: having direct supervisory authority over a family member; having payroll responsibility over a family member; or having significant influence over the pay, benefits, career progression or performance of a family member without the express permission of the engaging employee’s supervisor.

No covered person may personally gain from any purchase or business decision in which that person participated on behalf of the company. Each full-time employee is expected to serve the company’s interests on a full-time basis. Such employee should disclose to his/her supervisor any other employment for an employer who is in the same business as the company. An officer or member of management will determine if the other employment relationship constitutes a conflict of interest. Such employee may not be involved as an owner, consultant, or employee of any business in competition with the business of the company.

The continuation of the same facts and circumstances occurring in the ordinary course of business as well as interests arising out of those circumstances will not constitute a conflict of interest if they have been disclosed to and approved by the Company’s Board of Directors as of the date of the Directors’ adoption of this Code.
BUSINESS INTEGRITY

BUSINESS OPPORTUNITIES
All covered persons have an obligation to advance the company’s interests when the opportunity to do so arises. If an executive officer or director of the company wishes to pursue a business opportunity that is in the company’s line of business and was discovered or presented through the use of corporate property or information or because of his or her position with the company, he or she must first fully present the business opportunity to the company’s Board of Directors. If the company’s Board of Directors elects not to pursue the business opportunity, the executive officer or director may pursue the business opportunity in his or her individual capacity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code. All other covered persons who wish to pursue a business opportunity that was discovered or presented through the use of corporate property, information or because of the employee’s position with the company, must first fully disclose the terms and conditions of the business opportunity to the employee’s immediate manager. The immediate manager will contact the General Counsel and the appropriate management personnel to determine whether the company wishes to pursue the business opportunity. If the company waives its right to pursue the business opportunity, the employee may pursue the business opportunity in his or her individual capacity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code. No employee may use corporate property, information or his or her position with the company for personal gain or should compete with the company.

PROPER USE OF RESOURCES AND ASSETS
Business assets, including but not limited to, employee time, supplies, equipment, and information, must be used in a responsible manner and only for legitimate business purposes. A business asset should not be used for personal purposes without the prior approval of a supervisor. The occasional use of telephones, copying machines, the computer (including e-mail), where the costs are insignificant, are permitted. However, any use of business assets for personal financial gain is strictly prohibited. Use of any business asset for any charitable or political purpose must be in accordance with company policy.

FAIR DEALING
All covered persons are expected to compete vigorously in business dealings on behalf of the company, but in doing so must deal fairly with other covered persons, and the company's investors, service providers, suppliers, and competitors. Covered persons must not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Purchase decisions should be made only on sound business principles and in accordance with ethical business practices. Covered persons must never seek to induce another party to breach a contract in order to enter into a transaction with the company.

BUSINESS ARRANGEMENTS
The company has pre-approved purchasing arrangements with many vendors, suppliers, and service providers to ensure quality cost-effective services. Proposals for items or services to be obtained outside these arrangements must comply with guidelines for approval authority, documentation, and pre-approval. Any questions or concerns should be discussed with the Legal Department. The company has developed standard form agreements appropriate to document most business arrangements. These forms can be obtained from the Legal Department. Proposals for modification to a form agreement or utilization of a non-form agreement must receive advance approval from the Legal Department.

ANTITRUST LAWS
Business activities must be conducted in accordance with applicable antitrust and competition laws. Some of the most serious antitrust offenses are agreements between competitors that limit independent
judgment and restrain trade, such as agreements to fix rates, or to divide a market for customers, territories, products or purchases. Any communication with a competitor's representative, no matter how innocent it may seem at the time, may later be subject to legal scrutiny and form the basis for accusations of improper or illegal conduct. All covered persons should avoid situations from which an unlawful agreement could be inferred. By bringing competitors together, trade associations can raise antitrust concerns, even though such groups serve many legitimate goals. The exchange of sensitive information with competitors regarding topics such as rates or billing practices can potentially violate antitrust and competition laws. Covered persons attending a meeting, at which potentially competitively sensitive topics are discussed without oversight by an antitrust lawyer, should object, leave the meeting, and notify the Legal Department immediately.

**KICKBACKS AND REFERRALS**

A “kickback” is a receipt of anything of value, including cash, goods, supplies, services, or other remuneration, in exchange for referring business reimbursable under federal or state, or certain private, reimbursement programs. Accepting or offering kickbacks in exchange for referrals is against the law and is not tolerated. All agreements with referral sources and agreements where the company is the referral source must be in writing; and, if a format to be utilized has not been pre-approved by the Legal Department, it must be submitted for review and approval before the agreement is finalized.

**PHYSICIAN, HOSPITAL, HEALTH CARE PROVIDER/SUPPLIER ARRANGEMENTS**

Federal and state laws and regulations govern the relationship among skilled nursing facilities, physicians, other health care facilities, and ancillary health care providers. Covered persons who negotiate contracts or other transactions, file claims for payment, or make payment for services rendered, must be aware of the laws, regulations, and policies that address relationships between these health care providers/entities. Proposed transaction structures must comply with applicable legal requirements imposed by federal/state laws, and receive advance approval from the Legal Department. Once implemented, transactions must be conducted consistent with the approved structure to maintain compliance with legal requirements.

**INTELLECTUAL PROPERTY RIGHTS**

The company’s intellectual property includes all registered service marks, i.e., trademarks, trade names, logos, etc. All intellectual property must be properly used, and the infringement by others should be reported to the Legal Department. No employee may infringe upon the intellectual property rights of others. Use of the name, trademarks, logos or printed materials of another company, must be done properly and in accordance with applicable law. Works of authorship such as books, articles, drawings, computer software and other materials may be covered by copyright laws. It is a violation of those laws to make unauthorized copies of, or derivative works based upon, copyrighted materials. The company licenses the use of much of its computer software from outside companies. In most instances, this computer software is protected by copyright. Unauthorized copies of computer software must not be made, used or acquired.

**GOVERNMENTAL INVESTIGATIONS AND LITIGATION**

Obeying the law, both in letter and in spirit, is the foundation on which the company’s ethical standards are built. You must respect and obey the laws of the cities, states, and country in which the Company operates, and if a law ever conflicts with a policy in this Code, you must comply with the law. When you have doubts about the application of a standard or where this Code does not address a situation that presents any ethical issue, you should seek guidance using the Reporting Process discussed above.

It is company policy to cooperate with government investigations. Government investigations are part of the healthcare environment today, and the procedures for cooperating with these investigations can be complicated. The company has specific policies and procedures that provide more detailed information on how to respond in these situations. Covered persons contacted about investigations related to the
company or their employment should obtain guidance from supervisors in accordance with the Reporting Process. Supervisors must obtain guidance from the Legal Department. The Legal Department can verify the investigator's credentials, determine whether the contact is legitimate, and help make sure the proper procedures are followed for cooperating with the investigation.

If someone who claims to be an investigator or inspector contacts you at work, immediately tell your supervisor that you need advice about a possible government investigation.

In some cases government investigators or inspectors, or people presenting themselves as such, may contact you outside the workplace. Again, you must contact your supervisor before speaking to them about matters related to your employment.

You have a legal right to contact an attorney before you respond to an investigator's questions. Contacting an attorney or your supervisor before talking with an investigator does not in any way suggest improper conduct.

If you receive a subpoena or other written request for information from the government or a court (such as a civil investigation demand), contact your supervisor before responding. (Supervisors are required to contact the Legal Department for advice regarding these matters.)

In complying fully with these policies, you must never:
• lie or make false or misleading statements to any government investigator or inspector.
• destroy or alter any records or documents in anticipation of a request from the government or court.
• attempt to persuade any person to give false or misleading information to a government investigator or inspector.
• be uncooperative with a government investigation.

As may be directed by the Legal Department, covered persons must retain and preserve all records (documents, e-mails, electronic data, voicemails, etc.) in their possession or control that may be responsive to the subpoena, or are relevant to the litigation or that may pertain to the investigation. Once a directive is issued to retain records, covered persons must not destroy relevant records, and stop the destruction cycle of records subject to automatic destruction pursuant to record retention policies. Questions regarding the responsiveness of a record to subpoena, or its pertinence to an investigation or litigation, or the appropriate preservation of certain records, should be directed to the Legal Department.

INELIGIBLE PERSONS
Federal law prohibits a company from contracting with, employing, or billing for services provided by an individual or entity that is excluded or ineligible to participate in federal healthcare programs, suspended or debarred from federal government contracts, or has been convicted of a criminal offense related to the provision of healthcare items or services and has not been reinstated in a federal healthcare program after a period of exclusion, suspension, debarment, or ineligibility. The Compliance Department routinely searches the Department of Health and Human Services’ Office of Inspector General and General Services Administration’s lists of such excluded and ineligible persons to ensure that excluded individuals are not employed or contracted with the company.

LOBBYING ACTIVITIES
Laws of some jurisdictions require registration and reporting by anyone who engages in a lobbying activity. Generally, lobbying includes: (1) communicating with any member or employee of a legislative branch of government for the purpose of influencing legislation or government policy; (2) communicating with certain government officials for the purpose of influencing government action; or (3) engaging in research or other activities to support or prepare for such communication. The Legal Department must be
notified before any covered person engages in any activity on behalf of the company that might be considered "lobbying".

VENDOR RELATIONSHIPS
The company is committed to fair competition among prospective vendors and contractors for our business. Arrangements between the company and its vendors must always be approved by management.

In addition, contractors or vendors who provide patient care, reimbursement or other services to beneficiaries of federal healthcare programs are subject to the Compliance Program and must:

- maintain our standards for the products and services they provide to our company and patients;
- comply with all policies and procedures as well as the laws and regulations that apply to their business or profession, including the federal False Claims Act and similar state laws and federal and state laws governing confidentiality of resident and employee personal information;
- maintain all applicable licenses and certifications and have current documentation of that information available; and
- require that their employees comply with this Code of Conduct and the Compliance Program and training, as appropriate.

The company encourages vendors to adopt their own comparable ethical standards in their businesses. Agreements for healthcare services and Business Associate Agreements must be obtained in writing and approved by the Legal Department prior to the provision of services to residents. For more information about business arrangements, contact the law department.

MARKETING AND ADVERTISING
The company uses marketing and advertising activities to educate the public, increase awareness of our services and recruit new employees. Promotional materials and announcements, whether verbal, printed or electronic (Internet), will present only truthful, informative, non-deceptive information. Individual resident information will not be used for marketing without appropriate authorization.
FINANCIAL INTEGRITY

FINANCIAL REPORTS AND ACCOUNTING RECORDS
The company promotes full, fair, accurate, timely and understandable disclosures in all public communications, including reports and documents that are filed with or submitted to governmental authorities. Covered persons involved in creating, processing or recording financial reports and accounting records are responsible for the integrity of the information, and must make sure that all information is accurate and complete. Such covered persons shall not create nor submit false claims, false invoices or expense reports, forged or altered checks; nor participate in the misdirection of payments, unauthorized handling or reporting of transactions, creation or manipulation of financial information so as to artificially inflate or depress financial results, or any improper or fraudulent interference with, or coercion, manipulation or misleading of, the company’s auditors or the Audit Committee of its Board of Directors. Any covered person who observes or suspects any such activity must immediately report the concern to a supervisor and to the Genesis Compliance Line, in accordance with the Reporting Process discussed above. Involvement in or the failure to report such activities will result in disciplinary action up to and including termination, and as may be applicable, will be referred to authorities for possible prosecution.

AUDIT PROCESSES
No covered person or agent acting under the direction of such, shall directly or indirectly take any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the financial statements of the company, if that person knows or should know that such action, if successful, could result in rendering the company’s financial statements misleading.

DISCLOSURE PROCEDURES
No covered person may make disclosure concerning the company or its business unless designated to do so by the company. Any person designated to make disclosures must be aware of, and act in compliance with, company procedures for developing and making public disclosure in order to prevent making inadvertent or selective disclosure to analysts or others.

SECURITIES FRAUD
No employee may knowingly execute or attempt to execute, a scheme or artifice to defraud any person in connection with any security of the company to obtain, by means of false or fraudulent pretenses, representations, connection with any security of the company or to obtain, by means of false or fraudulent pretenses, representations, or promises, any money or property in connection with the purchase or sale of any security of the company.

INSIDER TRADING
Genesis HealthCare, Inc. is a publicly-traded company, which means that stock may be bought and sold through the stock market. The law prohibits a person from buying or selling securities of a public company at a time when that person is in possession of "material nonpublic information." This conduct is known as "insider trading". Passing such information on to someone who may buy or sell securities (known as "tipping") is also illegal. Information is "material" if (a) there is a substantial likelihood that a reasonable investor would find the information "important" in determining whether to trade in a security; or (b) the information, if made public, likely would affect the market price of a company's securities. Do not disclose material nonpublic information to anyone, including co-workers, unless specifically authorized to do so in accordance with the company’s insider trading policy. If there is any question as to whether information regarding the company or another company with which it has dealings is material or has been adequately disclosed to the public, contact the Legal Department.
LOANS
The company does not extend loans/credit to directors and officers, and covered persons. Temporary travel advances are not considered loans and are permissible; but permanent travel advance arrangements are considered loans and are not permitted.

PAYMENTS TO GOVERNMENT PERSONNEL
The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates to obtain or retain business. Illegal payments to government officials of any country are strictly prohibited. In addition, federal laws and regulations guide business gratuities that U.S. government personnel may accept. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate company policy, but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. All employees, officers and directors are prohibited from offering any form of bribe or inducement to any person.
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE

HIPAA Standards
It is the company's intent to comply with all aspects of the HIPAA Privacy and Security Rules, in policy and in practice. All covered persons with access to Protected Health Information (“PHI”) must assure that resident/patient information is maintained in compliance with the Health Insurance Portability and Accountability Act (“HIPAA”) Privacy and Security Rules. Only persons authorized by law may access residents’/patients’ medical records and other PHI. The HIPAA Security Rule applies to maintaining electronic information and communication secure and encrypted. All information and communication in electronic format must remain secured and encrypted; and must not be stored outside of the company’s direct control, including but not limited to unencrypted storage devices (such as flash drives and removable disks), home computers or personal e-mail accounts. Unauthorized disclosure of PHI or other HIPAA violations must be reported to the Genesis Compliance Line.

The Law
The Health Insurance Portability and Accountability Act (HIPAA) and the HiTech Act are federal laws, which require health care providers to protect the privacy of the patients and residents we serve. In that effort, we are required to safeguard their protected health care information (PHI) and electronic protected health care information (EPHI).

Policy
All covered persons must comply with Company policies and Federal HIPAA rules and regulations.

Training
Each GHC employee must attend HIPAA training as part of orientation and annual compliance training.

Privacy Officer
Any violation of a patient’s or resident’s privacy should be immediately reported to a supervisor and/or privacy officer designee. The privacy officer designees include:
- Center Administrators
- Other freestanding site managers
- Corporate Compliance Liaisons
- GHC Compliance Officer

Release of Information
Disclosure of patient or resident PHI and/or photograph will only be allowed with a properly completed and signed authorization. Refer to the Corporate Policies regarding health information management for information.
Authorized Parties

Only authorized parties should access patient and resident PHI.
They include:

 ✓ The patient or resident
 ✓ A health care provider treating the patient
 ✓ An authorized family member of the patient or resident

Operational Safeguards

Patient or resident PHI must always be protected from unauthorized parties.

 ✓ Discuss a resident’s care only with authorized parties and always in a protected area.
 ✓ Discard PHI utilizing a secure HIPAA bin or shred each document.
 ✓ Retain, secure, and destroy records in accordance with Corporate Policy 4.13, Retention and Destruction of Records Containing Protected Health Information (PHI).
 ✓ Fax PHI only to a pre-programmed designation or verify the fax number before transmission.
 ✓ Secure PHI when transporting and never leave unattended.
 ✓ Never remove PHI from the business location without authorization.

Technical Safeguards

Patient or Resident EPHI must always be protected.

 ✓ Never share your computer password with anyone.
 ✓ Always use secure/strong passwords.
 ✓ Log off or lock your computer when left un-attended.
 ✓ Encrypt electronic mail containing EPHI sent to an external location.
 ✓ Keep laptop computers in a secure location.
 ✓ Never use unauthorized storage devices such as unencrypted USBs or external hard drives.

Unauthorized Usage

Patient and Company information must never be used for personal reasons.

 ✓ Never take or use a patient/resident photograph without authorization.
 ✓ The discussion of confidential Company and patient information on external websites is not permitted.
 ✓ The sharing of patient/resident information on social network websites is unacceptable at any time.
INFORMATION SECURITY

Electronic media, equipment and services are provided by the company primarily for business use. Limited, occasional or incidental use of electronic media and equipment for personal purposes is permitted. However, covered persons are not permitted to use the Internet for improper or unlawful activity – including visiting pornographic, gambling or other inappropriate sites – or to download or play games on company computers during scheduled work hours and when connected to the company network.

Covered persons are responsible for ensuring that electronic information is protected. User IDs and passwords are provided to access as well as to secure and protect electronic information from inappropriate disclosure. They create electronic signatures and track data entries. User IDs and passwords must be kept confidential; sharing login or access information is strictly prohibited.

Covered persons should be aware that unauthorized disclosure of patient, employee or certain company information on Internet-based chat rooms, blogs or social networking web sites, such as Facebook, and in email and text messages sent outside the company, may violate HIPAA privacy protections, patient rights and company policies prohibiting the release of proprietary and internal information. Although such electronic communications often occur under the cover of an on-line alias, they may be accessed by the public and should never be used to discuss any confidential information, whether related to patients, other employees or proprietary business information.

Internet use can be tracked, and the company can monitor Internet usage. Such tracking may include routine audits of email, Internet-based chat rooms, blogs, video-sharing web sites or social networking web sites for unauthorized disclosure of confidential information related to patients, other employees or for revealing proprietary business information. No disruptive, harassing, soliciting or offensive message may be sent by email. Email is for business purposes and should be professional and objective.

Covered persons are responsible for ensuring compliance with these expectations. Substantiated instances of user ID/password sharing and abuse of Internet access are grounds for dismissal.
VIOLATIONS OF THIS CODE

It is company policy that any employee who violates this Code will be subject to appropriate discipline, including possible termination of employment. This determination will be based upon the facts and circumstances of each particular situation. Any employee who is thought to have possibly violated this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. The Board of Directors is ultimately responsible for enforcing violations of this Code by officers and directors and the Chief Executive Officer is ultimately responsible for enforcing violations of this Code by all other employees. Appropriate disciplinary penalties for violations of this Code may include counseling, reprimands, warnings, suspension with or without pay, demotions, salary reductions, dismissals, and restitution.

Covered persons who violate governmental laws, rules or regulations or this Code may also expose themselves to substantial civil damages, criminal fines and prison terms. The company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Any person’s conduct as a representative of the company, if it does not comply with governmental laws, rules or regulations or with this Code, can result in serious consequences for both the person and the company and/or its subsidiaries.

Everyone must cooperate in internal or external investigations of misconduct and must maintain the confidentiality of any investigation and related documentation, unless specifically authorized by the Corporate Compliance Officer. Knowingly making false accusations of misconduct will subject any covered person to disciplinary action.

All questions and reports of known or suspected violations of the law or this Code will be treated with sensitivity and discretion. An officer, the immediate manager, the Chief Compliance Officer and the company will protect a reporting person’s confidentiality to the extent possible consistent with the law and the company’s need to investigate any reported concern. The company strictly prohibits retaliation against any person who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against a person because he or she, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment or removal from office.
COMPLIANCE RESOURCES

THE COMPLIANCE TEAM
Each affiliated company has created a team that is responsible for compliance activities. The team includes compliance staff and managerial compliance liaisons that implement and monitor compliance activities.

The Compliance Department oversees the Compliance Program and coordinates and communicates the design, implementation and monitoring of the Compliance Program. The management of each business line works with compliance staff to adopt and ensure adherence to the policies, procedures and laws that govern its business activities.

Genesis has designated Compliance Liaisons throughout its corporate and service areas to ensure that all covered persons have direct and immediate resources for reporting and resolving compliance issues. The Liaisons are available to address questions, complaints, concerns or suggestions regarding the Program. The Liaisons must attempt to resolve any compliance issues brought to their attention. Liaisons must also report all compliance issues to the Compliance Officer and assist in their resolution in any way necessary.

A listing identifying the Compliance Officer and Compliance Liaisons, their addresses and telephone numbers, is provided on Genesis Central.

CONCLUSION
Adherence to this Code of Conduct is critical for the company’s continued success. Today, the healthcare industry faces many complex challenges: we must provide care more efficiently, manage costs and comply with the growing number of healthcare laws and regulations. We are being watched by consumers, regulators and the government to be sure we provide quality care and obey the law.

The success of the Compliance Program depends on our commitment to act with integrity, both personally and as a company. It is your responsibility to study the Code of Conduct and information you receive about the Compliance Program, to attend required training programs and to comply at all times with your ethical, professional and legal responsibilities. You are required to perform your duties as directed by the regulations and standards that govern your profession.

If you observe or suspect a situation that you believe may be unethical, illegal, unprofessional or wrong, including but not limited to substandard care, altered or falsified medical records, inaccurate claims, improper payments or questionable accounting, internal accounting controls or auditing matters, or if you have any clinical, ethical or financial concern, you must report it using the Reporting Process. If you fail to perform your professional duties or if you suspect a violation and do not report it, you will face disciplinary action. In some cases, you may even face legal action. However, you can make a good faith report without fear of retaliation, retribution or harassment. The company will look more favorably on an employee that reports an error of his or her own making.

The law mandates that you report known or suspected instances of abuse. Failure to do so is a crime. When you make a report, you are acting in accordance with the law and in an ethical manner.

Thank you for doing your part to maintain the company’s integrity.
CODE OF CONDUCT ACKNOWLEDGEMENT

I acknowledge that I have received my copy of the Code of Conduct. I have read the Code and have had the opportunity to ask questions about the Code and my obligation to comply with its requirements. If I have more questions I will ask my supervisor, another member of management or call the Genesis Compliance Line.

I understand how the Code of Conduct relates to my position with the company and I agree to abide by all Code requirements. I will keep my copy of the Code of Conduct for future reference. I agree to report Code of Conduct violations that I become aware of in accordance with the Reporting Process. I acknowledge that my duty to make such prompt disclosure is a vital part of my responsibilities, and that my failure to report known or reasonably suspected unlawful or improper conduct may be grounds for discipline or termination of services.

Except as stated below, as of this date I have no knowledge of any transactions or events that appear to violate the Code of Conduct.

I am aware of the following situations which may be violations of the Code of Conduct:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Print Name

Workplace Location: Please Print

Signature

Date