

Code of Conduct

January 2026

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Welcome!

Welcome to your affiliated operation within The Ensign Group, Inc., an organization formed in 1999. The name "Ensign" is synonymous with a "flag" or a "standard," and refers to setting the standard by which all others are measured. Whether you are beginning or continuing your relationship with us, it is important that you understand our commitment to the highest standards of ethics and business conduct. All individuals affiliated with us must act with integrity, honesty, and in compliance with all applicable laws and regulations. Herein this Code, "we", "our" and "us" will be used as reference for the affiliated facilities, agencies, clinics, Service Center and business units.

One of our core values is **accountability**. To us, accountability means we hold ourselves to the highest standards of care and professionalism. We developed our Compliance Program as a way to guide us in this effort. The Compliance Program establishes a process for educating, monitoring, auditing and documenting our efforts to comply with all applicable laws, regulations and our own internal policies and procedures.

This Code of Conduct ("Code") is intended for all employees, business associates, vendors, contractors and volunteers so that they understand how we expect them to act. We believe that our continued success requires that the policies and principles contained in this Code are a component of everyone's decision making process.

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COMPLIANCE

Every employee, business associate, vendor, contractor and volunteer is accountable for abiding by this Code and reporting all possible violations. If we determine that conduct occurred which violated any applicable laws, regulations or our own internal compliance policies, it will serve as the basis for disciplinary action up to and including termination of employment or of contractual or business relationships.



Resolving and Reporting Compliance Issues

The main purposes of a Compliance Program are to educate about, detect, and resolve compliance risks. Our Service Center has assembled a team of compliance experts, the Compliance Team, to lead and support us in this effort. The Compliance Team is comprised of professionals in nursing, therapy, billing, MDS, legal and human resources-related matters. From time-to-time, you may see them visit your location.

In addition to this Code, specific Compliance Policies and Procedures, a detailed description of the Compliance Program and individual contact information for our Compliance Team may be found on the Ensign Portal. You may request copies of any compliance-related documents from the Administrator, accessing on the Ensign Portal, or by asking a Compliance Partner.

How to Report

All contacts to the Compliance Team or Ensign Compliance Hotline are considered confidential. Anonymity will be maintained to the greatest extent possible. If a compliance question or concern cannot be answered by reading these materials or if you want to report any issue that you believe or know may violate the law or our policies and procedures, please follow these steps:

1. **Speak with the Compliance Officer or a member of the Compliance Team.** Our Chief Compliance Officer, Debbie Miller, is responsible for our Compliance Program and also serves as the Chief Privacy Officer. Contact information for our Compliance Team appears in Ensign Portal and as an attachment to this Code.



2. **Contact the Ensign Compliance Hotline.** You may also make a report to or consult the Compliance Team directly by calling **(866) 256-0955**. The Ensign Compliance Hotline is accessible 24 hours a day, 7 days a week, 365 days a year. An outside third-party operator will ask you for details about your question or issue, document them, and give you a reference number for follow-up. You may also submit a concern via email at <http://ensigngroup.silentwhistle.com>. Reports to the Ensign Compliance Hotline via telephone or email may be made anonymously if you prefer.
3. If comfortable, you may discuss with a supervisor, or other leaders and he/she will abide by his/her duty to bring the issue forward to Compliance. However, there is no chain of command in place for reporting compliance issues. You are free to report without going through your supervisor.

Resolving and Reporting Compliance Issues



What to Report

You must make a report if you believe activities are occurring or have occurred that are illegal, unethical or violate this Code, the Employee Handbook or any policy or procedure.

Your duty to report also includes your knowledge of any criminal charges or convictions brought against you during your employment with us. Due to the very sensitive nature of our work, we will do everything possible to create a safe environment for our residents and patients.

If you reported a concern to a supervisor but it was not resolved or if you feel that you have been retaliated against for raising a concern, please report it directly to the Ensign Compliance Hotline. Failure to report a known or suspected compliance issue is itself a compliance violation.

What Not to Report

We take all reports of potential violations seriously. Therefore, a person should never make a false report. We will not take disciplinary action against a person who reports incorrect information but believed or suspected that it was true.

If you are unsure whether to make a report, report it just to be safe.

Protecting Your Identity

The identity of individuals who report a violation in good faith or who participate in an investigation into any compliance concern are maintained confidential to the extent possible and permitted by law. Anonymous reports are permitted when calling or emailing the Ensign Compliance Hotline or if requested upon when contacting a member of the Compliance Team directly. We do not and cannot “trace” your identity, telephone number or email address.

Retaliation Is Strictly Prohibited

Intimidation or retaliation against anyone who in good faith raises or reports a compliance concern or who participates in any compliance investigation or proceeding is strictly prohibited. The term “good faith” means that the person acted with an honest and proper intention. This non-retaliation policy applies to reports made through any means.

Our Expectations of You

Always Act with Honesty and Integrity

All of your actions as our representative should be truthful, honest and made with integrity. Please always:

- Protect our residents/patients and their property;
- Provide residents/patients with information that is accurate and appropriate;
- Enter only accurate information in any resident/patient record, including the medical record;
- Provide truthful information about our business operations in any of your communications with government agencies;
- Respect and protect our property and resources;
- Employees must work as scheduled, use sick and vacation days appropriately and record any and all of their actual hours worked;
- Avoid gossip or any other form of false or negative communication which undermines our organization or its employees and our professional purpose.

Please deal fairly with everyone you encounter in our workplace. Do not take advantage of us, our residents/patients, employees or anyone through any form of manipulation, concealment, abuse of confidential information, misrepresentation or any other unfair or dishonest practice.

Examples of unfair or improper conduct toward our residents/patients are acts such as:

- Borrowing money or asking for a donation from a resident/ patient or their family member;
- Having anything other than a professional relationship with a resident/patient;
- Improper use of resident/patient funds;
- Using organizational property or resources intended for the care of the residents/patients for personal purposes.



Our Expectations of You



Always Be Respectful

Everyone who walks through our doors shall be treated with courtesy and respect; this includes residents/patients, family members, vendors or contractors, visitors and co-workers. Everyone with whom you interact has talents and capabilities that are valuable and worthy of your respect. You also possess individual qualities and characteristics which make you worthy of the respect of others.

If you have witnessed a situation which violates this expectation, or if you believe someone has behaved inappropriately toward you, please alert a supervisor, any leader, or the Ensign Compliance Hotline or Compliance Team.

Always Follow Our Policies and Procedures

We adopted certain policies and procedures to instruct you on how to deliver care and to properly create and maintain accurate medical and financial records. You are expected to be familiar and comply with these standards, without exception.

If you are ever unsure about our policies or have any questions about the way you perform your job, speak with a supervisor. If you believe that any policy or practice compromises your ability to do your job or conflicts with what you understand the law to be, please contact the Compliance hotline or team or speak with a supervisor if you are comfortable doing so.

Always Use Good Judgment

Always use your best judgment when it comes to providing care to and communicating with our residents/patients.

Never say or do anything that might:

- Jeopardize your safety or the safety of others;
- Be considered offensive to anyone;
- Violate or appear to violate laws, regulations or our policies.

If you witness anything which suggests that inappropriate activity is occurring, report it immediately.

Our Expectations of You

Avoid Conflicts of Interest

We value fair and honest dealings with our residents/patients, co-workers, vendors, competitors and other business partners. Employees must uphold these values by, among other things, avoiding actual or potential conflicts of interest.

What is a conflict of interest?

A conflict of interest exists if you have an interest that interferes with your responsibilities at work or may affect your judgment on behalf of our business. For example, a conflict may exist if a member of your family sells wheelchairs. This could affect your independent judgment on our behalf if you are asked to recommend wheelchair supply vendors.

You may work for another employer as long as it does not cause a conflict of interest or interfere with your job performance.

Other examples of possible conflicts of interest include:

- Promoting a personal business during your working hours;
- Selling goods or services for an outside company during working hours;
- Recommending the hiring of a family member or close friend without first disclosing the relationship to your supervisor or a leader;
- Engaging in political activities at work;
- Serving in a position with a competitor or outside service provider;
- Giving endorsements or testimonials for a vendor without administrative approval.

Any business or financial opportunities you discover through the use of our information or your position belongs to us and may not be used for personal gain.

If you are in or know of a situation that might be viewed as a conflict of interest, you must inform your supervisor, the Ensign Compliance Hotline or Compliance Team immediately. They will help you determine if an actual conflict of interest exists and will take action if necessary.

Never Offer, Solicit or Accept Bribes or Kickbacks

There may be occasions where your position may influence decisions affecting our business or our residents/patients. Examples of such decisions include the possibility of resident/patient referrals for services provided by another company; selection of goods or services or access to confidential information.

What is a “bribe” or a “kickback”?

A bribe is the offering of anything of value in exchange for referrals of business. A kickback occurs when a person receives anything of value in exchange for referrals of business. Offering, soliciting or accepting any type of bribe or kickback is strictly prohibited.

This prohibition applies not only to cash but also to anything of value, such as discounted or free goods or services, gift cards, gifts, office space, use of equipment or other services provided by physicians or vendors at less than fair market value or waiving the co-payment of a Medicare beneficiary.

In addition, state and federal laws prohibit bribes or kickbacks in exchange for referrals of residents/patients whose stays or services are paid for by Medicare or Medicaid. For example, the federal Anti-Kickback Statute makes it a crime for anyone to knowingly and willfully solicit, receive or pay anything of value in return for referring an individual to a person for any item or service for which payment may be made in whole or in part under a federal health care program. Punishment for a felony conviction

Our Expectations of You

under this law is a fine of not more than \$100,000 or imprisonment for not more than 10 years, or both, administrative civil money penalties of up to \$50,000 per kickback plus three times the amount of remuneration, and exclusion from the federal health care programs.

Subject to specific exceptions, the Federal Anti-Self-Referral (Stark) Statute (42 U.S.C. § 1395nn) prohibits a physician from referring federal health care program patients for certain designated health services to an entity with which the physician or an immediate family member has a financial relationship. No specific intent is required. A financial relationship is either a direct or indirect ownership interest or compensation arrangement. Those who violate the anti-self-referral laws are subject to substantial civil money penalties and exclusion from the federal health care program for improper claims. The anti-self-referral law imposes specific reporting requirements on entities that receive payment for services covered by federal health care programs. Failure to report would subject the entity to civil money penalty of up to \$10,000 for each day for which reporting is required to have been made.

Examples of bribes or kickbacks include:

- Causing us to purchase any goods or services for which you receive a personal benefit;
- Accepting a below fair market price for goods or services covered by Medicare, Medicaid or any other federal or state health care program in exchange for referring business to a vendor for which the vendor charges the government program a higher price.

If you have any questions concerning a potential offer, solicitation or other relationship or arrangement that may violate these laws, check immediately with the Compliance Officer. Any agreement, relationship or arrangement that may be a kickback or bribe, must also be reported immediately to the Compliance Team.

Your Duty to Report and Cooperate

If you are an employee, vendor or contractor of an Ensign-affiliated business or if you were given a copy of this Code then you have a duty to report any and all possible violations of this Code or any applicable laws or regulations using the reporting procedures set forth herein.

In addition, we also expect you to cooperate with any investigation into matters that might be compliance violations. If members of management, our Compliance Team or the Ensign Service Center contact you, please respond to their inquiries to the very best of your ability. We kindly request that you keep information about an ongoing and open investigation as confidential as possible to avoid impacting the effectiveness or integrity of the investigation.



Confidentiality and Nondisclosure Expectations

Information is one of our most valuable and sensitive assets. Internally, we want to take full advantage of it to provide the best care for our residents/patients. But we need to be careful not to reveal or misuse information which is proprietary, confidential or constitutes protected health information.

What Is Proprietary Information?

Documents and information that belong to us are “proprietary information.” You may use it in the performance of your job, but you may not use it for any other purpose. Examples are:

- Records generated, received or viewed by you at work;
- Forms and manuals created by the Ensign Service Center or any Ensign-affiliated business;
- The unique and special ways in which we conduct our business and which are not publicly known;
- Our trademark or logo or those of The Ensign Group or Ensign Services.

What Is Protected Health Information?

All resident/patient information, such as name, diagnosis, Social Security numbers, treatment, or any other data may constitute “protected health information” as that term is defined by the Health Insurance Portability and Accountability Act, otherwise known as “HIPAA”.

Our “Notice of Privacy Practices” was created to further explain the rights of our residents/patients as they relate to the protection of their health information. It lists our responsibilities to the resident/patient in



terms of safeguarding this data. Employees and business associates are expected to maintain protected health information confidential at all times. All disclosures of protected health information must be specifically authorized or permitted by state and federal law. If you are unsure about whether or not to release or use protected health information, ask your Compliance Team first.

Confidentiality and Nondisclosure Expectations

What Is Confidential Information?

Proprietary and protected health information are considered confidential information, but there is other information we also treat as confidential:

- Information about our employees, such as rate of pay, disciplinary history, or other personal or personnel information, including Social Security numbers and other identifying information where the employee's actual job duties (e.g., as an Executive Director) require maintaining such information confidential or where an employee accesses such information unlawfully or in violation of our policies.
- Any information about our business that is unavailable to the public or non-employees should be considered confidential and proprietary information. Photographs of our residents/patients, our care areas and our interior are examples.

Always Protect Proprietary, Protected Health and Confidential Information

Protecting the proprietary, protected health and confidential information to which you have access is mandatory for our employees and for anyone doing business with or performing services for us.

You may not use our proprietary, confidential or resident/patient protected health information for any reason other than a legitimate business need. It also may not be used without consent, removed from our premises or information systems at any time, shared with others or used by you for personal reasons.

Examples of improper uses of proprietary, confidential or resident/patient protected health information include:

- Sending copies of resident/patient medical records to personal email addresses like gmail and yahoo;
- Taking copies of resident/patient medical records outside our workplace;

- A HR/Payroll Representative telling employees how much other employees earn;
- Copying our Policy & Procedure Manual and giving it to a manager at a different job;
- Utilizing information, obtained during the course of your employment with us, to start your own business venture.
- Uploading confidential information into insecure and unapproved storage locations like Google Drive and Dropbox;
- Uploading confidential information into an unapproved Artificial Intelligence tool, such as ChatGPT.

Any unauthorized disclosure of confidential information is called a "breach." All breaches must be reported to our Compliance/Privacy Officer immediately upon discovery. Depending on the type of information disclosed, we may be required by law to notify government agencies and any individuals impacted.

Here are some examples of a breach:

- Loss of a laptop or usb drive with resident/patient medical records;
- A box of medical records is lost when transporting it to a storage area;
- You are speaking about a change of health condition of a resident/ patient with an individual not authorized or allowed to receive the information;
- Photographs of our residents/patients, our care areas and our interior are posted on the internet without appropriate written consent.

Even after your relationship with us ends, you continue to be contractually obligated to protect confidential information. Employees are bound by the terms of the "Access and Confidentiality Agreement" signed at the beginning of employment. Vendors or contractors must abide by the terms of the "Business Associate Agreement" executed at the time the contract or business relationship was entered.

Confidentiality and Nondisclosure Expectations

How to Respond to External Requests for Information

Please be careful in all of your communications about our business, its residents/patients, employees, vendors and competitors. If someone asks you about the status of a resident/patient **do not** include protected health information, as these discussions can result in inadvertent, but nevertheless inappropriate or illegal disclosure of information.

If you publish or post to an Internet source like Facebook, please understand that the Confidentiality and Nondisclosure Expectations apply to **all** communications, even those made on the Internet or outside the workplace. You may not publish or post confidential information (including photographs containing proprietary, confidential or resident/patient protected health information) to any Internet source.

Only certain designated employees may respond to requests for information regarding our employees. Even if you are the employee's Supervisor, you are not permitted to provide an employment reference or employment or wage verification, unless you have been specifically authorized by a manager, leader or the Ensign Human Resources Department.

If an employee receives a subpoena or a search warrant, the employee should immediately contact the Ensign Legal and Risk Department at (949) 487-9500.

If a government investigator or agent visits and requests information, the Administrator or business leader must be consulted before any information is released.

Employees are not permitted to respond to inquiries from the news media, including newspapers, television, radio, magazines or online publications seeking a statement from us. Refer all such inquiries to your leader such as the Administrator or Executive Director.

Prohibition Against Insider Trading

If you are the recipient of stock grants, stock options, or are an owner of stock of The Ensign Group, Inc., you need to be aware of the prohibition of insider trading. Your position within the organization may expose you to certain non-public information. If so, you are considered an "insider" and are subject to certain stock trading restrictions, including quarterly "black-out periods" and other pre-clearance procedures.

Federal law prohibits any person who has "material non-public information" (which includes important financial, clinical or other confidential information about the company's performance or prospects that are not public), from buying or selling stock, regardless of any policy or window.

For more detailed information on what is and is not prohibited, please see our "Policy Regarding Insider Trading" or contact the Ensign Legal & Risk Department at (949) 487-9500.



Protecting Our Residents/Patients

Our residents/patients are the reason we exist. Therefore, it is critical that we all understand their rights and our responsibilities to protect and keep them safe.

Resident/Patient Rights and Your Reporting Obligations

Residents/patients have the right to a dignified existence, self-determination, communication with and access to people and services, and to reasonable accommodation of individual needs. In addition, residents/patients have the rights identified in applicable state and federal laws, rules and regulations to be free of coercion, interference, discrimination, or reprisal in exercising autonomy and choice in their everyday lives.

Residents/patients also have the right to be free from verbal, sexual, physical and mental abuse, corporal punishment, neglect, and involuntary seclusion. All employees are required by law to report any incident of suspected abuse, including injuries of an unknown origin and the taking of personal property, to the state. Please report your suspicions to the Administrator, Executive Director or other leader so that the incident may be investigated and reported.

A statement of the resident/patient rights will be made available to residents/patients, their families, responsible parties and visitors as well. None of the rights listed shall be denied or limited, unless authorized by law.

In addition, the Elder Justice Act requires all employees, managers, agents and contractors of long-term care facilities to report to the State Survey Agency and at least one local law enforcement branch any reasonable suspicion of a crime against any resident/patient.



If you work for us, you are responsible for promoting, respecting and protecting resident/patient rights.

You must immediately report any possible violation of resident/patient rights, suspected abuse or suspicions that a resident/patient is the victim of a crime. If you believe we did not properly address any incident involving a resident/patient, please call the Ensign Compliance Hotline.

As a staff member of a skilled nursing facility or long-term care, all alleged violations or suspicions of abuse or a crime against a resident should be reported according to these timeframes: 1) Immediately but not later than 2 hours - if the alleged violation involves **any type of abuse OR** results in serious bodily injury. 2) Not later than 24 hours - if the alleged violation involves neglect, exploitation, mistreatment, or misappropriation of resident property, **AND** does not result in serious bodily injury.

As a staff member of another business line, you may have different or additional abuse allegation reporting guidelines and timeframes. Please reach out to your supervisor or compliance partner with any questions or if you are unsure of your reporting obligations.

Protecting Our Residents/Patients



Reporting Changes to Your Employability

We screen all prospective employees to determine whether they have committed certain offenses or acts which would preclude employment in the health care setting or in a position with access to financial data or controls. This check includes a review of the Office of Inspector General's Cumulative Sanctions Report and List of Excluded Individuals/Entities and the General Services Administration's list of debarred contractors to preclude employment of applicants who have been excluded from the Medicare or Medicaid programs or other federal programs. This is then verified on a monthly basis post-employment. We also check applicable state nurse aide registries to verify that the registry contains no information that would preclude the individual's employment. A search of state and federal criminal records is also performed to the extent permitted by state law. Any required license or certification required to perform the job is also verified.

If, after your screenings are complete, you are charged with a criminal offense related to the delivery of health care services, endangerment of a child or an elderly person, or are proposed for exclusion from participation in any federal health care program, you must immediately report the matter to your supervisor. Being charged with or convicted of a crime directly related to your employment with us may result in termination of employment. However, we do consider all of the circumstances and your employment record with us in making any decisions.

If your job requires license or certification, you are expected to meet all the requirements associated with maintaining such license or certification in good standing at all times. If your license or certification lapses, is suspended or revoked, or if you are disciplined by your licensing body for any reason, you must immediately report this to your supervisor.

Registry and Staffing Agencies

Registry and personnel agencies that provide us with temporary staff must certify that their staff is licensed and certified as required by law and have undergone legally sufficient background checks that meet or exceed the standards set for our own employees.

Preventing Fraud and Abuse

Contracts

All contracts entered into between Ensign-affiliated entities and any contractor or vendor shall be conducted with integrity, fairness, and in compliance with applicable laws and regulations. Therefore, all agreements are made in accordance with, but not limited to, the following standards:

- **Fair Market Value (FMV):** All compensation and financial arrangements must reflect fair market value for the services provided and may not take into account the volume or value of referrals or other business generated.
- **Appropriate Purpose:** All contracts must serve a legitimate business, clinical, or operational need. Agreements must be clearly documented and accurately describe the services or deliverables to be provided.
- **Written and Approved:** All contracts must be in writing, properly reviewed through the contracting team and legal department, and signed by authorized individuals before services begin. Verbal arrangements, side arrangements, or informal understandings are not permitted.
- **Regulatory Compliance:** All contracts must comply with federal and state laws, in addition to applicable regulations. These include, but are not limited to, the Stark Law, Anti-Kickback Statute, False Claims Act, and any applicable Medicaid or Medicare requirements.
- **Contracts must comply with Ensign Legal & Risk Department and Compliance Policy and Procedures.**



Preventing Fraud and Abuse

- If the contract is for services subject to Medicare consolidated billing:
 - Confirm that the vendor will bill us for services provided to Medicare patients, and that the vendor will not submit bills to Medicare directly for these services, except for those services specifically excluded from the consolidated billing requirements;
 - Confirm that the vendor or its subcontractors will ensure we are provided with any necessary orders or certifications to provide the service in order to receive payment from Medicare for such service.
 - Comply with all provisions required by federal and state healthcare programs, laws, and regulations. The law contains several “safe harbors” that provide protection from prosecution for certain transactions and business practices with further guidelines provided in 42 C.F.R. § 1001.952. Please consult with the Compliance Officer or the Ensign Legal & Risk Department for further information regarding “safe harbor” arrangements.

This list is not exhaustive, but it is the minimum required.

Billing

We are committed to prompt, complete and accurate billing of all services for payment by residents/patients, government agencies or other third party payors. Billing will occur only for services actually provided and which complied with all terms and conditions specified by the government or private payor, or which are consistent with industry practice.

False Claims and Statements

False claims and billing fraud may take a variety of forms, including false statements supporting claims for payments, misrepresentation of material facts, concealment of material facts, or theft of benefits or payments from the party who is entitled to receive it.

Any person in any way affiliated with us must specifically refrain from:

- Billing for services not actually provided as claimed or for unnecessary services;
- Fraudulently changing procedure or diagnosis codes;
- Brand-name billing for generic drugs;
- Billing for services provided by unlicensed practitioners;
- Billing prior to Minimum Data Set (“MDS”) submission and acceptance from CMS;
- Billing for services that do not meet Medicare or Medicaid program requirements, such as the requirement that all services be “reasonable and necessary”;
- Improperly or inaccurately completing MDS assessments or any other forms that are used to determine payment amount.

Employees are strictly prohibited from making or submitting false or misleading entries on any bills or claim forms and from participating in any arrangement that results in those acts.

Preventing Fraud and Abuse



Fraudulent Financial or Accounting Practices

If you, or anyone you come into contact with through your employment, have reason to believe that our personnel or any person or business associated with us is engaging in false billing practices or improper or fraudulent accounting activities, you are required to immediately report the practice to the Ensign Compliance Hotline.

Positions that have financial or accounting responsibilities are prohibited from engaging in:

- Fraudulent or false accounting/record keeping entries;
- Waiving the co-payment of a Medicare beneficiary;
- Misuse of resident/patient trust funds;
- Transactions or contracts between us and any manager, supervisor, employee or their family members;
- Transactions or contracts obligating us to perform services or make payments, but directing the benefit for such services or payments to a different entity or person;
- Unauthorized impairment or write-off of assets that causes a material loss;
- Unauthorized payments of money to any organization or person, including payments of wages not earned.

Laws Prohibiting False Claims and Statements

Because we receive money from government health programs, we are required to follow strict legal requirements regarding the way we do business. Our failure to observe these rules and regulations could cause the government to refuse to do business with us which would jeopardize our ability to continue to operate.

Under the Deficit Reduction Act of 2005, a health care entity is required to provide all employees with information regarding the federal False Claims Act and similar state laws, an employee's right to be protected as a whistleblower, and our programs, policies and procedures for detecting and preventing fraud, waste, and abuse.

One of the primary purposes of the false claims act legislation is to combat fraud and abuse in government healthcare programs. False claims laws do this by allowing the government to bring civil actions to recover damages and penalties when healthcare providers submit claims based on false information. Some of these laws also permit lawsuits to be brought by lay people, referred to as "whistleblowers," with knowledge of alleged violations of false claims acts.

The Federal False Claims Act and Similar Laws

The federal False Claims Act (FCA) applies to fraud against the federal government, including through the federal healthcare programs, Medicare or Medicaid, as well as to government purchases and contracts. Actions that violate the FCA include: (1) submitting a false claim for payment, (2) making or using a false record or statement to obtain payment for a false claim, (3) conspiring to make a false claim or get one paid, or (4) making or using a false record to avoid payments owed to the United States Government. The FCA extends to those who have actual



knowledge of the information as well as those who act in deliberate ignorance or in reckless disregard of the truth or falsity of information.

Examples of a false claim include submitting a claim for a service that was not rendered, billing for services that would not be considered medically necessary, or billing for services unsupported by documentation. Penalties include significant fines, reimbursement, payment of treble damages, payment of the costs of suit for recovery, and exclusion from participation in federal healthcare programs.

Laws Prohibiting False Claims and Statements

The FCA includes a whistleblower provision, which allows someone with actual knowledge of alleged FCA violations to file suit on behalf of the federal government. After the whistleblower files suit under seal, the case is kept confidential while the United States Attorney General conducts an investigation to determine whether it has merit. The federal government may decide to take over the case. If the federal government declines to take over the case, the whistleblower may still pursue the suit in civil court. A whistleblower who prevails may receive a percentage of the amount recovered on the federal government's behalf as well as attorney's fees and costs.

The Administrative False Claims Act of 2023 ("AFCA") (formerly known as the Program Fraud Civil Remedies Act of 1986 (PFCRA)), provides federal agencies a process to pursue administrative remedies for knowingly submitting false claims or making false statements to the government. A false claim or statement includes submitting a claim or making a written statement that is for services that were not provided, or that asserts a material fact that is false, or that omits a material fact. A violation of the AFCA results in a maximum civil penalty of \$5,000 per claim plus an assessment of up to twice the amount of each false or fraudulent claim. The AFCA is enforced through the federal agency that oversees the government program to which the false claim or statement was made.

State Specific Laws

See [Appendix A](#).

Employee Rights to be Protected as a Whistleblower

The federal False Claims Act (FCA) protects employees from retaliation if they, in good faith, report fraud. Employees are protected against retaliation such as being fired, demoted, threatened or harassed as a

result of the employee's investigation or initiation of, testimony for, or assistance in a FCA action that has or will be filed. An employee who suffers retaliation can sue and may receive up to twice his or her back pay, plus interest, reinstatement at the seniority level he or she would have had if not for the retaliation, and compensation for his or her costs or damages. This law does not insulate the employee from disciplinary action if it turns out that he or she is involved in the reported wrongdoing.

State Specific Provisions

See [Appendix B](#).

Furthermore, our policies require employees, contractors and agents with knowledge of potential fraud or violations of federal or state law to report such conduct. Retaliation for making a truthful report of suspected unlawful activities is strictly prohibited.

Our Policies and Procedures Preventing Fraud, Waste and Abuse

We are fully committed to compliance with all laws and regulations that apply to its business and has various policies and procedures in place for preventing and detecting fraud, waste, and abuse. These policies and procedures include this Code, and the overall Compliance Program. You may request copies of these policies or the Compliance Program from the Compliance Officer or the Ensign Service Center at (949) 487-9500. Our employees or anyone with a compliance concern may contact any member of our Compliance Team or the Ensign Compliance Hotline for guidance or to initiate an investigation. In addition, our Compliance Team periodically audits us and all Ensign-affiliated companies to ensure compliance with applicable laws, regulations and internal policies and procedures designed to prevent fraud, waste and abuse.

How to Handle Gifts and Business Entertainment

Because of our unique role as a health care provider, the act of accepting gifts, tips or anything of material value from a resident/patient or their family member, vendor, competitor or others with whom we do business or may potentially do business may create the impression that the gift improperly influenced our judgment in rendering care or providing services. As a result, neither you nor your family members may give or accept anything of material value except under the limited circumstances described on this and the following pages.

Resident/Patient Gifts

- Gifts of cash or cash equivalents such as gift cards to/from a resident/ patient are never allowed.
- We, and this includes all of our employees, are prohibited from accepting any gifts, tips, hospitality, or entertainment in any amount from or on behalf of a resident/patient, except that consumable gifts given to a department or group are permitted. Examples include a resident's/patient's family providing baked goods or a box of candy to the staff.
- Under no circumstances may anyone solicit a gift of any kind or show or imply special favoritism to a resident/patient who, or whose family, provides the gift.
- Gifts to/from a resident/patient or their family given as an inducement to admit the resident/patient are never permitted.
- Gifts, memorials and bequests that benefit all residents and/or all of the staff or to an individual operation may be accepted so long as the purpose is proper. Neither employees nor their family members may request memorials and bequests from our residents/patients, current or former.
- Gifts may be made to residents/patients who have no regular visitors or with limited or no personal funds on holidays, birthdays or for the resident's/patient's comfort or psychosocial well-being. Examples are clothes, personal supplies, or food.



How to Handle Gifts and Business Entertainment



Business Gifts

Employees are discouraged from accepting gifts from our business partners.

- Employees are not permitted to solicit, require, receive or accept from any person or entity, or offer or give to any person or entity, any gift or other item of a material value if that person or entity is in a position to refer business to us.
- Non-monetary gifts of nominal value that are a customary token of appreciation of a business relationship by a person or entity that does business with us may be accepted or given on an infrequent basis.
- Examples would be a coffee mug, pens or a calendar given or received once or twice per year.
- Gifts of cash are never allowed. Because gift cards may be used like cash, they should not be accepted or provided.
- Gifts known or understood to be given to specifically induce or reward a referral of a resident/patient, services for a resident/patient or goods and services paid for by any federal health care program are never permitted.

You may be invited to attend a social event by a current or potential business partner in order to further develop a professional relationship. You may accept an invitation or invite a current or potential business partner if:

- The event is reasonable and customary (such as restaurant meal). An all-expense paid vacation or luxury items are not reasonable nor customary.
- No travel expenses are involved (such as airfare and lodging).
- Employees may not solicit an invitation to a social event from a business partner and employees must refuse solicitations of invitations by a business partner.
- Events should occur infrequently and are limited to four times per year from or to the same business partner, unless approved in advance by the Compliance Officer.
- You may attend business meetings where food and beverages are provided; however, business must be discussed.

Training Events

Sometimes a vendor or supplier will invite you to participate in a training or educational activity and will offer to pay for all travel and related expenses. As a general matter, you need to use critical judgement in evaluating. The event must be refused if it is costly or lacks a business need or there is any chance that it may be viewed as an indirect financial incentive, as acceptance may create the appearance of impropriety. If you have an actual need you can identify for the proposed trip, we recommend obtaining prior approval from your operation's leader and the Compliance Officer.

All leaders must consult the Compliance Officer if in doubt about whether a gift, event or expense is appropriate.

We expect all of our contractors and vendors to comply with these guidelines and never offer or accept anything that may violate these standards.

Business Expenses

Our core values call upon us to be good and honest stewards of expenses. Some individuals are required to purchase items on behalf of the company, including travel and meal expenses. At times, these individuals may be issued a company credit card.

Purchases must be business-related and may not include items for personal use. Please do not purchase any product, service or use any merchant that may be considered inappropriate for payment using company funds.

Receipts with line-item detail must be obtained and submitted for all business expenses. Expense reports must be submitted within the month following the business expense. Company credit card users are required to use the online system to reconcile their business expenses. Those without a credit card must submit expenses for reimbursement through the online system. Employees are expected to reconcile company credit card statements and expense reports honestly and truthfully and shall include a brief description of the purpose of the expense.



Technology Use Expectations

Technologies such as voicemail, computers, software, e-mail and Internet access are provided for business purposes only.

We may have a legitimate business need to access, review, copy, move or delete the content and information carried by these technologies at any time and without notice and retain the right to do so. We do not guarantee your privacy when using these resources, therefore, you should not have an expectation that your information, writings or communications will be private.

All workplace guidelines, including those in our Employee Handbook, apply to the use of technology. These include the guidelines concerning harassment and discrimination, sexual harassment and violence in the workplace. Discriminatory and/or inappropriate behavior when using these technologies will not be tolerated. Our Information Systems Policies and Procedures will help guide you.



Our Commitment to You

Another one of our core values is the concept “*customer second*”. This means we put our employees first so that they are empowered and inspired to provide the best possible care to our residents/patients. The Employee Handbook details specific information regarding employee benefits and services. The following areas are our compliance commitment to you so that you understand what to expect from us.

Education and Training

New employees shall receive compliance education about this Code within 30 days of their hire date as part of the new employee orientation program. All employees shall be re-educated about the standards contained in this Code on an annual basis. If you do not receive this training, please contact the Ensign Compliance Hotline or a member of the Compliance Team.

You are expected to participate in education and training programs at least annually, which may include job-specific training on the relevant state and federal laws, rules and regulations. Additional specific education may occur as necessary to comply with a corrective action plan or to address recent changes in applicable laws or regulations. Training programs may include, but not be limited to, such topics as:

- Job specific overview of compliance policies and procedures for implementing the policies, focusing on the policies and procedures applicable to each employee’s job responsibilities;
- Compliance with Medicare and Medicaid requirements of participation relative to specific functions, if applicable;



- Your duties and obligations as an employee of a covered entity under the Health Insurance Portability and Accountability Act (HIPAA);
- The personal obligation of each employee involved in patient care, documentation or reimbursement processes to ensure that such information is accurate;
- Claims submission requirements;
- Prohibiting bribes or kickbacks;
- Resident/patient rights;
- Duty to report actual or suspected abuse, misconduct or crimes against residents/patients;
- Fraud and abuse laws, including procedures for detecting and preventing fraud, waste, and abuse in state and federal health care programs;
- Other topics required by state and federal law.

Our Commitment to You

We take our obligation to train and educate our employees seriously on issues of compliance and the role it plays in its overall operation. Therefore, you are required to participate in these training programs as a condition of your continued employment.

Participation in these training programs is required for some contractors and vendors. This process is managed by the Ensign Service Center. These contractors and vendors must also receive a copy of this Code and are expected to comply with all of its provisions.

Nondiscrimination and Harassment

We are committed to maintaining a workplace free from unlawful discrimination, harassment, and retaliation. This commitment applies to all individuals involved in our operations and is rooted in compliance, respect, and integrity and supported in our CAPLICO core values.

Discrimination based on any protected characteristic—including but not limited to race, color, age, religion, sex/gender, sexual orientation, gender identity, pregnancy, national origin, citizenship, veteran status, disability, or any other status protected by law—is strictly prohibited. Employment decisions are made solely on merit and qualifications, and all employees are expected to uphold these principles in their daily conduct.

If you witness or experience any form of discrimination, harassment, or retaliation, you are required to report it immediately to your supervisor, Executive Director, or Director of Nursing. If you are uncomfortable reporting through these channels, or if the concern involves one of these individuals, you may contact the Compliance Hotline at (866) 256-0955 or the HR Services Support Center at 1-888-659-3616. You can also submit a Compliance Hotline Complaint via email at ensigngroup.siletwhistle.com. Your report to HR or Compliance may be made anonymously.

All reported incidents will be thoroughly and promptly investigated. If misconduct is confirmed, appropriate corrective and/or disciplinary action will be taken. These procedures are outlined in the “Preventing Discrimination, Harassment, and Retaliation” section of the Employee Handbook and are reinforced in our Code of Conduct. By upholding these standards, we foster a safe, inclusive, and equitable environment for all employees and residents.

Your Privacy

We respect your privacy and take great care to protect your personal information. The Health Insurance Portability and Accountability Act (HIPAA) exists to control the use and disclosure of protected health information and your rights with respect to your health information.

We typically have very little, if any, of your protected health information, such as the results of physical examinations or documents related to a workplace injury. However, we want to communicate how we protect your privacy.

We limit access to your personal information, including any protected health information we may process, and ensure that proper destruction of records occurs periodically as stated in our [Record Retention Policy](#).



Conclusion

We hope you have found this Code useful and welcome your feedback and suggestions.

This Code covers a wide range of topics. It is intended to offer a framework to help you make good decisions that are compliant with our policies and the law in connection with your employment. However, no manual or guidebook can address every possible situation that may implicate these standards. Please ask questions if you are ever unsure about how to proceed.



Appendix A

ALASKA STATE LAW

<https://www.akleg.gov/basis/Bill/Text/29?Hsid=HB0347A>

ALABAMA STATE LAW

<https://www.alabama.gov/>

ARIZONA STATE LAW

<https://des.az.gov/sites/default/files/21-False-Claims-Act.pdf>

CALIFORNIA STATE LAW

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=12650.&article=9.&highlight=true&keyword=False%20Claims%20Act

COLORADO STATE LAW

<https://leg.colorado.gov/bills/hb22-1119#:~:text=A%20person%20who%20makes%20a,damages%20sustained%20by%20the%20state>

IDAHO STATE LAW

https://legislature.search.idaho.gov/search?IW_FIELD_TEXT=false%20claims%20act&IW_DATABASE=*

IOWA STATE LAW

<https://www.legis.iowa.gov/docs/ico/chapter/685.pdf>

KANSAS STATE LAW

<https://ag.ks.gov/fraud-abuse/false-claims#:~:text=In%202009%2C%20the%20Kansas%20Legislature,%20defrauding%20government%20assistance%20programs>

NEBRASKA STATE LAW

<https://nebraskalegislature.gov/laws/statutes.php?statute=68-936>

NEVADA STATE LAW

https://ag.nv.gov/About/Criminal_Justice/Medicaid_Fraud/False_Claims_Act_Cases/#:~:text=Nevada%20has%20a%20False%20Claims,government%2C%20which%20includes%20Nevada%20Medicaid

OREGON STATE LAW

https://oregon.public.law/statutes/ors_180.755

SOUTH CAROLINA STATE LAW

https://www.scstatehouse.gov/sess123_2019-2020/bills/40.htm

TENNESSEE STATE LAW

<https://www.tn.gov/content/dam/tn/tenncare/documents2/pi08001.pdf>

TEXAS STATE LAW

<https://statutes.capitol.texas.gov/Docs/HR/htm/HR.36.htm>

UTAH STATE LAW

https://le.utah.gov/xcode/Title26/Chapter20/C26-20_1800010118000101.pdf

WASHINGTON STATE LAW

<https://app.leg.wa.gov/rcw/default.aspx?cite=74.66>

WISCONSIN STATE LAW

<https://legis.wisconsin.gov/assembly/78/subbeck/false-claims-act/#:~:text=False%20Claims%20Act&text=This%20legislation%20would%20reinstate%20the,a%20false%20claim%20for%20Medicaid>

Appendix B

ARIZONA

The Arizona Employment Protection Act (A.R.S. § 23-1501) establishes a claim for termination of employment against an employer who terminates an employee in retaliation for the employee reporting their reasonable belief that the employer has violated or will violate Arizona law and that report is made to either their employer or to an employee of a public body or political subdivision of Arizona or any agency thereof. An employee who suffers retaliation can sue and be awarded statutory or tort damages which may include back pay, plus interest, reinstatement at the seniority level he or she would have had if not for the retaliation, and compensation for his or her special damages suffered as a result of the retaliation, including costs of litigation and reasonable attorney's fees. This law does not insulate the employee from disciplinary action if it turns out that he or she is involved in the reported wrongdoing.

CALIFORNIA

The California False Claims Act (CFCA) similarly protects employees from retaliation if they, in good faith, report fraud. Employees are protected against retaliation such as being fired, demoted, suspended, threatened, harassed, or in any other manner discriminating against an employee as a result of his or her involvement in a CFCA action. An employee who suffers retaliation can sue and may receive up to twice his or her back pay, plus interest, reinstatement at the seniority level he or she would have had if not for the retaliation, and compensation for his or her costs or damages, and punitive damages if appropriate. This law does not insulate the employee from disciplinary action if it turns out that he or she is involved in the reported wrongdoing.

The California Health and Safety Code (Cal. Health & Safety Code § 1278.5) also prohibits health facilities from retaliating or discrimination against a patient, an employee or any other member of its staff because that person has presented or initiated a complaint, or initiated, participated, or cooperated in an investigation or proceeding of a

government entity relating to the quality of care, services, or conditions of the facility or presented a grievance, complaint, or report to an entity or agency responsible for accrediting or evaluating the facility. An employee who suffers such retaliation or discrimination can sue, and may be entitled reinstatement, reimbursement of lost wages and work benefits caused by the act of the employer, or to any remedy deemed warranted by the court. A prevailing employee may also receive reimbursement for his or her legal costs in pursuing the case. This law does not insulate the employee from disciplinary action if it turns out that he or she is involved in the reported wrongdoing.

Appendix B

COLORADO

The Colorado Healthcare Workers Protection Law (Colo. Rev. Stat. §8-2-123) also protects certified, registered or licensed employees who make good faith reports or disclosures concerning patient care or safety. The Colorado Healthcare Workers Protection Law requires that the employee first utilize the employer's internal reporting procedures before making a report to a government agency to provide an opportunity to correct the improper conduct.

In addition, Colo. Rev. Stat. §§ 26-3.1-102(6) and 26-3.1-204(6) forbid discriminatory, or retaliatory action against any person who, in good faith, reports of suspected mistreatment or neglect or known or suspected financial exploitation of an at-risk adult. Furthermore, the Facility's Non-Retaliation Policy protects all employees who make any compliance complaints, including good faith reports or disclosures concerning patient care, safety or because of their participation in any investigatory proceeding.

IDAHO

Idaho has not enacted similar legislation to prohibit private employers from taking disciplinary or retaliatory action against an employee who makes a lawful report of a violation of state or federal law. However, the Facility's policies require its employees, contractors and agents with knowledge of potential fraud or violations of federal or state law to report such conduct. Retaliation for making a truthful report of suspected unlawful activities is strictly prohibited.

NEBRASKA

The Nebraska False Medicaid Claims Act provides whistleblower protections similar to the federal False Claims Act.

NEVADA

The NFCA provides whistleblower protections similar to the False Claims Act.

OREGON

Oregon law prohibits employers from retaliating, discriminating or harassing employees because of their good faith disclosure of information about a violation of a law or rule or a violation that poses a risk to public or patient health, safety or welfare, or their refusal to assist employers in activity that the employee reasonably believes is in violation of a law or rule. Oregon law also prohibits employers from discriminating against any employee who in good faith reports criminal activity or who cooperates with law enforcement in an investigation or at trial. These Oregon employee protection laws provide for both administrative and civil remedies which may include monetary awards for actual damages and punitive damages.

In addition, the Oregon Hospital Anti-Retaliation Law, unlike the other laws, requires any nursing staff to notify his/her employer in writing of any suspected illegal activity, policy or practice before disclosing it to the appropriate government agency. The purpose of this particular requirement is to give the employer a reasonable opportunity to correct the activity, policy or practice. This notice requirement does not apply to disclosures that the employee reasonably believes to be a crime or where the employee reasonably fears physical harm as a result of the disclosure or where an emergency exists.

These laws do not insulate an employee from disciplinary action if it turns out that he or she is involved in the reported wrongdoing.

Appendix B



TEXAS

The FPL, mentioned above, includes a whistleblower provision, which allows someone with actual knowledge of alleged FPL violations to file suit on the state or local government's behalf. After the whistleblower files suit, the case is kept confidential while the State Attorney General conducts an investigation to determine whether it has merit. The state may decide to take over the case. If so, the whistleblower receives between 15 and 25 percent of any recovery depending on his or her contribution to the case. If the state does not take over the case, the whistleblower receives between 25 and 30 percent of any recovery.

WASHINGTON

Washington has also enacted legislation protecting whistleblowers who make good faith reports to the government about suspected abandonment, abuse, financial exploitation or neglect of a vulnerable adult from workplace reprisal or retaliatory action. (Rev. Code Wash. §§ 74.34.180.)

Furthermore, the Facility's Non-Retaliation Policy protects all employees who make any compliance complaints, including good faith reports or disclosures concerning patient care, safety or because of their participation in any investigatory proceeding.

Supplement to Appendix B

WISCONSIN

Similar to Federal law and Society policy, Wisconsin law prohibits state employers from retaliating, discriminating or harassing any state employee who discloses information that the employee reasonably believes demonstrates a violation of a state or federal law, rule or regulation. Wisconsin law does not contain similar protections for non-governmental employees. Nevertheless, The Society expects employees to adhere to Federal law and to The Society's policy prohibiting retaliation.

Any employee who engages in or condones any form of retaliation against another employee because that employee either (1) reported a potential violation of violation of The Society's Code of Ethics or regulatory violation, or (2) refused to violate The Society's Code of Ethics or a government law or regulation, will be subject to disciplinary action up to and including separation of employment.

Duty to report includes knowledge of any governmental investigations of employee for any offense or any criminal charges or convictions brought against employee during employment. An employee self-reports should be made no later than next working day.

KANSAS

State employees cannot be disciplined for discussing the operations of the agencies with a member or the legislature or for reporting a violation of state or federal law. They are not required to inform their supervisors before reporting the violation but they are required to inform their supervisors of legislative requests and the nature of the testimony they will provide. State employees may be disciplined for providing false testimony or disclosing confidential information. Aggrieved state employees can seek relief in court or before the state civil service board.

SOUTH CAROLINA

Government employers cannot discharge, suspend, demote, decrease the compensation, discipline or threaten employees who report violation or state or federal laws or rules; or expose criminal activity, corruption, waste, fraud or gross negligence; or who testify in a trial or hearing regarding those matters. Employees who make an unfounded allegation without good faith may be discharged. If an employee's actions in reporting results in a saving of public funds, the reporting employee is entitled to 25% of the estimated savings up to \$2,000. If an employee is dismissed within one year after having reported alleged wrongdoing, the employee may file suit after having exhausted all administrative remedies. Recoverable damages include lost wages, court costs and reasonable attorney fees, along with reinstatement.