



## Code of Conduct

*Acadia Healthcare ...  
Doing the right thing for the right  
reason*



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# Code of Conduct

## Introduction

This Code of Conduct is an integral component of the Acadia Healthcare Compliance Program. Our intent in developing the Code is not only to document Acadia Healthcare's legal and ethical compliance requirements, but also to encourage each of us to regularly think about our actions and the consequences of our behavior in the workplace. We hope in so doing, that we can help promote and develop strong clinical and business leaders who will continue to uphold Acadia Healthcare's commitment to ethics and legal compliance.

Our Code of Conduct and our Compliance Program applies to all Acadia employees, Medical Staff, Board of Governors and Board of Directors members, contractors, subcontractors, agents, and other persons who provide patient and/or patient care items or services or who perform billing or coding functions on behalf of Acadia. The term "we", as used in this Code, is meant to refer collectively to each of these individuals.

While our Code of Conduct is designed to provide overall guidance, it may not address every situation you encounter. As many issues included in the Code of Conduct are broad and complex, more specific guidance may be provided in supplemental Compliance Program Policies and Procedures, as well as in facility Medical Staff by-laws, rules and regulations, Acadia Employee Handbooks and other applicable compliance related agreements or regulations.

This Code of Conduct is intended to promote Acadia Healthcare's commitment to the creation of behavioral health centers where people receive individualized and quality care that enables them to regain hope in a supportive, caring and financially responsible environment. Be alert and sensitive to situations that could result in improper, unethical or illegal conduct. If you have any questions about the information in the Code or any other compliance related questions, you can speak to your supervisor. Or, if you are uncomfortable speaking with your supervisor and / or prefer to discuss the matter with Acadia Healthcare's Chief Compliance Officer, contact the toll-free Compliance Hotline (800-500-0333) which is available to you 24 hours a day, seven days a week. All compliance related communications will be handled in strict confidence within the boundaries of the law. Do not hesitate to ask for assistance as these resources exist to help us meet our compliance obligations. You may also submit concerns to <https://yfcs.alertline.com>

Each Acadia affiliated individual has a personal responsibility for reporting to the Compliance Officer or designated individual, including Corporate Legal, any activity by an employee, physician, board member, contractor or a vendor that appears to violate applicable laws, rules, regulations or our Code of Conduct.

### **Conflict of Interest**

A “conflict of interest” exists when a person’s private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

It may be a potential conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with facility management or the, company management, or the company’s Legal Department. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel. In addition, to the extent any conflict of interest situation exists or arises, each Acadia employee and director should disclose the conflict to the Legal Department and to the Chief Compliance Officer.

Some examples of possible Conflicts of Interest include:

- Awarding business to a consultant or entity owned or controlled by a family member;
- Owning (or possessing a significant ownership interest in) an entity which is a competitor or supplier of Acadia;
- Providing charitable contributions to entities where an employee or family member has an interest;
- Receiving loans or guarantees of an obligation from a customer or vendor;
- Accepting a gift that influences a decision with respect to a specific vendor or customer; and
- Using Acadia resources for personal business or gain.

### **Patient Abuse: Zero Tolerance Policy**

Acadia has and strictly enforces a Zero Tolerance policy prohibiting resident or patient physical or emotional abuse including but not limited verbal or physical abuse, use of undue force or any type of sexual or romantic relationship with our patients. Each Acadia affiliated individual has a personal responsibility for reporting any activity by an employee, physician, contractor or vendor that appears to violate Acadia's Zero Tolerance policy.

### **Insider Trading**

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company or any company with which we do business should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific policy governing employees' trading in securities of the Company. This policy has been distributed to every employee. If you have any questions, please consult the Company's Legal Department.

### **Corporate Opportunities**

Employees, officers and directors owe a duty to Acadia to advance the Company's business objectives when the opportunity to do so arises. In connection with this duty, Acadia's employees, officers and directors may not:

- Take for themselves, directly or indirectly, any business opportunity that would interest or likely interest the Company, or that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down;
- Use Company assets (including without limitation equipment, funds, facilities, knowhow, or personnel) or their position with the Company for personal gain; or
- Knowingly compete with Acadia in acquiring or selling any asset or property (whether tangible or intangible) or otherwise interfere in the Company's business affairs for the director's, officer's or employee's direct or indirect benefit.

### **Fair Dealing**

Acadia is committed to conducting its business affairs in a fair, ethical and legal manner, and expects its employees, officers and directors to do the same. Each employee, officer and director should strive to deal fairly with Acadia's customers, suppliers, service providers, competitors and employees.

Stealing proprietary information, possessing trade secret information that was obtained without the Company's consent, or inducing such disclosures by past or present employees of other companies is prohibited. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

#### **Unauthorized Use of Corporate Funds and Assets**

Acadia's employees and directors are strictly prohibited from using any Company assets or property for any unlawful or improper purpose. In this regard, Acadia's policy is to solicit and obtain business only through sales and marketing programs that have been formally approved by the Company. No employee is permitted to give any unauthorized gifts, discounts, rebates, concessions, commissions or incentives, bribes or other payments, to obtain or retain business or to accomplish any otherwise legitimate Acadia business purpose. The books and records of Acadia must be accurate and complete to properly document the transactions of the Company. Accordingly:

- No false or misleading entries shall be made in Acadia's books and records for any reason, and no employee shall engage in any activity that results in such prohibited act.
- No undisclosed or unrecorded fund or asset of the Company shall be established for any purpose.
- No payment on behalf of the Company shall be approved or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents or entries supporting the payment.
- The recording of any transaction will not be delayed.

Any employee having information or knowledge of any unrecorded fund or asset or any prohibited act shall promptly report such matter to the Chief Financial Officer, the Legal Department or the confidential hotline. All managers shall be responsible for the enforcement of this policy and shall ensure that all employees in their department are aware of and comply with this policy.

#### **Antitrust, Unfair Competition and Restraint of Trade**

Acadia is committed to free and open competition in the marketplace and requires its employees to strictly adhere to the antitrust, unfair competition and related laws of the United States and other countries in which the Company does business. No employee should ever assume that the Company's interest ever requires any other course of conduct.

Antitrust laws are complex and difficult to interpret. These laws apply to a wide range of business activities. Although not exhaustive, the following examples provide a general guide to antitrust compliance:

- No employee, officer or director shall discuss with or provide information to any competitor about pricing or related matters, whether such information concerns the Company or the Company's suppliers, distributors, wholesalers or customers.
- No employee, officer or director shall gather any information on competitors through deception, theft or any other illegal or unethical means.
- No employee, officer or director shall participate in any conduct, agreement or understanding (including agreements based on a course of conduct) with a competitor of Acadia or anyone else to illegally fix prices, agree to labor costs, allocate markets, engage in group boycotts, abuse privileged information or engage in any unfair practice.
- No employee, officer or director shall publish advertising or promotional claims which are not fair, balanced and accurate or which are not supported by appropriate studies or data.

Employees, officers and directors are encouraged to contact the Legal Department if they have any concerns with respect to potential antitrust violations or unfair competition practices.

#### **Employment Laws and Policies**

Acadia has established numerous policies mandating compliance with applicable employment laws in order to provide a workplace free from improper discrimination, harassment or disruptive behavior. This section provides a summary of the Company's policies relating to discrimination, harassment, and disruptive behavior, all of which are prohibited. If you have questions concerning these or other employee policies, please contact the Human Resources Department. Acadia makes all employment decisions without regard to race, creed, color, religion, national origin, sex, age, physical or mental disability unrelated to an individual's ability to perform essential functions of a particular job, status as a Vietnam veteran or qualified disabled veteran, or any other characteristic protected under the law. This policy applies to all employment practices and personnel actions at the Company, including but not limited to hiring, promotion, transfer, compensation, participation in training or educational activities or programs, discipline and termination.

No form of harassment, whether physical, verbal or visual, will be tolerated. Examples include degrading or humiliating jokes, slurs, and intimidation, verbal or physical conduct of a sexual nature that interferes with work performance or creates an intimidating, hostile, or offensive work environment. Disruptive behaviors may also include actions such as verbal outburst and physical threats, refusing to perform assigned tasks or exhibiting uncooperative attitudes, or other oppositional behaviors.

If you become aware of any form of discrimination , harassment or other

disruptive behaviors that violate these or other employment policies, you should bring the matter to the immediate attention of your supervisor or, if involving the supervisor would be inappropriate for any reason, to the immediate attention of the Human Resources Department, the Legal Department, or the confidential hotline.

### **Sanctioned / Excluded Individuals and Entities**

Many of the services we provide are paid for by the federal government or state agencies. Individuals and/or entities may be debarred or suspended from participating in federal or state programs for various reasons including inappropriate use of federal or state funds. We will not knowingly employ or contract with any individual or business which is debarred or suspended from participating in the applicable program. We take proactive steps to check the federal and state governments' lists of excluded and debarred individuals to ensure that no employee, medical staff member, vendor or member of any related Acadia Healthcare Board of Governors or Boards of Trustees have been placed on any applicable exclusion list. All individuals seeking positions with Acadia as employees or contractors have a duty to inform Acadia of any change in their eligibility to participate in government programs. Consultants and contractors must be eligible to contract with Acadia, and must operate in accordance with our Code of Conduct.

### **Laws Concerning the Health Care Services Industry**

Numerous federal, state and local laws and regulations regulate the health care services industry. These laws are intended to protect the health and safety of our customers and relate to, among other things: billing practices and prices for services; relationships with psychiatrists, physicians and other referral sources; necessity and quality of medical care; condition and adequacy of Acadia's facilities; qualifications of Acadia's medical and support personnel; confidentiality, maintenance and security issues associated with health-related information and personal information and medical records; the screening, stabilization and/or transfer of patients who have emergency medical conditions; certification, licensure and accreditation of Acadia's facilities; operating policies and procedures; activities regarding competitors; and the addition and expansion of Acadia's facilities and services.

Among these laws are the Anti-Kickback Statute, the Stark Law, the federal False Claims Act and similar state laws. These laws impact the relationships that Acadia may have with psychiatrists, physicians and other referral services.

Violations of these laws may result in severe penalties against the responsible employees and Acadia, including criminal and civil penalties. These penalties may include the loss of Acadia's licenses to operate one or more facilities and exclusion of one or more of Acadia's facilities from participation in the Medicare, Medicaid and other federal and state health care programs.

Although not exhaustive, the following examples provide a general guide to health care compliance:

- No employee, officer or director shall disclose confidential information pertaining to Acadia facility patients without the express written consent of the patient and in accordance with applicable law and Acadia applicable policies and procedures.
- Employees, officers or directors shall only submit for payment or reimbursement claims for services actually rendered and evidenced by an accurate and legible note in a patient's medical record. In no event shall any employee, officer or director participate in any false billing of patients, government entities or any other parties.
- No employee, officer or director shall employ or contract with any individual or entity who is listed by any state or federal agency as being sanctioned, debarred or otherwise ineligible to participate in applicable state or federally funded health care programs.
- No employee, officer or director shall engage in any business practice intended to unlawfully obtain favorable treatment or business from any government entity, psychiatrist, physician, other referral source, patient, vendor or any other party in a position to provide such treatment or business.
- Except as permitted by applicable law, no employee, officer or director shall directly or indirectly solicit, receive, offer or pay money or other remuneration to other individuals or entities in return for using, referring, ordering, recommending or arranging for such referrals or orders of services or other items covered by a federal or state health care program.

The laws and regulations governing the health care services industry are extremely complex. Therefore, employees are to immediately report any suspected violation of such laws to the Legal Department or the confidential hotline.

#### **Anti-Corruption and Anti-Bribery Policies**

Federal law specifically prohibits the making of any offer, promise, payment or gift of any value to any Government Official (as defined below), directly or indirectly. Federal law also prohibits giving gifts to any union official or employee in order to influence his or her decisions. Many states and foreign countries have similar laws prohibiting such gifts. Acadia's policy is that every Acadia employee, officer and director must comply fully with these and all applicable laws.

The term "Government Official" is broadly construed and includes officials, employees and all persons, in the United States, any other country or any other political division or subdivision of any nation, employed, or are to be

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employed in any official public law capacity or are employed by any public authority or in any department on behalf of which they are required to place public orders regardless of the organizational form adopted for the purpose of carrying out such activities, or who perform duties on behalf of any such official administration, or act as official representatives of or on behalf of a political party or an international organization. Acadia employees are required to conduct all Acadia business in a lawful and ethical manner and in accordance with current laws and regulations, including the American law on the Prevention of International Corruption, namely the Foreign Corrupt Practices Act of 1977 (the "FCPA").

Under the FCPA it is forbidden to make, promise or to approve unlawful payments and also to furnish a Government Official with any advantage with the intention of inducing the Government Official in question to undertake an official action or to take an official decision in order to help a company to obtain or to retain an order. It is further forbidden under the FCPA for any company or person to use another company or person for the purpose of carrying out any such activities. As a US corporation, Acadia is obliged to observe the FCPA and could even be held responsible for the commercial activities of third parties (referred to "business partners") acting on Acadia's behalf or in connection with Acadia's activities anywhere in the world. Acadia requires all its business partners to conduct all business related to Acadia activities in accordance with these principles.

#### **Making False Reports to Government Agencies and Auditors**

Federal law prohibits making any false, fictitious or fraudulent statement or report to any federal governmental agency. Hiding or concealing any material fact that would make a statement or report misleading by its omission is also illegal. Many states have enacted similar laws. In addition, Acadia's internal and external auditors gather information that may be reported to federal or state agencies or disclosed in accordance with federal or state law. Acadia requires that all information provided on its behalf to any governmental agency or by any employee to any internal or external auditor be true and complete (to the best of the Company's knowledge) in all material respects at the time provided.

#### **Laws and Policies Concerning Political Contributions**

Employees, officers and directors are not prohibited from making voluntary personal contributions to any candidate, political party or cause. However, such contributions are not reimbursable by Acadia, either directly or indirectly. Further, employees, officers and directors are prohibited from soliciting contributions from co-workers during business hours and may not use Company assets or resources in connection with personal political activities. Corporate political contributions by Acadia or any of its subsidiaries are also prohibited unless authorized by an officer of the Company or the Company's Legal Department.

### **Laws Concerning Copyrights and Intellectual Property**

Federal law prohibits unauthorized duplication or copying of any copyrighted material, including copyrighted computer software, periodicals and books. Unauthorized duplication of copyrighted materials can result in severe penalties to individuals and the Company, and is prohibited. In addition, no Acadia employee, officer or director shall knowingly infringe any intellectual property rights of third parties.

### **Laws Concerning Protection of the Environment**

As a responsible member of our community, Acadia believes it is important to maintain a safe environment. Each employee is responsible for ensuring that all waste products, hazardous materials and other regulated items are stored, handled and disposed of in compliance with applicable laws and regulations. Employees are to immediately report any unsafe storage or improper disposal or release of a hazardous or toxic substance to their supervisor or department head and to the environmental compliance officer responsible for the facility.

### **Facility Advertising**

Acadia's policy is to advertise and promote its facilities and services only through programs and materials that have been formally approved by the Company. All such programs and materials are reviewed by appropriate Acadia personnel to ensure compliance with applicable state and federal laws and regulations. Unauthorized alteration of promotional brochures or other literature may result in severe penalties against the responsible individual and the Company. No Acadia employee should modify any portion of any promotional brochure or other literature, without prior authorization from the by appropriate Acadia personnel responsible for the advertisement. Use of any unapproved, false or misleading promotional materials or advertisements is strictly prohibited.

### **Response to Government Inquiries**

Various external organizations may contact individuals associated with Acadia to initiate a compliance-related inquiry. We will comply with lawful and reasonable requests or demands made as part of a government inquiries. At the same time, it is imperative that we protect the rights of Acadia and its personnel. Both Acadia and its employees have the right to be represented by legal counsel during any government inquiry. That means that Acadia employees have the right to have an attorney present during questioning, whether that questioning occurs at work or away from work. Any individual who receives an inquiry, visit, subpoena or other legal document from a government agency, at work or at home, regarding Acadia business shall immediately notify his or her supervisor or Corporate Legal.

### **Confidential Information**

A fundamental responsibility of every employee, officer and director of Acadia is to maintain the confidentiality of the Company's nonpublic information, as well as nonpublic information of outside parties (e.g., customers, suppliers, business partners, etc.) that may be received in confidence during the course of employment with the Company. The commitment to maintain the confidentiality of nonpublic information continues in force at all times during and after employment with the Company (whether such termination is voluntary or involuntary).

### **Giving and Receiving Gifts and Entertainment to Obtain or Retain Business**

All gifts, including entertainment, whether given or received, must comply with normally accepted business practices and Acadia's policies. All gifts and entertainment must be of nominal value and designed to promote business good will, not to gain any special advantage in a business relationship. Any gifts that compromise, or appear to compromise, Acadia's ability to make objective business decisions are inappropriate. This policy applies to anything given or received as a result of a business relationship for which the recipient does not pay fair market value. This standard of conduct is not intended to prohibit normal business practices such as providing meals, entertainment, tickets to cultural or sporting events or promotional gifts, as long as they are of nominal and reasonable value under the circumstances. Even gifts of nominal value may be improper if given or received frequently.

### **Reporting of Violations**

Acadia expects all employees to report suspect or questionable conduct to the Compliance Officer or person designated by the Compliance Officer to handle such matters. Reports can be made anonymously by calling the Compliance Hotline. Because failure to report misconduct can be viewed as misconduct itself, we strongly encourage the immediate reporting of action that is questionable. Failure to do so may result in disciplinary action against those who fail to report. Any manager or supervisor who receives a report of a potential violation must likewise immediately contact the Compliance Officer. There will be no retribution for those who report misconduct in good faith, and the identity of the employee making the report will be kept confidential, to the extent possible. If a law conflicts with a policy in this Code of Conduct, you must comply with the law. No manager or supervisor has authority to instruct you to disobey the law or any Company policy,

### **Investigation of Violations**

All reported violations of the Code of Conduct, hospital policies or applicable laws will be investigated in a timely manner. Employees are required to cooperate in the investigation of an alleged violation and will be disciplined for not cooperating in any such investigation.

### **Discipline for Violations**

Disciplinary actions may be taken for involvement in any way, in actions that

violate the Code of Conduct, hospital policies or prevailing laws; failure to report any violation or to cooperate in any investigation; failure to detect or purposefully overlooking violations of other; or retaliation against anyone who reports possible or actual violations.

Disciplinary action may include dismissal, although principles of fairness will apply, including the availability of hearings and other appeal processes established in our policies.

### **Individual Judgment**

Employees are often faced with making critical decisions based on activities in the workplace. Remember to always use good judgment and common sense. If anything within the Code of Conduct goes against your own good judgment, you are encouraged to discuss it with your supervisor or with the Compliance Officer.

Acadia requires that all employees be provided with or have access to their own copy of the Code of Conduct and that they read and sign an acknowledgment form that they have received, read and understand the content and requirements. From time to time, these codes will be updated and employees will receive updated versions and be asked to sign new acknowledgment forms.

### **Amendments and Waivers**

This Code of Conduct may be amended at any time without prior notice. From time to time, the Company may waive certain provisions of this Code of Conduct. Any employee, officer or director who believes that a waiver may be called for should discuss the matter with the General Counsel of the Company. Waivers for directors or executive officers of the Company, including, but not limited to the Chief Executive Officer or the Chief Financial Officer may be made only by the Board of Directors or the Audit Committee of the Board of Directors.

### **In Conclusion**

We, as employees of Acadia Healthcare, are often faced with making critical decisions based on activities in the workplace. Remember, to always use good judgment and common sense. If anything with this Code of Conduct goes against your own good judgment, you are encouraged to discuss it with your supervisor, hospital CEO or with the Compliance Officer.

If you are faced with a situation in which you are unsure of the appropriate course of conduct, ask yourself the following questions:

- IS IT LEGAL?
- IS IT ETHICAL?
- IS IT THE RIGHT THING TO DO?

IF THE ANSWER IS NO TO ANY OF THE ABOVE, DO NOT DO IT. IF YOU ARE NOT SURE, THEN ASK AND KEEP ASKING UNTIL YOU GET AN ANSWER.

*Acadia Healthcare...Doing the right thing for the right reason.*