



## COMPLIANCE AND ETHICS PROGRAM CHARTER

Created and Approved June 26, 2019

### PREAMBLE

Surgery Partners (“SP”) hereby sets forth this Charter for its Compliance and Ethics program<sup>1</sup>. Surgery Partners’ adherence to the provisions of this Charter is intended to (1) support and maintain Surgery Partners’ present and future responsibility with regard to participation in federal health care programs; (2) further Surgery Partners’ goals of establishing an organization that (a) fosters and maintains the highest ethical standards among all Surgery Partners employees, officers and directors, physicians practicing at Surgery Partners facilities and contractors that furnish health care items or services; (b) values its compliance with all state and federal laws and regulations as a foundation of its corporate philosophy; and (c) aligns with Surgery Partners’ mission of delivering high quality and convenient healthcare services to the communities we serve, creating exceptional value for our customers and partners by utilizing the core values of quality, integrity, service, innovation and transparency. The primary focus of the Surgery Partners Compliance and Ethics Program is on the requirements of Medicare, Medicaid and all other federal health care programs. This Charter shall apply to any facility or business in which Surgery Partners owns an interest of more than 50% or for which Surgery Partners manages the day-to-day operations of the facility or business.

### I. COMPLIANCE AND ETHICS PROGRAM GOVERNANCE AND OVERSIGHT STRUCTURE

The Surgery Partners Compliance and Ethics Program includes the following governance and oversight committees. A chart depicting these oversight committees and their respective reporting relationships, along with an overview of the types of information and data that are required to be reported to each, is included as Appendix A to this document.

1. *Compliance and Ethics Committee of the Board of Directors.* SP’s Compliance and Ethics Committee of the Board of Directors (“Board CEC”) is comprised of at least two persons, at least one of which is an independent director of SP’s Board of Directors. The Board CEC is responsible for the review of matters brought to its attention or information requested related to Surgery Partners’ Compliance and Ethics Program.

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<sup>1</sup> As used in this Charter, “Surgery Partners” shall refer to subsidiaries and/or affiliates of Surgery Partners. The facilities and business units that provide healthcare items or services described in this Charter are owned and/or operated by subsidiaries or affiliates of Surgery Partners.



- a. The Board CEC shall provide oversight of the Surgery Partners Compliance and Ethics Program.
  - b. The Board CEC shall consider on a periodic basis (or, as appropriate, on an *ad hoc* basis), reports from the Surgery Partners Chief Compliance Officer, Chief Clinical Officer and other Surgery Partners sources that also are responsible for monitoring and addressing Compliance, Ethics or Quality issues. The Board CEC shall be responsible for oversight of the adequacy of the budget of the Surgery Partners Office of Compliance so that its budget and funding are sufficient to meet its annual needs as set forth in the annual work plan of the Office of Compliance. Meetings of the Board CEC shall be regularly attended by members of the Surgery Partners executive team as designated by the Chair of the Board CEC. The Board CEC shall meet at least quarterly and shall keep a record of its proceedings for review by the full Board of Directors as appropriate.
2. *Policy Oversight Committee.* Surgery Partners' Policy Oversight Committee shall be chaired by the Chief Compliance Officer (or his/her designee) and shall include representatives from pertinent Surgery Partners departments as determined by the Chief Compliance Officer. The Policy Committee shall be responsible for coordinating the review and approval of all Surgery Partners corporate and model policies, and for providing strategic oversight related to policy development, vetting and rollout across the enterprise. The Policy Committee shall meet at least quarterly and shall keep a record of its proceedings for review by the Board CEC or the SP Board of Directors as appropriate.
  3. *Executive Leadership Team.* Surgery Partners' Executive Leadership Team ("ELT") provides executive management level oversight of the company. At least quarterly, reports regarding Surgery Partners' compliance with the legal and regulatory requirements of the federal health care programs shall be presented. A record of Compliance and Ethics information presented and discussed will be maintained for review by the Board CEC or the SP Board of Directors as appropriate.
  4. *Operations Compliance Committee ("OCC").* The OCC shall be chaired by the Chief Compliance Officer and shall include the Chief Operating Officer, Group Presidents, Corporate HR Business Partners for the Operators, Chief Information Officer, Security Officer, Privacy Officer and representatives from Revenue Cycle, Internal Audit and Employee Relations. The OCEECC shall convene no less frequently than quarterly and shall keep a record of its proceedings for review by the Office of Compliance as appropriate.

5. *Hospital Compliance Committees.* Each Surgery Partners hospital shall have a Hospital Compliance Committee (“HCC”). The Hospital Compliance Committee shall be chaired by the designated Compliance Designee for the hospital and include the hospital CEO, CFO, CNO, the Director of Human Resources, and other appropriate senior level executives from other hospital departments and a member of the Surgery Partners Office of Compliance. The HCC shall meet no less frequently than quarterly and shall keep a record of its proceedings for review by the Office of Compliance as appropriate.

## II. COMPLIANCE AND ETHICS PROGRAM

The Surgery Partners Compliance and Ethics Program includes the following:

1. *Chief Compliance Officer.* Surgery Partners has a Chief Compliance Officer who is responsible for the management and operations of the Office of Compliance. The Chief Compliance Officer shall be a senior officer of the company. The Chief Compliance Officer shall report to the Board CEC, as well as to Surgery Partners’ Chief Legal Officer for administrative purposes.
  - a. The Chief Compliance Officer shall make regular (at least quarterly) reports regarding compliance matters directly to the Chief Legal Officer and the Board CEC. The Chief Compliance Officer shall be authorized to report to the CEO or Board of Directors (including the Board CEC) at any time.
  - b. To further his/her Compliance and Ethics Program duties, the Chief Compliance Officer shall have the authority to monitor and perform risk assessments of the business and health care delivery activities engaged in by Surgery Partners, Surgery Partners employees, directors, contractors, agents and staff physicians. The Chief Compliance Officer shall have the authority to establish a periodic reporting mechanism to fulfill his/her reporting obligations to the Chief Legal Officer and Board CEC. The Chief Compliance Officer may also reasonably request and have access to any Surgery Partners business record at any time in furtherance of the mission of ensuring Surgery Partners’ compliance with applicable federal and state laws and regulations and company policies.
  - c. The Chief Compliance Officer shall be responsible for developing an annual Compliance Work Plan and annual budget for the Office of Compliance and presenting such budget and Work Plan to the Chief Legal Officer and Board CEC. The Chief Compliance Officer shall have the independent authority and engage external legal counsel as the Chief Compliance Officer may deem necessary from time to time.

2. *Office of Compliance.* Surgery Partners' Office of Compliance, which is managed by the Chief Compliance Officer, is responsible for the operation of Surgery Partners' Compliance and Ethics Program and for ensuring Surgery Partners' compliance with all applicable federal and state laws related to federal health care programs. The Office of Compliance shall focus its efforts on overseeing compliance in eight key areas:
- 1) Compliance Oversight;
  - 2) Development of Compliance Policies and Procedures, including Standards of Conduct;
  - 3) Developing Open Lines of Communication;
  - 4) Training and Education
  - 5) Internal Monitoring and Auditing;
  - 6) Responding to Detected Deficiencies;
  - 7) Enforcement of Disciplinary Standards; and
  - 8) Risk Assessment of Program Effectiveness.

Among its responsibilities, the Office of Compliance shall be responsible for:

- 1) assessing, critiquing, and (as appropriate) drafting and distributing company policies and procedures;
- 2) developing, providing and tracking Compliance and Ethics training to all new Surgery Partners employees and, as appropriate, directors, contractors and agents within the first 30 days of employment/engagement and a general refresher training each year thereafter;
- 3) developing, providing and tracking job-specific training to those who work in clinical quality, coding, billing, marketing and referral source arrangements, in collaboration with the respective department responsible for oversight of each of these areas, within the first 30 days of employment/engagement and a job-specific refresher training each year thereafter;
- 4) developing, providing and tracking annual training, which shall consist of Compliance and Ethics and clinical quality oversight to the members of each hospital governing board;
- 5) creating and disseminating the company's Code of Conduct and obtaining certifications of adherence to the Standards as a condition of employment;



- 6) maintaining and promoting the Surgery Partners' Action Line (telephone hot line), which allows confidential reporting of issues on an anonymous basis and emphasizes Surgery Partners' no retaliation policy;
- 7) responding to and ensuring resolution of all compliance-related issues that arise from the Partners Action Line and compliance reports received from Surgery Partners facilities and local Compliance Designees (utilizing any compliance reporting software that Surgery Partners may employ for this purpose) or any other source that results in a report to the Office of Compliance;
- 8) ensuring that appropriate corrective action and disciplinary action is taken by Surgery Partners when non-compliant conduct and/or improper contractual relationships are identified;
- 9) monitoring and measuring Surgery Partners' adherence to all applicable Surgery Partners policies and legal and regulatory requirements related to federal health care programs;
- 10) directing a screening of individuals for exclusion from federal health care program participation as required by federal regulations and no less frequently than annually;
- 11) ensuring that any newly acquired facilities implement the Surgery Partners Code of Conduct within 30 days following the effective date of the acquisition, and adopt Surgery Partners Compliance and Ethics policies, systems and processes according to a plan and schedule developed by the Office of Compliance, but in no event later than 12 months following the effective date of the acquisition (with any necessary extensions or modifications to the plan and schedule to be approved by the Senior Leadership Team);
- 12) ensuring a database of all arrangements involving the payment of anything of value between Surgery Partners and any physician or other actual or potential source of health care business or referrals to or from Surgery Partners is maintained; and
- 13) overseeing annual audits of clinical quality, referral source arrangements, outliers, charging, coding, billing, and/or other compliance risk areas as may be identified from time to time. Audits may be conducted by Surgery Partners' Internal Audit, Quality Management Department or other

appropriate internal or, as necessary, external audit resources. Significant audit results shall be reported to the appropriate compliance committee(s) for the facility or business unit in question, the Executive Leadership Team, executive management and/or the appropriate Board committee. The arrangements database shall include documentation from legal counsel whether the arrangement meets a Stark exception and/or Anti-Kickback safe harbor, as applicable.

a. Office of Compliance Structure

The Office of Compliance shall be comprised of staff assigned to provide support to each of Surgery Partners' facilities and business units. The Office of Compliance shall also be responsible for areas such as Ethics, Training, Policies and Procedures, Privacy and Security, Coding Compliance, Billing Compliance, and Foreign Corrupt Practices Act compliance. The Office of Compliance shall be independent, which means that (1) each member of the Department shall ultimately report to the Chief Compliance Officer with dotted line reporting to the senior leader of the applicable facility or business unit; and (2) the Office of Compliance shall be responsible for all hiring, performance and compensation decisions for the members of its Department.

b. Coordination With Other Surgery Partners Departments

The Office of Compliance shall interact and coordinate with the Surgery Partners Legal Department to facilitate information-sharing about compliance-related issues, including compliance-related legal matters such as legal audits, internal investigations, and external investigations of Surgery Partners operations. The Surgery Partners Office of Compliance will seek legal counsel, as appropriate, for legal advice and to protect the company's legal rights and interests. The Office of Compliance also shall coordinate with and have the cooperation of all other Surgery Partners corporate departments, including (but not limited to) the following: Clinical Operations, Quality Management, Internal Audit, Finance, Information Technology, and Human Resources to appropriately and adequately address and respond to Surgery Partners' Compliance and Ethics-related issues. Under the oversight of the head of the Internal Audit Department, the Internal Audit Department shall periodically review the effectiveness of Surgery Partners' Compliance and Ethics Program and shall report the results of such review to the appropriate Board Committee.

3. *Compliance Office Staff.* Surgery Partners shall create and staff, as appropriate, the positions responsible for its facilities and business units. Each position shall have sufficient authority, responsibility, and resources to permit the effective



performance of his/her duties. Each position is responsible, in coordination with the Chief Compliance Officer and Office of Compliance, for implementation and oversight of Surgery Partners' Compliance and Ethics Program at the relevant facilities or within the business unit, and compliance with Surgery Partners policies and all applicable federal and state laws related to federal health care programs. The duties may include the following: advising and directing facility or business unit employees (including senior executives) and contractors on Compliance and Ethics Program matters, supporting the overall effectiveness of the Compliance and Ethics Program by providing input on applicable compliance-related policies and procedures, reporting on Compliance and Ethics-related issues to the Chief Compliance Officer (or his/her designee) and senior facility or business unit executives, serving as the information resource for Compliance and Ethics issues in the applicable facility or business unit, assisting with the identification and assessment of hospital and company compliance risk areas, assisting the Compliance and Ethics Program staff with compliance training material and programs, and conducting timely and thorough reviews of each Compliance and Ethics allegation and providing appropriate documentation for closure.

4. *Chief Clinical Officer.* Surgery Partners has a Chief Clinical Officer who, under the direction of the Chief Legal Officer, are primarily responsible for the clinical management and operations of the Clinical Operations Department. The Chief Clinical Officer shall be a senior officer of the company. The Chief Clinical Officer shall make regular (at least quarterly) reports regarding clinical quality to the Chief Legal Officer and the Board CEC of Surgery Partners.
5. *Clinical Operations Department.* Surgery Partners' Clinical Operations Department is responsible for monitoring clinical quality at Surgery Partners hospitals and facilities including patient safety, clinical audits, physician credentialing, privileging and peer review programs, evidence-based medicine programs, standards of clinical excellence, quality metrics on the balanced scorecard and other performance standards and oversight of utilization management and review.
6. *Compliance Program Obligations.* Each Surgery Partners business unit and facility shall adhere to the requirements of this Charter. The requirements include:
  - a. refunding all overpayments received from federal health care programs within sixty days of identification. An Overpayment means the amount of money Surgery Partners has received, after applicable reconciliation, in excess of the amount due and payable under any federal health care program requirement;

- b. prior to employment, engagement or granting of privileges, screening all employees, contractors and active members of the medical staff for exclusion from federal healthcare program participation as required by federal regulations;
- c. reporting, through its respective compliance designee, the following in a compliance report, which shall be available to the Chief Compliance Officer and completed no less frequently than quarterly:
  - i. A violation of the obligation to provide items or services of a quality that meets professionally recognized standards of health care where such violation has occurred in one or more instances and presents an imminent danger to the health, safety or well-being of a federal health care program beneficiary or places the beneficiary unnecessarily in high-risk situations;
  - ii. Overpayments of \$100,000 or more;
  - iii. Evidence or allegations of actual or potential violations of the federal or state Anti-Kickback laws, the federal Stark Law, the state self-referral laws, or other criminal, civil or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized;
  - iv. Violation of other federal or state laws or regulations for which significant penalties may be assessed or which may subject the Surgery Partners entity to significant litigation risk (e.g., consumer protection laws, securities laws, environmental protection laws, etc.);
  - v. Notice of a government investigation or inquiry involving federal health care programs or litigation alleging fraud involving federal healthcare programs;
  - vi. Notice of an investigation or inquiry involving commercial payor health care programs or litigation alleging fraud involving commercial payor healthcare programs;
  - vii. Material violation of Surgery Partners policies;
  - viii. Violation of CMS Conditions of Participation, Joint Commission standards, or other licensing or accreditation standards;
  - ix. Significant findings identified by Surgery Partners audits or any review conducted by third parties engaged by any Surgery Partners entity; and
  - x. Any other event likely to cause significant reputational or financial harm to any Surgery Partners entity.





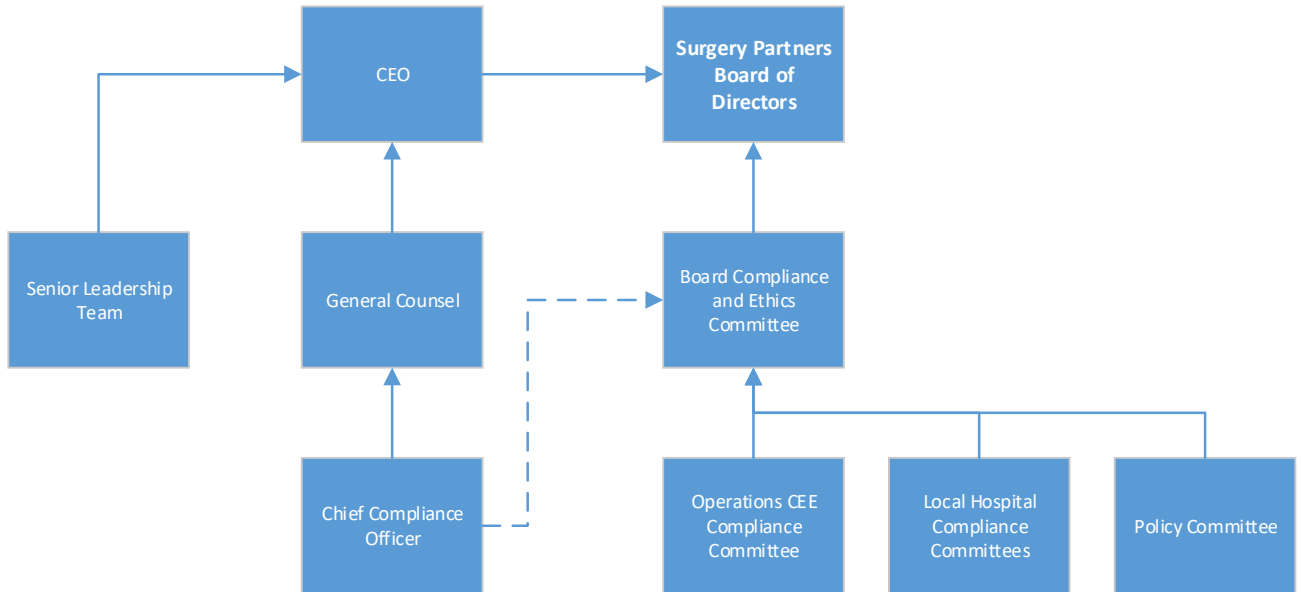
### III. ANNUAL PERFORMANCE EVALUATIONS

Surgery Partners shall make a commitment to Compliance and Ethics and proper execution of Surgery Partners' standards set forth in this Charter a component of the annual performance evaluations of every Surgery Partners employee.

At least annually, the Chief Compliance Officer shall deliver a report to the Board CEC outlining Surgery Partners' significant compliance and ethics activities for the year. The purpose of the report is to provide information to the Board Committee so that it can perform its oversight function. The report shall include significant changes in leadership, compliance structure and processes, training results, the amounts returned to federal healthcare programs during the prior year and updates on significant audit findings and compliance matters reviewed during the prior year. In addition, the Office of Compliance shall review and reassess, at least annually, the adequacy of its Charter and recommend to the Board CEC any improvements to the Charter that the Office of Compliance considers necessary or appropriate. Changes to the Charter may only be effectuated upon approval of the Board CEC.

Approved By:           Surgery Partners Board of Directors, June 26, 2019

### Appendix A - Governance and Oversight Committee Matrix



	Board C&E Committee	Policy Oversight Committee	ELT	Operations CEE Compliance Committee	Local Hospital Compliance Committee
Regulatory Updates	X		X	X	X
Policies and Procedures		X			
Compliance Scorecards (Audit Results)	X		X	X	X
Effectiveness Review of Compliance and Ethics Program	X				
Heat Map/Compliance Reports	X		X	X	X

