

Policy: NON-RETALIATION		Policy
Department: COMPLIANCE		
Policy Manual: USMD Inc.		
Effective date: 6/11	Revised date:	Review date:
Approved by: USMD Inc. Board of Directors		Page 1 of 4

SCOPE:

This policy applies to USMD Inc. and each division/entity under the management or control of USMD Inc. (collectively, "USMD").

PURPOSE:

USMD recognizes that a critical aspect of its compliance program is the establishment of a culture that promotes prevention, detection, and resolution of instances of conduct that do not conform to applicable federal and state laws and regulations, as well as USMD's Code of Conduct and policies and procedures. To promote this culture, USMD has established a reporting process and a strict non-retaliation policy to protect employees and others who report problems and concerns in good faith. Any form of retaliation can undermine the problem resolution process and result in a failure of communication channels in the organization.

POLICY STATEMENT:

- A. USMD is committed to open communication, the highest level of professionalism and the highest standards of moral, ethical and legal conduct.
- B. Each USMD employee has a responsibility for promptly reporting suspected misconduct or violations of laws and regulations, the USMD Code of Conduct or USMD policies and procedures.
- C. Each USMD employee must report any substantial risk to the health, safety or welfare of a patient.
- D. USMD employees who report problems or concerns in good faith will not be subject to retaliation. Retaliation is any reprisal or adverse employment action taken against an employee as a result of his or her utilizing any of USMD's internal reporting procedures or otherwise reasonable exercising any of his or her rights as a USMD employee. Prohibited retaliation includes any retaliation in connection with:
 - a. reporting ethical concerns or other unlawful conduct to Human Resources, a Division Compliance Officer (DCO), the Corporate Compliance Officer (CCO), the Compliance Line or management;
 - b. supporting an internal or external review or audit;
 - c. disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information demonstrates a violation or possible violation of federal or state law or regulation;
 - d. providing information, causing information to be provided, filing, causing to be filed, testifying, participating in a proceeding filed or about to be filed, or otherwise assisting in an investigation or proceeding regarding any conduct that the employee reasonably believes involves a violation or possible violation of applicable laws or regulations; or
 - e. generally accessing Human Resources, Compliance or management in connection with a patient safety concern, patient occurrence or other reasonable concern with compliance with legal obligations or USMD policies or practices.
- E. Allegations of retaliation will be promptly investigated and if supported, will result in disciplinary action, up to and including termination of employment for the retaliation.
- F. Any USMD employee with a concern regarding retaliatory conduct should promptly report any claim of retaliation to his or her supervisor or through the appropriate chain of command.

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- G. Any USMD employee who makes a false report or provides evidence which he or she knows to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by the provisions of this policy and may be subject to disciplinary action, up to and including termination of employment.
- H. USMD corrective actions toward an employee for prior, current or future performance or behavior issues do not constitute retaliation.
- I. It is the responsibility of USMD management to make sure that retaliation of any kind is not tolerated.

Amendments

This Policy shall be reviewed and modified, as necessary, no less than every two years or more frequently as directed by the USMD Board of Directors and/or CC.

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DEFINITIONS:

- A. **USMD Compliance Committee (“CC”)** – the group appointed to assist the Corporate Compliance Officer and provide support and feedback for developing priorities, identifying resources and implementing the Compliance Program.
- B. **Division Compliance Subcommittee (“Division SubCC” or “SubCC”)** – the group appointed to assist the Division Compliance Officers and provide support and feedback for developing priorities, identifying resources and implementing the Compliance Program at the applicable division.
- C. **USMD Corporate Compliance Officer (“CCO”)** – the high-level individual appointed to oversee the development and operation of the USMD Compliance Program.
- D. **Division Compliance Officer (“DCO”)** – the high-level individual appointed to oversee the development and operation of the Division Compliance Program.
- E. **USMD Compliance Program (“Compliance Program”)** – a system of individuals, processes, policies and procedures designed to monitor compliance with the applicable laws, rules, regulations, standards, policies and procedures relating to USMD’s business activities. The Program establishes oversight, education and training to assist the organization comply with laws and regulations governing USMD’s operations. The Program focuses on the detection and prevention of violations and fosters an environment in which employees and agents affiliated with USMD are encouraged to report concerns.
- F. **USMD ComplianceLine** – a toll-free phone line (800-403-2547) for callers to utilize when they may not be comfortable utilizing the normal chain of command when reporting concerns. USMD has engaged an outside company with trained operators to take hotline calls. The ComplianceLine is available 24 hours per day, seven days a week and callers may report anonymously, if desired.

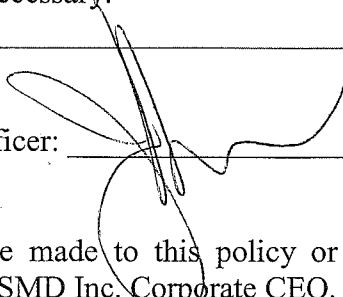
FORMS:

REPORTS:

RELATED POLICIES AND PROCEDURES:

USMD Code of Conduct
 Internal Reporting and Hotline Policy
 Human Resources Policy #3.06 Harassment
 Human Resources Policy #3.11 Employee Problem-Solving

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REFERENCES:
AUDIT REQUIREMENTS: USMD will perform periodic reviews to determine compliance with the provisions of this policy. Results of the reviews will be presented to the USMD Inc. CEO, CCO, CC and/or the USMD Board of Directors Audit and Compliance Committee for review, recommendation, follow-up and/or corrective action, as deemed necessary.
<p>Approvals:</p> <p>Chief Executive Officer:  _____ Date: <u>6/20/11</u></p> <p>No changes will be made to this policy or any deviations authorized without the express written permission of the USMD Inc. Corporate CEO.</p>