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APPROVED BY: Ethics and Compliance Policy Committee	

SCOPE: All Company-affiliated facilities including, but not limited to, hospitals, ambulatory surgery centers, home health centers, home health agencies, hospice agencies, physician practices, outpatient imaging centers, urgent care centers, Parallon, joint ventures and all Corporate Departments, Groups, Divisions, and Markets (collectively, “Affiliated Employers” and individually, “Affiliated Employer”).

PURPOSE: To define the legal or ethical limitations that may exist in establishing an employment relationship with an individual and the responsibility of the Affiliated Employer to recognize these issues in the hiring process.

RESPONSIBILITIES:

1. A candidate or colleague must disclose at the time of application or immediately upon notification any debarment, exclusion, or other event that makes the candidate or colleague an ineligible person. The candidate or colleague is responsible for providing any documentation required by the Affiliated Employer; reference Background Investigations Policy, [HR.ER.002](#).
2. The HR Business Partner is responsible for terminating the employment of any person listed as an ineligible person and should report ineligible persons to the Affiliated Employer’s Ethics and Compliance Officer (ECO).

REQUIREMENTS:

1. Identifying Positions As “At Will” Employment:
When a new position is created that might be classified as “At Will,” see *Definitions*, the hiring manager responsible for the position must review the position with the applicable HR Business Partner and the Employee Relations Center of Excellence to determine whether it is a senior leadership role with authority to make key decisions on behalf of their business entity or is a Corporate position in the applicable pay grades.
2. Individuals party to an Employment Agreement are not considered “At Will” or “For Cause,” see *Definitions*, and are subject to the terms and conditions of the individual’s Agreement.
3. Prohibition Against the Employment of Ineligible Persons:
 - a. **Screening Prior to Employment.**
 - i. Prior to hiring or re-hiring, the vendor providing background investigations must ensure the individual being considered for employment has been checked against the:
 - (a) General Service Administration’s exclusion records in the System for Award Management (SAM) (the “GSA List”);
 - (b) HHS/OIG List of Excluded Individuals/Entities (the “OIG Sanction Report”); and

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- (c) Any applicable state exclusion list.
- ii. The vendor providing background investigations will compare the name, address, and other key data applicable to screening requirements of each potential candidate for employment to the GSA List, the OIG Sanction Report and any applicable state exclusion list. Should an individual appear on the GSA List, the OIG Sanction Report, or any applicable state exclusion list the Company may not employ that individual.
- iii. The GSA List and the OIG Sanction Report are on the Internet in searchable formats and the state exclusion list can be found on Atlas Connect.
 - (a) <https://sam.gov>;
 - (b) <https://exclusions.oig.hhs.gov>; and
 - (c) Link to [state exclusion list](#) on Atlas Connect.
- b. Monthly Screening Subsequent to Employment.**
 - i. Corporate Office-Based Screening
 - (a) Corporate Information Technology Group (ITG) will send the Affiliated Employer's employee data to Verity on the first (1st) business day of the month to facilitate batch checking of all current colleagues. The Verity system will check each colleague record against the GSA List, the OIG Sanction Report, and all available state exclusion lists.
 - (b) Results of each month's batch process checks are available in the Verity web portal by the fifteenth (15th) day of each month.
 - (c) Results are categorized, as one of three flag values:
 - 1) Red Flag (true match) indicate a positive match to a sanction in at least one of the exclusion lists;
 - 2) Yellow Flag (potential match) indicate a potential match to a sanction in at least one of the exclusion lists; and
 - 3) No Flag (no match) indicate no found sanction for the colleague.
 - (d) Each Red or Yellow Flagged Record must be investigated and updated within the Verity web portal with information regarding the action to be or actually taken.
 - (e) If the investigation reveals a Red or Yellow Flag match is not the same colleague provided by the Company, the result will be updated to indicate a false positive match. When a colleague has been designated as a false positive match, the colleague will not be listed in subsequent Verity reports unless the colleague's name is entered as a new entry on a sanction list.

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- (f) The VP, Labor and Employee Relations and/or the Human Resources Group Employee Relations Center of Excellence is responsible for reviewing and confirming the monthly batch results.
 - (g) If a colleague is an Ineligible Person, the VP, Labor and Employee Relations will notify the HR Business Partner at the Affiliated Employer, which employs the Ineligible Person.
 - (h) The HR Business Partner must terminate the Ineligible person's employment.
 - (i) The VP, Labor and Employee Relations will report the match and the action taken by the Affiliated Employer to the VP, Reimbursement and the Director, Internal Compliance Reporting.
- ii. Ad-hoc screening
Any ad-hoc (non-batch) checks of Affiliated Employer's colleagues must be done using the Verity web portal and the process identified in the above section for updating Red and Yellow flagged records is to be followed.
- c. Documentation:**
- i. Search results conducted within Verity will be maintained, with notes regarding the search, by Verity. Search results conducted through any other method must be maintained consistent with this section.
 - ii. For searches done outside Verity, the search results must be documented and copies of the search information should be maintained in an electronic file, separate file or in a master exclusion verification file filed by year and alphabetized for applicants not employed.
 - iii. Electronic storage is an acceptable storage option provided the documents are readily available on demand. A procedure for backing up documents in the event of system malfunction should be established to ensure accessibility.
 - iv. All records regarding ineligible persons search results must be maintained according to the Company's record retention schedules (i.e., 10 years).
 - v. All Company-affiliated facilities must comply with the Records Management Policy, [EC.014](#).
4. Hiring of Former Fiscal Intermediary/Medicare Administrative Contractor (FI/MAC) Personnel:
- a. To ensure compliance with 42 CFR 420.203 and the disclosure of hiring former colleagues of fiscal intermediaries/Medicare Administrative Contractors (FI/MAC), the

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Affiliated Employer will notify the Secretary of Health and Human Services of the hiring of persons who had been employed in a managerial, accounting, auditing or similar capacity by an FI/MAC during the previous 12 months.

b. The Affiliated Employer will send the letter of notification within 30 days of the first day of employment and retain a copy in the colleague record as part of the "Approved List;" reference the Employee Records policy.

5. Employment of Minors:
Normally, candidates for employment must have reached their eighteenth (18th) birthday. However, persons who have reached their sixteenth (16th) birthday may be considered for employment within the limits of state and federal law.

6. Employment of Relatives and/or colleagues who share common domicile:

a. Employment of relatives and/or colleagues who share common domicile may cause the perception of inequitable hiring practices and/or conflicts of interest by fellow colleagues or others; reference the Conflict of Interest Policy, [EC.021](#). Therefore, prior written approval must be obtained from a manager one level above the hiring manager and may only be approved after determining that such employment will not create the appearance of a conflict of interest or have other adverse consequences to business operations.

b. Relatives and/or colleagues who share common domicile shall not supervise one another directly.

c. Relatives and/or colleagues who share common domicile shall not supervise one another indirectly without prior written approval from a senior manager at least one level above the hiring manager.

d. If marriage, promotion or other action creates a supervisory relationship among relatives and/or colleagues who share common domicile, one of the relatives and/or colleagues who share common domicile must either resign or transfer in order to resolve the situation within one calendar month; reference the Transfer policy; the Promotions/Demotions policy; and/or the Employment Separation policy.

e. No Affiliated Employer shall employ a relative and/or an individual who shares common domicile with its HR Business Partner or any member of Senior Management without written approval of a senior manager at least one level above the hiring manager.

7. Hiring of Foreign Officials and Their Family Members or Individuals Whose Employment was Requested by a Foreign Official:

a. Consistent with the Global Anti-Corruption Policy, [LL.AC.001](#), no (i) current or former Foreign Official, (ii) relative of a Foreign Official, or (iii) prospective colleague whom a Foreign Official has requested that an Affiliated Employer hire may be offered employment or employed by an Affiliated Employer without obtaining prior written approval from the SVP & Chief Ethics and Compliance Officer or designee. To ensure that the appropriate

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information is gathered to make informed hiring decisions, the procedures below must be followed before hiring any colleague.

- b. Prior to hiring or re-hiring any colleague, the HR Business Partner or designee must ensure: (i) that the prospective colleague has answered, in writing, whether he or she is a current or former Foreign Official or a relative of a Foreign Official; and (ii) if the prospective colleague responds affirmatively, that the prospective colleague identifies the Foreign Official's title, organization, country and, if the prospective colleague is not the Foreign Official, the Foreign Official's name and contact information.
- c. If the prospective colleague indicates that he or she is a current or former Foreign Official, or a relative of a Foreign Official, the HR Business Partner or designee must, prior to extending a final offer of employment (i.e., an offer not conditioned upon additional screening of the prospective colleague): (i) notify the SVP & Chief Ethics and Compliance Officer, or designee, in writing; and (ii) receive written approval to proceed with the final offer of employment from the SVP & Chief Ethics and Compliance Officer or designee.
- d. Prior to extending any offer of employment to a prospective colleague whom a Foreign Official has requested that an Affiliated Employer hire, a hiring manager must: (i) report such request to the HR Business Partner or designee and to the SVP & Chief Ethics and Compliance Officer or designee; and (ii) receive written approval to proceed with an offer of employment from the SVP & Chief Ethics and Compliance Officer or designee.
- e. For guidance related to the employment of current or former Foreign Officials, Family Members of a Foreign Official, or any person a Foreign Official asks an Affiliated Employer to hire, please refer to the Global Anti-Corruption Policy, [LL.AC.001](#).

8. Use of Contract Personnel:

- a. Contracts with independent contractors should be reviewed in advance by the Legal Department. Generally, if an individual is subject to the Company's control or direction only regarding end results (and not as to the details by which those results are accomplished), the individual may be classified as an independent contractor.
- b. The agreement should include the Federal Tax ID number and the proof of workers compensation insurance certificate.
- c. Contract labor vendors for clinical and administrative staffing (i.e., "Subjects" reference Background Investigations Policy, [HR.ER.002](#), excluding students, volunteers, and those individuals identified in paragraph 1.e on page 1 of HR.ER.002) are to be contracted and managed by HealthTrust Workforce Solutions (HWS) whenever practicable. Contract labor which falls within the definition of "Other Contract Worker" (reference Background Investigations Policy, HR.ER.002) will continue to be managed by Affiliated Employers and are excluded from the requirements set forth below (i.e., are not subject to ineligible persons screening).

HWS will continue to compare its independent contractors, colleagues of staffing agencies or contracted service entities, as appropriate, to the GSA and OIG lists and the state

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exclusion list, if applicable, to confirm a potential match by reviewing on a monthly basis. This will not be performed in the Verity product.

The CEO or designee of each Affiliated Employer is responsible for establishing, or requiring by contract, a process to conduct a monthly search of the GSA and OIG lists to confirm a potential match of any contract labor provider (“Subjects”) not otherwise managed by HealthTrust Workforce Solutions.

DEFINITIONS:

1. **At Will:** Colleagues who are in a senior leadership role with authority to make key decisions on behalf of their business entity and are in salary grades C34+, O34+, or P32+ are considered “at will” and are employed for an indefinite period by the business entity. At Will colleagues as defined above are limited to HCA Healthcare Human Resources Group (HRCO 5920), HCA Healthcare Corporate (HRCO 5950), Parallon Corporate (HRCO 5959), and ASC Center Administrator colleagues irrespective of HR Company. Such employment may be terminated with or without cause or notice at the will of either the colleague or Affiliated Employer.
2. **For Cause:** All other colleagues who are not “at will” are employed for an indefinite period; the business entity may terminate employment “for cause.” “Cause” is defined as a reason for disciplinary action that is not arbitrary, capricious, or illegal based on facts the business entity reasonably believes to be true. Some examples of cause include, but are not limited to:
 - a. Dissatisfaction with a colleague for such reasons as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior.
 - b. Economic needs subject to the reasonable judgment of the Affiliated Employer.
3. **Ineligible Person:** An ineligible person is any individual or entity who is currently excluded, suspended, debarred, or otherwise ineligible to participate in federal health care programs; is currently excluded on a state exclusion list; or has been convicted of a criminal offense related to the provision of health care items or services and has not yet been excluded, debarred, or otherwise declared ineligible or has not been reinstated in federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.
4. **Federal health care program:** Any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the U.S. Government or a state health care program (with the exception of the Federal Employees Health Benefits Program) (section 1128B[f] of the Social Security Act). The most significant federal health care programs are Medicare, Medicaid, Blue Cross Federal Employee Program (FEP)/ Tricare, and the Veterans programs.

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5. **General Services Administration (GSA)'s exclusion records in the System for Award Management (SAM):** The exclusion records in SAM (the "GSA List") identifies those parties excluded throughout the U.S. Government (unless otherwise noted) from receiving federal contracts or certain subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. The GSA List is maintained by the U.S. General Services Administration (GSA) for the use of federal programs and activities.
6. **HHS/OIG List of Excluded Individuals/Entities:** The Department of Health and Human Services' Office of Inspector General's (OIG) List of Excluded Individuals/Entities provides information to health care providers, patients, and others regarding individuals and entities that are excluded from participation in Medicare, Medicaid, and other federal health care programs.
7. **Relatives:** For the purposes of this policy, a relative is a legally recognized spouse, daughter (including grand/step/in-law), son (including grand/step/in-law), parent (including grand/step/in-law), brother (including step/in-law), sister (including step/in-law), legal ward or guardian, domestic partner or domestic partner's relatives (daughter, son, parent, brother, sister, grandparent); reference Summary Plan Descriptions available through HCAhrAnswers.com and clicking on HCA Rewards for the definition of "domestic partner."
8. **Common Domicile:** Common domicile is when two (or more) colleagues share the same legal residence.
9. **Verity, EchoMonitor (Verity):** The website portal utilized by the Company and Affiliated Employers to verify exclusions from the OIG Sanction Report, the GSA List and state exclusion lists.

REFERENCES¹:

1. Global Anti-Corruption Policy, [LL.AC.001](#)
2. [List of States with Exclusion Lists](#), Atlas Connect
3. Records Management Policy, [EC.014](#)
4. Conflict of Interest Policy, [EC.021](#)
5. Reporting Compliance Issues and Occurrences to the Corporate Office Policy, [EC.025](#)
6. Background Investigations Policy, [HR.ER.002](#)
7. Prohibition Against Contracting with Any Ineligible Person Policy, [MM.001](#)
8. Employment Separation Policy, HR.ER.012
9. Transfers Policy, HR.TA.004
10. Promotions/Demotions Policy, HR.TA.002
11. Employee Records Policy, HR.WF.001
12. 42 CFR 420.203

¹ For the most recent version of referenced Human Resources policies, please visit HCAhrAnswers.com.

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13. 48 CFR Subpart 9.4, Federal Acquisition Regulation, 9.4 – Debarment, Suspension, and Ineligibility 14. Verity Ad Hoc Search site: https://client.verity.cloud/37010/appweb/asp/userlogin.aspx 15. Verity Monthly Batch site: https://client.verity.cloud/37010-2/appweb/asp/userlogin.aspx
DISCLOSURE: If there is any conflict between the information in this policy and a Collective Bargaining Agreement (CBA), the CBA prevails for covered colleagues.
WORK INSTRUCTIONS: 1. Updating state statutes or necessary work restrictions for minors.
PROCESS MAPS: 1. To be completed at a future date.