

**NATIONAL ASSOCIATION OF LOCUM TENENS ORGANIZATIONS
CODE OF ETHICS**

I. PREAMBLE

This Code of Ethics (“Code”) is adopted by the National Association of Locum Tenens Organizations (“NALTO”) to define Members’ ethical obligations in the physician locum tenens industry. Members of NALTO are responsible for maintaining and promoting ethical practice and this Code is binding on all Members. The action of any entity controlled by a Member organization or a principal of a Member or by an entity which controls a Member shall be considered the action of a Member for purposes of this Code.¹ The establishment of and adherence to this Code is necessary for the well-being of the locum tenens profession.

This Code clarifies the manner in which each Member may fulfill its responsibilities to clients, candidates, Members, non-Members and the general public.

II. DEFINITIONS

The following terms used in this Code shall have the following meanings (and any of such terms may, unless the context otherwise requires, be used in the singular or the plural depending on the reference):

- A. Attempt - any act beyond mere preparation carried out with the intent to engage in conduct. Attempted violations may be sanctioned in the same manner as completed violations. A Member need not complete the intended act in order to be held accountable.
- B. Board of Directors - The Board of Directors of NALTO.
- C. Candidate - A physician who provides personal medical services and contacts a Member in pursuit of a locum tenens assignment, or individual who provides personal medical services and is contacted by a representative of a Member for the purposes of filling a locum tenens assignment.
- D. Chairperson – The Chairperson of the Ethics Committee appointed by the President and ratified by the Board of Directors.
- E. Client – A person or organization that utilizes locum tenens services and with which a Member has a contract to recruit candidates.

¹ “Control” means the possession, directly or indirectly, by a Member (whether individual or an organization) of: (i) the power to exercise more than half the voting rights of the controlled organization; (ii) the power to remove and replace, or a continuing power to appoint or elect or veto the appointment or election of a majority of the members of the governing body of an entity; or (iii) the right to manage the controlled entity’s affairs.

- F. Complainant – One or more person(s) or organization(s) who files a Complaint alleging one or more violation(s) of the Code.
- G. Complaint - A written charge by a Complainant alleging violation of the Code.
- H. Contract – A legally binding written or verbal agreement setting forth the terms and conditions between a Locum Tenens Company and a client or a candidate.
- I. Locum Tenens Company – An organization, company, firm or individual that facilitates the filling of locum tenens assignments, including but not limited to a Member.
- J. Member - An organization, firm, or individual that has the rights and privileges of membership pursuant to NALTO’s Articles of Incorporation or Bylaws.
- K. Non-Member – An organization, firm, or individual that is not a Member.
- L. Potential Client – A person or organization that utilizes locum tenens services and with which a Member does not have a contract to recruit candidates.
- M. President - The individual then serving as President in accordance with NALTO’s Bylaws or, if vacant for any reason, the individual temporarily fulfilling the responsibilities of the President.
- G. Respondent - A Member that has been alleged in a Complaint to have violated the Code.
- H. Ruse – A misrepresentation to a client, potential client, or candidate that is used to trick or deceive.

III. **ETHICAL RULES**

A Member shall not engage in any activity which brings dishonor to the locum tenens industry.

- A. Relations with Clients and Potential Clients
 - 1. A Member shall reasonably fulfill all agreements with clients. A Member shall not knowingly make promises to clients or potential clients that the Member does not reasonably believe it can fulfill.
 - 2. A Member shall preserve all confidences concerning a client’s business, unless disclosure is expressly permitted by such client in writing.

3. A Member shall not knowingly make a false or misleading statement to a client or a potential client. A Member shall at all times represent a candidate's work history and qualifications as accurately as possible.
4. A Member shall possess a signed written contract from client which clearly states all conditions under which a fee may be incurred before submitting a curriculum vitae for the client's consideration (excepting government contracts).
5. A Member shall not present or refer, either in person, by curriculum vitae or by name, a candidate to a client, except at the request of the client and only with the candidate's knowledge and permission.
6. A Member shall not initiate the performance of services for a client if:
 - a. the performance of services will violate this Code or any applicable law;
 - b. the Member learns that the client has used the Member's services in the past to commit actions which violate this Code or any applicable law;
 - c. an impairment of any kind will prevent or limit the Member from performing full and fair services to a client.
7. A Member shall comply with all federal, state and local laws and regulations governing the proper classification of independent contractors.
8. A Member should never keep the revenue generated by the independent contractor physician.
9. A Member shall not ruse a client or potential client.

B. Relations with Candidates

1. A Member shall reasonably fulfill all agreements with candidates. A Member shall not knowingly make promises to a candidate that the Member does not reasonably believe it can fulfill.
2. A Member shall preserve all confidences concerning a candidate, unless disclosure is expressly permitted by such candidate in writing.

3. A Member shall not knowingly make false or misleading statements to a candidate. A Member shall describe to each candidate as accurately as possible the responsibilities, compensation, hours, and other pertinent information concerning prospective opportunities.
4. A Member shall not present a candidate's name or curriculum vitae to a client or without the prior consent of the candidate.
5. At a minimum, disclose the following information to a candidate when requesting permission to present such candidate to a client:
 - a) The name of the client.
 - b) The name of the facility and the location of the worksite.
 - c) The time frame of assignment.
 - d) The clinical requirements.
6. A Member shall not refer a candidate to a client whose business practices are known by the Member to violate the Code or applicable law.
7. A Member shall not ruse candidates.
8. A Member shall not solicit, encourage or entice a candidate to breach a contractual obligation.
9. A Member should never provide medical supervision over a candidate or his/her patients.
10. A Member should execute contracts with candidates only as independent contractors and report this revenue on all required federal, state, and local tax filings and forms, including the IRS Form 1099. A Member should never enter into a contract whereby the candidate is or could be construed as an employee of the Locum Tenens Company.

C. Relations with Members

1. A Member shall not knowingly discredit the reputation of another Member.
2. A Member shall not defame, malign or make false accusations concerning another Member.
3. A Member shall not knowingly misrepresent facts concerning a Member to another Member, or to any third party.

4. Members should attempt to amicably resolve any disputes between them themselves and other Locum Tenens Companies with minimal involvement of the client or candidate.
- D. A Member shall not interfere with the contractual relations of another Member.
- E. Cooperation
1. A Member under investigation by the Ethics Committee shall promptly and fully cooperate. Such Member shall timely honor requests for documentation, testimony and explain the facts and circumstances concerning a suspected violation of the Code. A Member's failure to promptly and fully cooperate with an investigation constitutes a violation of this Code.
- F. Advertising and Other Communications
1. A Member shall not knowingly make a false or misleading statement about the Member or its services, or about any other Member or their services in the context of advertising, marketing or through any other communications. A statement is "false" or "misleading" if it:
 - a. contains a material misrepresentation of fact or omission of material fact that would make the statement as a whole misleading;
 - b. is likely to create an unjustified expectation about the results the Member can reasonably achieve, or states or implies that the Member can achieve results that violate this Code or any applicable law; or
 - c. compares the Member with another Member that cannot be factually substantiated, or if the comparison is inaccurate or does not reasonably compare the services.
 2. A Member shall not knowingly misrepresent or malign the position of NALTO.
 3. A Member shall not advertise locum tenens opportunities using employer-employee terms of art, such as representing that a locum tenens opportunity offers fringe benefits, vacation or profit sharing.
- G. Attempted Violations

1. Attempted violations of any provision of this Code shall be treated as if those attempts had been completed.

H. False Reports

1. NALTO will not tolerate a Member knowingly filing a false report or incident. It is a violation of this Code for a Member to knowingly file a false Complaint.

IV. ETHICS COMMITTEE

- A. There shall exist an Ethics Committee that shall consider a complaint forwarded by the President and the Ethics Committee Chairperson.
- B. The Ethics Committee shall consist of a Chairperson appointed by the President and a minimum of one (1) representative each from at least three (3) Members. The Chairperson is appointed by the President for a three (3) year term. All of the Ethics Committee Members must be individuals actively employed by a Member and shall be appointed by the Chairperson for a three (3) year term, subject to the Board of Directors' approval. The Chairperson and Ethics Committee Members may serve unlimited consecutive terms.
- C. The Ethics Committee shall be responsible for reviewing and resolving Complaints. The Ethics Committee may also institute an investigation of suspected violations of the Code by majority vote of the Ethics Committee Members. As necessary, NALTO reserves the right to initiate a Complaint, to serve as Complainant, appoint a proxy Complainant, and/or to initiate an investigation without a formal Complaint.

V. GRIEVANCE PROCEDURES

A. Complaints

1. A Complaint may be filed with NALTO by a Member, a candidate, a client, or a potential client. The Complaint must be in writing on a prescribed NALTO Complaint form and shall be accompanied by any relevant supporting material. All Complaints must be received within three (3) months of discovery of an alleged violation, and no later than twelve (12) months from the date of alleged violation, unless the Chairperson finds good cause for delay and determines that a fair review may be held despite the delay. A Complainant need not be an individual who directly witnessed, or was affected by, the alleged conduct.

2. A Complaint must be filed in writing and sent directly to NALTO. Once a Complainant reports an alleged violation, the Complainant may not withdraw the Complaint unless the Chairperson agrees such withdrawal is appropriate. Failure to provide adequate documentation may result in dismissal of the Complaint by the Chairperson.
3. Any Ethics Committee Member may recuse themselves due to a conflict of interest or bias that would affect their ability to consider a Complaint fairly. In the event that a Complaint brought before the Ethics Committee alleges misconduct by a Member of the Ethics Committee, that Ethics Committee Member will be excused from any involvement in the Complaint.

B. Reasonable Cause to Proceed

1. Before commencing an investigation, the Chairperson and President shall determine whether there is reasonable cause to proceed to an investigation. If the Chairperson and President determine that the alleged conduct does not reasonably constitute a possible violation of the Code, that the matter asserted is inconsequential, or if the Complaint appears to be motivated by personal animosity, the Chairperson and President may conclude that there is not reasonable cause to proceed. If the Chairperson and President determine that there is not reasonable cause to proceed, the Chairperson and President shall dismiss the Complaint and shall notify the Complainant and Respondent of such dismissal.
2. If the Chairperson and President determine that the alleged conduct reasonably constitutes a possible violation of the Code, the alleged violation was committed while the person was a Member, and the matter asserted is not inconsequential, the Chairperson and President shall conclude that there is reasonable cause to proceed, refer such Complaint to the Ethics Committee for investigation and shall notify the Complainant and Respondent in writing that the Complaint has been forwarded to the Ethics Committee for investigation.

C. Notification of Investigation

Within thirty (30) days of a determination by the Chairperson and President that there is reasonable cause to proceed with an investigation, such determination will be sent to the Respondent. The notification shall:

- a. contain a copy of the Complaint;
- b. contain a copy of the Code;
- c. advise the Respondent of their right to respond to the Complaint and the allegations and to offer exculpatory evidence in writing;
- d. specify the provisions of the Code that the Complainant has alleged that Respondent has violated; and
- e. inform the Respondent that it may file a response to the Complaint within thirty (30) days of the date of the notice.

D. Investigation Process

1. Disposition without Interview

- a. If Respondent fails to file a response to the notification within the thirty (30) day period, the Respondent shall be deemed to have waived their right to respond and the Ethics Committee may proceed to resolve the Complaint.
- b. If an interview has not been requested by the Respondent within the allotted time, the Ethics Committee will assign an investigator who will investigate the Complaint and make a recommendation to the Ethics Committee. The Ethics Committee will vote on the recommendation.

2. Disposition with Interview

- a. At the Respondent's request, the Investigator may schedule a telephone interview for Complainant and Respondent's testimony.
- b. Interviews will be conducted in an equitable manner so as to provide fairness to the Complainant and Respondent and all other interested parties. The interview normally will consist of distinct phases: the "responsibility phase," during which the Ethics Committee will consider evidence regarding whether a violation has occurred and the "sanctions" phase, during which the Ethics Committee will consider evidence related to what sanctions to impose.

- c. During the Interview, the Complainant and Respondent will have the opportunity to present witnesses and pertinent evidence. The Chairperson will exercise control over the interview and the conduct of all persons participating in or observing the Interview. The Chairperson also makes determinations regarding the relevance or admissibility of evidence. The Chairperson may limit questions or witnesses that are repetitive or unlikely to produce new information. Evidence may be presented by telephone or by video conference. All testimony at the hearing shall be recorded or otherwise preserved. Formal rules of evidence employed by courts of law do not apply to proceedings under this Code. The Respondent shall have the right to have the presence of a silent supporter (who may be legal counsel) to attend the Interview. The silent supporter may not participate in the interview in any manner.

3. Ethics Committee Decisions

- a. If the Ethics Committee determines that at least one violation occurred, the Ethics Committee will determine an appropriate sanction for the violation(s). The Ethics Committee will consider the gravity of the violation, the impact or potential impact of the violation on NALTO, and actions necessary to remedy the violation. The Ethics Committee may also consider extraordinary circumstances present at the time of the violation that impacted the Respondent's actions and any aggravating factors. A sanction will require the majority vote of the Ethics Committee Members participating. Voting may be either in person or by telephone conference call.
- b. All deliberations will occur in private, and the Ethics Committee may consult legal counsel with questions about interpretation of the Code, case precedent, or procedural matters.
- c. If the Ethics Committee determines the Respondent violated the Code, the Ethics Committee may impose any one or more of the following sanctions: education and quality assurance, private reprimand, probation, suspension or expulsion, all as defined in Article VI of this Code.
- d. The Ethics Committee shall make a final determination within ninety (90) days of the commencement of investigation or ninety (90) days of the failure by Respondent to respond, whichever is

later. The Respondent shall be notified of the decision by the Ethics Committee in writing within thirty (30) days of the date of the Ethics Committee's final determination.

- e. The Chairperson will prepare a brief written statement outlining the Ethics Committee's decision and its basis for responsibility and, if applicable, a sanction, and also deliver the record to the President.

E. Appeal to Board of Directors

1. Time for Appeal - A Respondent will have the right to appeal the Ethics Committee's decision in writing. The Respondent must submit a written appeal specifying the ground(s) for appeal and the reasoning supporting the grounds to the President within fifteen (15) calendar days of receiving the written decision of the Ethics Committee. The President may grant reasonable extensions for good cause. The Respondent may also appear in person or by video or telephone conference at the next regularly scheduled Board of Directors meeting.
2. Grounds for Appeal - Appeals are limited to the following grounds:
 - a. The judgment and/or sanction was discriminatory;
 - b. Material prejudicial procedural error occurred that significantly affected the outcome;
 - c. Insufficient evidence to support the finding of responsibility;
 - d. Excessive or inappropriate sanction; or
 - e. New or potentially exculpatory evidence discovered after the hearing that could not have been discovered by due diligence.
3. Procedures for Appeal - Upon receipt of a properly filed and timely appeal, the Board of Directors will review the Respondent's appeal letter, the record, and any other records it deems advisable. The Board of Directors will determine whether the Respondent has made a claim that has potential merit within thirty (30) days of receipt of the written statement, or if the Respondent appears at the next regularly scheduled Board of Directors' meeting, within thirty (30) days of the Board of Directors' meeting, unless the President authorizes a reasonable extension for good cause. The decision of the Ethics Committee will stand until the Board of Directors makes their final determination.

4. All appeal proceedings in person or by video or teleconference before the Board of Directors shall be recorded or otherwise preserved.
 5. The Board of Directors may take any and all actions it deems appropriate, including but not limited to ordering a new investigation to take place if it finds that the matter may be corrected upon rehearing a new investigation; lessening the sanction as appropriate, if the Board of Directors finds that the sanction imposed by the Ethics Committee is excessive or inappropriate; or it may dismiss the Complaint if the Board of Directors concludes that a new investigation cannot remedy the issue.
 6. The Board of Directors shall make a final determination of an appeal within ninety (90) days of receipt of an appeal.
- F. The President will report the Board of Directors' final decision to Complainant and Respondent. The decision of the Board of Directors is considered final, and no further appeal may be submitted.

VI. DEFINITIONS OF SANCTIONS

- A. Education and Quality Assurance – The Member is warned that education and review of the quality assurance standards is recommended.
- B. Private Reprimand - The Member is warned that their conduct violated the Code and that future violations of the Code may result in more stringent discipline. It is intended that written admonition shall be appropriate for minor violations of the Code, or for first time violators of the Code.
- C. Probation - A specified period of time of up to twelve (12) months. During a period of probation, the organization on probation may not state that it is a Member, may not use the NALTO logo, and may not have access to any services offered by NALTO. Additional restrictions or conditions may also be imposed. If a Member violates the terms of their probation, the Board of Directors may extend the probation period or suspend the Member. There will be no refund of dues previously paid.
- D. Suspension – Separation of the Member from NALTO for a specified period of time up to eighteen (18) months. During the time of suspension, the sanctioned Member may not state that it is a Member, may not use the NALTO logo nor access any services offered by NALTO. Furthermore, a suspended Member will not be allowed to attend any NALTO meetings or otherwise participate in any NALTO-sponsored activities. Additional restrictions or conditions may also be imposed. There will be no refund of dues previously paid.

- E. Expulsion - Permanent separation of the Member from NALTO. Expulsion requires administrative review and approval by the Board of Directors and may be altered, deferred, or withheld. Former Members who have been expelled may reapply for membership after three (3) years from the date of Expulsion, in which case the application will be reviewed by the Board of Directors at their next regularly scheduled meeting. There will be no refund of dues previously paid.
- F. Other Sanctions – Other sanctions may be imposed instead of or in addition to those specified in sections (A) through (E) of this Article VI.

VII. MISCELLANEOUS

- A. Confidentiality - All information gathered in the course of investigations by the Ethics Committee and the Board of Directors, if applicable, shall be confidential and shall remain known only to those persons who have a need to know such information. The intentional or unintentional release of confidential information may be deemed a violation of the Code.
- B. Publication - If the Board of Directors deems it useful for education purposes, the Board of Directors may publish a summary of the final report after having redacted the names of the Complainant, Respondent, and other parties involved. Reasonable efforts will be made to protect the confidentiality of the Complainant, the Respondent, and other parties involved.
- C. Confirmation – NALTO will, at the request of a candidate, a client or a potential client, disclose the membership status of a Member, and state whether that Member has ever been found to have violated this Code, and will disclose only those matters that have resulted in probation, suspension or expulsion. No other sanctions will be disclosed. Matters which were overturned on appeal by the Board of Directors shall not be disclosed.
- D. Amendments - This Code is subject to change and may be amended, supplemented or superseded by one or more separate policies without further notice. All Members are responsible for continuous review of this Code.

I have read this Code and agree to adhere to it.

Version 2018 03 02