

CORPORATE COMPLIANCE PROGRAM

AN OVERVIEW OF THE APRIA HEALTHCARE CORPORATE COMPLIANCE PROGRAM

I. Code of Ethical Business Conduct and Implementation of Corporate Compliance Program.

Apria Healthcare Group Inc. ("Apria Healthcare" or the "Company") has developed, and its Board of Directors has adopted and approved, a Code of Ethical Business Conduct – Policies and Guidelines of Apria Healthcare (the "Code") – and the implementation of the Corporate Compliance Program (the "Program"), as described in this document. The Code includes written standards and procedures that address a range of issues, including the Company's policies with respect to general corporate obligations (such as those relating to confidentiality and personnel issues) and healthcare industry specific obligations (such as those relating to the Anti-Kickback Statute and the Stark Law). The Code and the Program applies to officers, employees, and certain independent contractors of Apria Healthcare and its subsidiaries. A copy of the Code shall be reviewed annually by the Company's Corporate Compliance Committee (the "Committee").

II. The Compliance Officer.

The Committee shall select from time to time a specific individual within high-level personnel to oversee the Program's implementation (the "Compliance Officer"). The Compliance Officer shall have responsibility for compliance operations and reporting requirements.

The Compliance Officer shall be accountable and required to report directly to the Committee on a regular basis. The Compliance Officer shall constantly monitor and evaluate the Program, making adjustments when necessary.

When an alleged violation of the Code or non-compliance with the Program is brought to the attention of the Compliance Officer, the Compliance Officer shall have the authority to:

- (a) investigate the matter and determine the validity of any allegations himself/herself;
- (b) instruct an individual or audit team within the Company or an outside consultant or team of outside consultants (with appropriate expertise) to investigate the matter, determine the validity of any allegations, and

thereafter report such findings to the Compliance Officer; and

- (c) determine the appropriate manner for disposing of each matter, based on the findings of fact.

The Compliance Officer shall act in consultation with the Committee when appropriate.

III. The Committee.

The members of the Committee shall include the Company's Chief Operating Officer, the Corporate Compliance Officer, and a representative of the General Counsel's Office. A corporate officer shall serve as the Chair of the Committee. The Committee shall have overall responsibility for implementation of the Program and shall work in consultation with and provide guidance to the Compliance Officer in this regard. The frequency of meetings will be determined by the Chair.

IV. Communication of the Code of Ethical Business Conduct.

The Code shall be circulated to each employee. Each employee shall sign an acknowledgment that he/she has received the Code, will read the Code and will comply with the Code. Each employee also acknowledges that he or she will ask questions if there is something in the Code that he or she does not understand.

V. Information and Education Programs.

Apria Healthcare shall institute and maintain information and education programs designed to ensure that each appropriate officer and employee is aware of all applicable laws, including Medicare and Medicaid laws, regulations and standards of business conduct that such individual is expected to follow and the consequences both to the individual and to the Company that will ensue from any violation of such requirements.

VI. Communicating Apria Healthcare's Commitment to the Corporate Compliance Program.

Apria Healthcare shall post, at a prominent place accessible to each employee, a notice detailing the Company's commitment to comply with all applicable laws and regulations, including all Medicare and Medicaid laws and regulations, in the conduct of its business. A copy of this notice shall be reviewed periodically by the Committee.

Adherence to the Program shall be made an element of each employee's performance standards.

Apria Healthcare shall implement and maintain a periodic certification requirement pursuant to which certain managers attest that they personally: (a) have

discussed with each employee under their direct supervision, the content and application of the Program; (b) have informed each such employee that compliance with the Code is a condition of employment; (c) have informed each such employee that the Company will take appropriate disciplinary action, up to and including termination, for violation of the principles and practices set forth in the Code and/or any applicable laws or regulations; and (d) are not aware of any Apria Healthcare business practice that could constitute a violation of the Code (or describing any such practice of which they are aware).

VII. Dealing with Excluded or Convicted Persons or Entities

Apria Healthcare shall not knowingly employ or contract with, with or without compensation, an individual or entity who is listed by a federal agency as debarred, suspended or otherwise ineligible to participate in federal programs. In order to carry out the policy, the Company shall make reasonable inquiry into the status of any current or potential employee, consultant, or contractor. Such reasonable inquiry shall include, at a minimum, review of the HHS/OIG Cumulative Sanctions Report, the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, and the SDN (Specially Designated Nationals) list published by the Department of Treasury's Office of Foreign Assets Control.

The Company shall not allow, or cause to be allowed, any person convicted in any local, state or federal court of any felony involving healthcare matters to hold the position of officer of Apria Healthcare, or any of its subsidiaries.

VIII. Auditing.

Apria Healthcare shall conduct regular audits of its activities using its internal auditors, independent auditors, or Apria personnel, as may be appropriate. The auditors shall have access to all corporate policies, permits and regulations pertinent to the facilities and activities being audited. The Committee shall be kept apprised of such auditing activity.

IX. Confidential Disclosure Program.

The Company shall have a hotline for use as a confidential reporting system, and the Committee may adopt and implement other appropriate methods for the confidential reporting of violations of the Code or the Program.

The hotline shall function as an anonymous method for reporting violations of the Code and the Program. Apria Healthcare will maintain the anonymity of any caller, should the caller choose not to voluntarily reveal his/her identity, within the limits of the law. Callers who choose to reveal their identity will be protected by the Company's non-retaliation/non-retribution policy. Those individuals answering hotline calls will document all calls received through the hotline. Appropriate personnel will then

follow up on such calls and determine the appropriate action to be taken.

X. Discipline.

Apria Healthcare shall consistently impose discipline on individuals found to have violated the Code or the Program. No favoritism for high-level employees shall be tolerated.

Disciplinary measures have been developed by the Company, with oversight by the Committee, and shall match the severity of the offense, with a range of potential sanctions.

**CALIFORNIA ADDENDUM TO CORPORATE COMPLIANCE
PROGRAM**

Statement of spending limits:

Apria Healthcare has implemented an annual company-wide limit on expenditures on healthcare professionals. Apria Healthcare's current company-wide aggregate annual limit per healthcare professional is \$300. Apria Healthcare employees, either individually or in the aggregate, may spend no more than \$300 annually per healthcare professional. Of course, this individual and aggregate employee limit is further subject to the limits on expenditures on individual gifts and meals contained in our Legal Department Policies and Procedures as well as the PhRMA Code.

Certification:

To the best of its knowledge, information, and belief, Apria Healthcare is in compliance, in all material respects, with its Comprehensive Compliance Program and its good-faith understanding of the requirements of California Health and Safety Code Sections 119400 – 119402 during the period between July 1, 2008, and June 30, 2009. Copies of this certification and the Comprehensive Compliance Program may be obtained at www.Apria.com or by calling 1.800.260.8808.

/s/ Margaret F. Brown
Corporate Compliance Officer

Dated: July 1, 2009