Living Our Purpose and Core Values

Code of Business Ethics and Conduct
December 2015
Our Purpose

To do everything in our power to stand with our members in sickness and in health.

Our Core Values

**Integrity:** Always do the right thing.

**Respect:** Everyone deserves it.

**Commitment:** We care too deeply to let anyone down.

**Caring:** We put our heart into our work.
A Message from Paula Steiner

Since our company’s founding in 1936, our Blue Cross and Blue Shield brand has grown to become the strongest in our industry and one of the most respected in the world.

There are a number of reasons for this, such as unparalleled service and worldwide health coverage, but none more important than trust.

Having the most trusted brand in health insurance is a tremendous competitive advantage and also a point of personal pride. For me, knowing the stature of our brand in the marketplace, it is a privilege to represent Blue Cross and Blue Shield and also a responsibility to uphold our legacy of trust.

Today, especially with so many new health care consumers, all of us have to continue to earn the trust of members, providers and other key stakeholders. The foundation of that trust is demonstrating our core values of integrity, respect, commitment and caring. And the challenge is not doing the right thing most of the time; it’s doing it all of the time, especially when the right decision isn’t easy or clear.

When ethical decisions are made more difficult by competitive pressures or confusing circumstances, I encourage you to read the Code of Business Ethics and Conduct. It’s also a good habit to review this booklet periodically, whether or not you’re faced with a hard decision. In here, you will find a number of other resources to whom you can turn for guidance.

What’s important is that as we stand with our members, we all strive to do the right thing every day. Our trusted brand depends on it.

With the continued commitment of every HCSC employee to the highest level of ethical behavior, we will be taking the first step toward remaining one of the premier health insurance companies in America.

Sincerely,

Paula Steiner
President and Chief Executive Officer
Health Care Service Corporation
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At HCSC, we act ethically and honestly in everything we do. Working with integrity is one of our core values, and it’s how we want to be known. Our Code of Business Ethics and Conduct is an essential tool to help us live our values and succeed with integrity. Consider the Code as your guide for doing what’s right. It spells out the standards of behavior we expect from you and the policies and regulations that you are expected to uphold. It also helps you determine how to respond in challenging situations and how to voice your concerns.

Our reputation is determined by the actions we take every day. If, after reading the Code, you have additional questions or concerns, please consult your supervisor, myself or any member of the Ethics and Compliance team. Together our Code and core values of integrity, respect, commitment and caring will help us find the right path in any situation.

Thank you for commitment to HCSC’s Compliance Program.

Tom Lubben
Chief Ethics and Compliance Officer
Health Care Service Corporation
Honor the Code: It Applies to You

HCSC’s Board of Directors has adopted this Code of Business Ethics and Conduct ("the Code"), which applies to everyone at our Company and our subsidiaries, including all Officers, management and employees. Compliance with this Code and the Compliance Program is a condition of employment.

Know Your Responsibilities as an Employee

Act Ethically

You must conduct Company business in accordance with all applicable laws, regulations, contractual obligations and Marketplace Requirements, and behave ethically and with integrity. When making business decisions, always follow the principles of the Code.

Uphold the Code

Read and understand our Code of Business Ethics and Conduct and adhere to all Company policies, procedures and corporate standards. Claims of ignorance, good intentions or poor judgment are no excuse for non-compliance. Violations of any policies, procedures or standards, or failure to report violations will result in disciplinary action, up to and including termination.

Speak Up

Maintaining ethical standards means we value our work environment enough to speak up when we have questions or concerns. If you see or suspect that someone is violating the law, our Code or policies, procedures or standards, you have a responsibility to report it to your Supervisor or another Corporate Resource. Do not investigate the matter yourself.

Do Your Part

Be truthful and cooperate fully with any Company-related investigation or audit. Furnish all related materials and facts concerning suspected violations and ensure that this information is accurate and complete. We take all suspected violations of the Code or Company policies and procedures seriously and investigate each. The Ethics and Compliance Department may enlist other areas of the Company to review the information supplied or conduct their own investigation.

Certify Your Participation

In accordance with the Compliance Program or other Company policies, procedures and corporate standards, you may be asked to complete a certification form pertaining to training you attend, mandated requirements you fulfill or the work you produce or oversee. These certifications, along with other mandatory compliance requirements, must always be completed within the time frame specified. If you have concerns about the certification process or any required supporting documentation, consult with your Supervisor or another Corporate Resource.

For information regarding how ethical responsibilities impact employee compensation, see Employee Ethical Behavior Competency.
Know Your Responsibilities as Supervisor

Maintain an Ethical Workplace

If you are a Supervisor, you are responsible for the actions of your employees. You have a special responsibility to maintain a work environment in which employees know that ethical and legal behavior is expected.

Set a Good Example

As a Supervisor, you must make sure that your employees understand and apply the ethical standards set out in the Code. You must also set a personal example of high ethical standards in your daily work.

Listen

To do so, listen to your employees’ concerns. Make sure that your employees feel comfortable voicing their concerns by maintaining an open door policy. Let employees know that you are always available to listen to their concerns and help them make a good faith report.

Take Immediate Action

If an employee does come to you with a concern, you have an obligation to report that issue to Human Resources or another Corporate Resource immediately. Do not investigate the matter yourself, and do not tolerate retaliation against the employee by others.

For information regarding how ethical responsibilities impact management compensation, see the Manager Ethical Behavior Competency.

Make Good Choices

Our business is governed by complex and ever-changing laws, rules and regulations. We recognize that complying with a demanding regulatory environment can sometimes create uncertainty for employees. That is why we want you to have the resources and training you need to make ethical and legal decisions.

We expect you to raise questions when you have doubts about whether an action or situation may be improper. We also expect you to report any activity which you believe may violate any applicable laws, regulations, policies or the Code. We do not tolerate any retaliation for bringing forward a good faith concern. “Good faith” does not mean being correct about the potential violation. It means reasonable belief that the information you provided is truthful. Any person who violates this policy will be subject to disciplinary action and could face termination.
1.5 Voice Your Concerns: Corporate Integrity HOTLINE

At HCSC, our employees have an obligation to report problems or concerns of ethical or compliance violations. While your Supervisor is usually your first and best resource for questions and concerns, you do have other options available, such as the Corporate Integrity HOTLINE. The Corporate Integrity HOTLINE allows you to seek guidance or report those concerns by calling toll-free, 1-800-838-2552.

All calls can be made anonymously and without fear of retaliation. When you call, we encourage you to provide accurate, complete information that will assist us with an investigation. Be prepared to describe:

- The situation, including when and where it occurred
- How you know about the situation
- How the situation occurred (e.g., if a procedure was violated or instructions were given, dates and times of occurrence)
- Anyone else who has observed the situation or anyone you have talked to about it
- Who or what might be affected
- Any documents or evidence to support your report

When in doubt, ask yourself:

1. Is the action legal?
   - Yes – Ask yourself:
   - No – Stop, don’t do it.
   - Not sure – Seek help.

2. Does it reflect our Company values?
   - Yes – Ask yourself:
   - No – Stop, don’t do it.
   - Not sure – Seek help.

3. Is it consistent with the Code and our Company Policies?
   - Yes – It’s probably okay to proceed, but never compromise our values.
   - No – Stop, don’t do it.
   - Not sure – Seek help.

Discuss the issue with your immediate Supervisor.

Discuss the issue with another Corporate Resource or the Chief Ethics and Compliance Officer. If you are not comfortable doing this, go to the next step.

Call our Corporate Integrity HOTLINE at 1-800-838-2552 or report your concern using one of the email options listed below. Your call can be anonymous; you do not have to give your name. For more information, see the section of the Code titled Corporate Integrity Hotline. Issues may also be reported in writing and emailed to the Ethics and Compliance Department or faxed to (312) 938-5431. For anonymous email reporting, log into https://hcsc.alertline.com and follow the prompts to file a report or follow up on an existing report.
HOTLINE calls are not traced, and the information is treated in a confidential manner, subject to legal limits. Reported issues will be addressed and action taken appropriate to the seriousness of the violation. We handle investigations confidentially and have a policy of non-retaliation against anyone who makes a good faith call. This includes calls from consultants, agency temporary employees, customers, providers, vendors and producers and other entities with whom we do business. Any employee who violates this policy will be subject to disciplinary action up to and including termination.

The Corporate Integrity HOTLINE should not be used as a substitute for talking to your local management team, Senior Management or other Corporate Resource. Use this tool when you believe you have exhausted normal Company channels or feel uncomfortable talking to your Supervisor or another Corporate Resource.

The Corporate Integrity HOTLINE is available 24 hours a day, 7 days a week.

Q. Will I be informed about whether or not my concern was investigated and what the outcome was?

A. All Corporate Integrity HOTLINE calls are taken seriously. We handle investigations discreetly and professionally. Feedback may be limited because we are obligated to protect the rights of everyone involved.

Q. I am concerned that I am the only person who witnessed a co-worker’s misconduct. If I report it, he will know it was me. I’m afraid to call, but should I anyway?

A. Yes. Our Company has a policy that prohibits retaliation against anyone for making a call in good faith. Don’t ignore this activity. Speak up!

Vital Sign

We all have a responsibility to do what’s right and to speak up when we see or suspect conduct that violates our policies.
Success Through Integrity

We believe integrity is all about doing the right thing. Through every transaction and every interaction with others, integrity must remain one of our highest standards. Every day we have a responsibility to demonstrate our commitment to our stakeholders and customers and protect our good name.
Compliance with the Law

Our Standard

You must conduct Company business in accordance with all applicable laws, regulations, contractual obligations and Marketplace Requirements, and behave ethically and with integrity. When making business decisions, always follow the principles of the Code.

Your Duties

It’s up to you to ensure your own compliance with any laws, regulations and contractual obligations that apply to our Company.

• If you work on a government program, e.g., Indian Health Service, Medicaid and Medicare, state or municipal government employee benefit programs or perform work related to the Affordable Care Act, you must understand and follow the terms of any applicable contract and all related policies, procedures, corporate standards, Marketplace Requirements and government guidance.

• Bring any questions or concerns regarding specific laws, regulations or any legal issue promptly to the attention of the Legal Department.

• Never jeopardize your job, your co-workers’ jobs or the Company’s future by taking part in a potentially illegal or unethical activity.

• If you are involved with purchasing goods or services, be sure to follow our Procure-to-Pay Policies and Execution of Instruments Policy. These policies require that purchases be reviewed and approved by internal stakeholders to ensure compliance with federal and state laws and regulations.

• If you enter into any contract on the Company’s behalf, you have a duty to make sure it complies with our Execution of Instruments Policy, is consistent with our other policies and is in our Company’s best interests.

Q. My Supervisor has asked me to do something I believe is illegal. I’m afraid if I don’t do what I’m told, I could lose my job. Should I do it?

A. Discuss it with your Supervisor to be certain that you both understand the facts. If your concerns are not resolved, contact a higher level Supervisor or another Corporate Resource. Breaking the law is never acceptable.

Q. I have been working with an outside vendor to finalize a contract. Can I sign the contract on behalf of the Company?

A. All draft contracts, including Statements of Work, must be submitted to the Corporate Procurement Department for review and processing in order to ensure they comply with the law, are in our Company’s best interests and follow all applicable policies.

Vital Sign

We have an obligation to know, understand and follow the laws, regulations and corporate standards that apply to the work we perform.
For more information, consult the following Company Policies:

- Compliance with the Law Policy
- Procure-to-Pay Policies
  - Purchasing & Supplier Payment
  - Sourcing and Supplier Contracting
- Execution of Instruments Policy

Conflicts of Interest

Our Standard

Although you may not realize it, every day you make business decisions that affect our Company. It is critical that you make each decision objectively and in our Company’s – not your own – best interests.

Your Duties

To protect our interests and our reputation, we depend on you to avoid situations where your personal interests could conflict, or even appear to conflict, with the interests of the Company, also known as conflicts of interest. Remember:

- Never allow personal gain to influence your judgment in making business decisions.
- Be free of actual, apparent or potential conflicts of interest when dealing with people or business entities on behalf of the Company.
- Award business solely on merit and on a competitive basis. Whenever possible, ensure the best value for the Company.

Nepotism and Other Forms of Favoritism

- Do not conduct Company business with any entity in which you or your family owns at least five percent or controlling interest. A family member is an employee’s:
  - Current spouse or domestic partner
  - Parent/stepparent
  - Children (includes biological, adopted, foster or other legally placed children)
  - Siblings (includes biological, step or half)
  - Grandparent
  - Grandchild
  - In-laws
  - Corresponding family members of any employee’s spouse or domestic partner
- Never use information that comes to you through work for personal investment or gain. Also do not share this type of information with family members or others.
- Employment of family members is permitted, but avoid direct or indirect responsibility for the hiring or supervision of a family member. Even the appearance of favoritism can have a negative effect on employee morale and perception of the Company’s fairness to all employees.
Personal Relationships

• If someone close to you, whether a family member or friend, works for a competitor, vendor, provider, customer or producer, be aware of potential security or confidentiality issues and conflicts of interest.

• Avoid romantic or close personal relationships with another employee where one individual supervises the other’s performance, salary, schedule or other working conditions.

• Review the situation with your Supervisor to see if there is a conflict and how to resolve it.

Competing Against the Company

• Never compete against the Company, either directly or indirectly, in any of the products or lines of business that we currently sell or may be selling or developing.

• Do not use your position with the Company for your own – or anyone else’s – gain.

Outside Employment and Other Activities

• Recognize that a conflict of interest may exist if an outside activity hinders or distracts you from performing your job or influences your judgment.

• Do not engage in any activity that negatively impacts your job performance.

• Generally, do not seek or accept any outside employment with a competitor, provider or entity which does business with our Company. If you have any questions about a particular job or activity, contact your Supervisor.

Note: It is not possible to list every type of potential conflict of interest. When in doubt, talk to your Supervisor or another Corporate Resource.

Q. My spouse works for a company that proposes to supply higher quality, less expensive supplies to our Company than our current vendor. Can we deal with that company?

A. As long as you stay out of the purchasing decision, the Company can reach an independent judgment. Always notify your Supervisor of any close relationships with vendors or business partners.

Q. I have an outside business selling fitness products. Can I use Company bulletin boards, email or interoffice mail to advertise these products to co-workers?

A. No. While you may engage in an outside business on your own time, (if no conflict of interest exists) you may not promote your products or services during Company hours or on Company property. Also, you may not use the Company’s name, facilities or resources (e.g., time, phones, copiers) to conduct personal business activity.
Vital Sign

Never use information that comes to you through your job for personal investment or gain. Also, never share this type of information with family members or others.

For more information, consult the following Company Policies/Documents:

- Conflicts of Interest Policy
- Nepotism and Other Forms of Favoritism Policy
- Conflict of Interest Decision Tree

2.3 Gifts, Gratuities and Kickbacks

Our Standard

In dealing with vendors, service providers and customers, we maintain the highest standards of integrity and objectivity. We may not accept or give gifts or gratuities beyond common business courtesies of nominal value.

Your Duties

Gifts and entertainment are a part of doing business, but if they are lavish or offered too frequently, they can compromise your objectivity and create the appearance of favorable treatment. It’s up to you to recognize when a gift or gratuity is excessive and refrain from giving or receiving them.

- Never offer or accept gifts or items of value to or from government employees. Restrictions exist regarding entertainment of government employees. Rules relative to government employees should always be reviewed with the Ethics and Compliance Department or Legal Division. (See Standard 4.3, Gifts to Government and Regulatory Officials)
- Never accept or give kickbacks when obtaining or awarding contracts, services, referrals, goods or business. A kickback is an offer to receive, request or pay anything of value, even nominal value, to reward business referrals, including goods or services.
- Do not accept or offer gifts, gratuities or favors except common business courtesies of nominal value ($50 or less) that are given to or received from one source.
- Remember the value of all gifts received in one year from all business sources must not exceed $150. Gifts exceeding this policy must be approved by the President, Executive Vice President or Senior Vice President.
Do not offer or accept gifts of cash or cash equivalents to or from any current, former or potential vendor, customer, broker or provider. Cash equivalents include checks, honoraria, money orders, stocks and savings bonds. Gift certificates and gift cards are not considered cash equivalents, but they are subject to our limits on business courtesies.

Entertainment and meals offered or received by employees as part of legitimate business activity are not included in the $50 gift limit, but they must be within reason and moderation. Prizes from raffles and drawings as part of a legitimate business activity (such as a conference) may be accepted if:

- The raffle or drawing is a legitimate giveaway and not an attempt to influence your judgment.
- The event is open to the public or to all attendees and your name was chosen at random.
- The prize is not excessive and appropriate to the occasion.
- The prize is not cash.
- You are not under any obligation to the company sponsoring the event.

Generally, prizes from raffles and drawings outside of business activities are not considered gifts.

Although we do not set a dollar limit on gift-giving among employees, always use good judgment when giving or accepting gifts. Gifts of nominal value are always best, and contributing to a gift must always be voluntary. Never give a gift to another employee to influence or show favoritism.

Know that when the Company awards items to employees as recognition for a business achievement or as part of Company-sponsored events, they are not considered gifts, but they are subject to all applicable federal, state and local tax requirements.

Q. A vendor is considering purchasing new equipment. I received an invitation to evaluate it. The vendor is headquartered in another city and offered to pay my travel expenses. Is this OK?

A. No. You must avoid even the appearance that your decision to buy might be improperly influenced. If there is a business need to evaluate this equipment, the Company should pay all your expenses.

Vital Sign

We are prohibited from accepting or giving gifts or gratuities beyond common business courtesies of nominal value.

For more information, consult the following Company Policies/Documents:

- Gifts, Awards and Perquisites Policy
- Conflicts of Interest Policy
- Decision Tree: Receiving Gifts
- Decision Tree: Providing Gifts and Entertainment for Government Business
- Decision Tree: Providing Gifts and Entertainment for Commercial Business
2.4 Fraud, Waste and Abuse

Our Standard

Acting ethically and honestly is expected from all of our employees. That is why we do not tolerate cheating, stealing, deception or acts of fraud. Fraud is an intentional misrepresentation of fact through the use of words, conduct or concealing important information, to induce someone to act in a way that causes them injury or harm. This type of activity damages our reputation and our bottom line, and it has no place in a company that values integrity.

Your Duties

Learn to recognize fraud, waste or abuse, which can include offering false or fictitious information, reports or claims made to another person. It can also include taking unfair advantage of someone either through manipulation, concealing something, misusing inside information or misrepresenting facts.

• Some examples of fraud, waste or abuse may include:
  - Submitting false information to the government to obtain money or some benefit; also attempting to defraud or obtain money from a health care benefit program
  - Misrepresentation or falsification of health insurance claims, invoices or expense reports
  - Abuse or misuse of Company equipment, material, property or credit cards
  - Dishonest accounting practices

• To help prevent fraud, waste and abuse, we depend on you to:
  - Know and abide by terms of contracts to which the Company is a party.

- Stay true to our Company’s Code of Conduct.
- Cooperate fully and truthfully with government agencies, auditors or others conducting investigations. Also see Cooperating with the Government Section 4.4.
- Report improper payment to government officials or third parties.
- Comply with the laws that impact our business.

If you see or suspect a potential act of theft or fraud, report it immediately. We will promptly investigate the incident and take appropriate action. Remember, we depend on you to help spot this activity before damage is done.

Q. I work with Medicare accounts and recently heard about a sales person offering someone a $100 gift card if she signed up for Medicare today. Should I be suspicious?

A. Yes. Offering monetary rewards to sign up for a government health plan is actually a violation of law. Report this activity to the Ethics and Compliance or Legal Department immediately.
Q. I noticed something unusual while processing claims. One group of claims is nearly identical – submitted by the same diagnostic center on the same day. The amount of the claims also exceeds normal costs. This is probably just an error – nothing to worry about, right?

A. Wrong. Claims with nearly identical information and unusually high costs are suspicious and should be reported to a Corporate Resource. Don’t ignore red flags like these.

Vital Sign

We must all do our part to identify and avoid fraud, waste and abuse.

For more information, consult the following Company Policy:

• Government Programs Fraud, Waste and Abuse Program
Success Through Respect

We believe every employee at every level of our organization deserves a positive and productive workplace. Our goal is to maintain an environment where employees respect each other as well as our Company and its assets.
3.1 Confidentiality of Information

**Our Standard**

Our Company information is a valuable commodity. Each of us must protect the confidentiality of information about our members, clients and business partners, both inside and outside of the Company. Each of us must also protect the confidentiality of sensitive information about employees.

**Your Duties**

It’s up to you to take precautions to avoid improper, inappropriate or inadvertent disclosures of information, records or documents that are confidential or privileged. Only share this information with employees who have a legitimate business “need to know” and only share the minimum necessary.

**Individual’s Information**

We must protect the confidential information of our members, providers and any other individual’s information we possess as well as employees’ sensitive personal information and other particularly sensitive information. Only share this information with authorized people. Follow all federal and state laws, corporate and departmental policies and procedures for handling protected health information and sensitive personal information. Know that these protections extend both inside and outside of the Company.

We must protect the privacy of each individual’s health and sensitive information because:

- Improper uses and disclosures can invade someone’s privacy, damage his or her reputation, cause embarrassment or identity theft, violate federal and state privacy laws and could expose the Company to lawsuits.

- Violations of law carry serious penalties, possibly for both individuals and companies.

- Improper use may also violate the Company’s agreement or contract with a government agency or another customer.

The Company often needs to retain sensitive personal information and other information about individual employees as a part of doing business. Help us maintain the confidentiality of this information and limit access to authorized persons who need the information for business or legal purposes.

**Business Confidential Information**

Do not disclose Business Confidential Information (BCI), also known as Intellectual Property and Trade Secrets, to unauthorized third parties or to employees unless those employees must have it to perform their duties. Please see the Proper Use of Corporate Assets section for more information about BCI.

**Proprietary Business Information and “Insider” Information**

Never give confidential or proprietary Company information to competitors, suppliers or outside contractors or others without proper authorization. This includes financial information, customer lists, discounts, special prices, computer data and computer programs, as well as descriptions of Company processes or operations. Do not discuss potential business relationships, purchases, mergers or acquisitions or other organizational changes except on a “need to know” basis.
Use of Social Media

Remember, when you are communicating through social media, such as Facebook, Twitter or similar electronic communication, be mindful of your responsibilities as an HCSC employee to protect confidential information and to abide by all of HCSC’s policies, procedures and corporate standards. In general, remember:

• Only employees authorized to do so may speak on behalf of HCSC.

• You are responsible for the content of your public posts, so use good judgment, and avoid posting pornographic or similarly offensive material.

• Be aware of the perception you might create for our brand and yourself on social media. If you ever identify yourself as an employee of this Company, you should make clear that posted opinions and content are your own, and not attributed to the Company.

• Make sure that anything you post is consistent with our values.

• Our Enterprise social media team monitors all the online conversations about our brands and engages daily with stakeholders including members, community partners and more. Remember, as stated above, only employees authorized to do so may speak on behalf of the Company. Never post the Company’s confidential or proprietary information.

• Do not upload pictures and videos of HCSC offices and employees to social media sites that might compromise the security of our offices or employees or disclose confidential or proprietary information.

• If you make a mistake on social media, don’t cover it up. Admit the mistake, try to correct it, or ask for help from a Supervisor or another Corporate Resource.

Passwords

Also protect the confidentiality and integrity of information used to access our systems, including passwords and other personal security codes. Keep your passwords and other personal security codes confidential and know that you are responsible for the actions resulting from the use of your passwords. Do not share your passwords or let others use your computer while you are logged on. This protection is important because:

• All of our information security mechanisms utilize user IDs and passwords to authenticate an individual’s identity and establish approved access and rights.

• If multiple individuals have access to the same user IDs and passwords, it is impossible to tell who did what.

• Often our license agreements with system vendors allow only a certain number of users.
Store all Company documents and files on corporate servers, so they may be recovered and accessed by the proper individuals. Whenever an authorized Information Technology technician works on your computer, you must be present to enter your password and provide oversight.

Client Information

Although our Company is not publicly traded, many of the companies that we do business with are. During the course of your employment, you may become aware of “insider information.” It is against the law to use this information for the Company’s or your own financial gain. Also, do not “tip” others by sharing this information with them.

Q. If an employee is terminated or resigns from the Company and his or her potential employer calls for a reference, can we give them information on job performance, attendance or compensation?

A. No. Regardless of how the employee left the Company, we may not disclose his or her personal information to the prospective employer. We can only verify that the person worked at the Company and provide dates of employment. Salary information is not released without the employee’s written consent. All such requests should be forwarded to Human Resources for handling.

Q. A new hire told me that he used to work for a client of ours. Is it OK for me to ask questions about that company so we can find out how to better market to them?

A. No. He may have an obligation to protect the information of his former employer that continues after he leaves the company.

Vital Sign

Only disclose medical record and claim information or other confidential information outside the Company to authorized persons or entities, in accordance with applicable laws and Company policies and procedures.

For more information, consult the following Company Policies:

• Confidential Information Policy
• Social Media Use and Requirements Policy
• Social Media Activity Policy
• Authentication Controls (IDs and Passwords) Policy
• Corporate Privacy Minimum Necessary Policy
• Verification of Identity and Authority Policy
• Authorization Policy
3.2 Work Environment

**Our Standard**

Our Company is committed to maintaining a work environment that is safe and secure and where everyone is treated with dignity and respect. We believe the diversity of our employees is a great asset, and valuing that diversity creates a more productive and fulfilling workplace. We also value the diverse contributions of all people, regardless of their position, sexual orientation, family status, age, race, sex, disability, religion or national origin. Our employment practices are based solely on ability and performance.

**Your Duties**

Our employees have the right to work in an environment free from harassment and discrimination, where privacy and dignity are respected and all are protected from offensive, obscene or threatening behavior.

**Harassment and Discrimination**

We do not tolerate any form of discrimination or harassment – verbal, physical or visual – by employees, customers, suppliers or others because of a person’s race, color, religion, sex (including pregnancy, childbirth or related medical conditions), age, national origin, physical or mental disability, veteran status, sexual orientation, gender identity, genetic information or any other basis protected by law.

Intimidating, hostile or offensive activity affects us all. It lowers morale and interferes with employees’ ability to work. We depend on you to help keep this conduct out of our business. Remember:

- Treat everyone you encounter with dignity and respect. That includes co-workers, customers, suppliers and any other Company stakeholders. Never single out anyone for negative treatment.
- Report any incidents of harassment and discrimination. They are not tolerated at our Company.
- Recognize this conduct, which includes any actions, language, written materials or objects that are used in a harassing or intimidating way. All of the following are prohibited: threats; unwanted sexual advances, invitations or comments; visual displays, such as derogatory, racial, or sexually oriented pictures or gestures; and, physical conduct, including assault, unwanted touching or demands to submit to sexual requests as a condition of employment.

**Sexual Harassment**

Learn to recognize sexual harassment, which is defined as sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:
• Submission to such conduct is made a term or condition of an individual’s employment.

• Submission to or rejection of such conduct is used as the basis for an employment decision, such as awarding a promotion.

• Such conduct has the purpose or effect of substantially interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment.

If you believe you have been the subject of sexual harassment, notify your Supervisor or the Human Resource Department. You may also call the Corporate Integrity HOTLINE.

Health and Safety

As an employee you are responsible for adhering to all Company policies, procedures and corporate standards related to workplace safety and security. While on Company premises, you must wear a Company-issued identification badge at all times.

Our Company is also committed to providing employees with a safe and healthy work environment that is free from illegal drugs, violence, threats of violence and the influence of alcohol. We prohibit:

• The unauthorized use of alcoholic beverages in the workplace or while conducting Company business.

• The use or possession of illegal drugs or other controlled substances in the workplace or being under the influence of such substances while on the job. Prescription drugs are permitted, as long as they are used in accordance with your doctor’s prescription and you can safely and effectively perform your job.

Q. One of my co-workers has a habit of telling questionable ethnic or “off-color” jokes. This offends me and others. How can I get this to stop?

A. Company policy prohibits this type of behavior. You may discuss your feelings with the person telling the joke. If you are uncomfortable doing so, consult with your Supervisor or the Human Resources Department or call the Corporate Integrity HOTLINE.

Q. I recently witnessed a co-worker making insulting gender-related remarks to a co-worker. Since it doesn’t affect me, should I stay out of it?

A. No. Immediately report the issue to your Supervisor or to another Corporate Resource for appropriate investigation. We do not tolerate harassment, and we expect you to report it if you see it.
Vital Sign

If you observe or experience harassment, you should report it without fear of retaliation.

For more information, consult the following Company Policies:

- Diversity Policy
- EEO and Affirmative Action Compliance Policy
- Harassment Policy
- Substance Abuse Policy
- Non-Retaliation Policy

Proper Use of Corporate Assets

Our Standard

Our Company's assets are here to help our business run effectively, and all of us must protect them from loss, damage or misuse. These assets include corporate data, business strategies and plans, financial data, equipment, furniture, vehicles, office supplies, corporate funds, credit cards, employee time, computer supplies and software and other proprietary or confidential information about our business or employees.

Your Duties

These assets are available for you to do your job, and it's up to you to use them and maintain them with the utmost care and respect. Remember:

- Guard Company assets against misuse, waste, abuse, loss and theft.
- Ensure that assets are only used for valid Company purposes.
- Protect confidential or proprietary Company information by never sharing it with unauthorized parties such as competitors, suppliers or outside contractors without proper authorization.
- If you know of someone misusing, damaging or stealing Company property, report it to your Supervisor or another Corporate Resource, who will investigate and take appropriate action.

Intellectual Property and Trade Secrets/Business Confidential Information

Another category of assets we expect you to protect is our intellectual property and trade secrets, also known as Business Confidential Information (BCI). These assets include all ideas, inventions, discoveries, improvements and innovations, such as:

- New product design
- Marketing plans
- Detailed financial or pricing information
- Computer programs, models and databases (including source codes)
- Trademarks
- Patents
• Copyrights

• Logos

The Company owns all intellectual property that you, as an employee or contractor, create, develop or write, either on your own or with another person during working hours or not that:

• Relates to – or competes with – actual or anticipated Company business, research or development or other business, strategy or customers of the Company

• Results from work assigned to or performed by you for the Company

• Is created using Company systems, equipment, materials, facilities, computer programs or other resources or ideas, or confidential or proprietary business information

Use of the Internet and Other Electronic Media

Remember that our Company’s communication systems, e.g. phones, voicemail, fax, email, Internet and Company intranet are provided for your use for business purposes. During working time, do not use them for personal purposes. Additionally, at no time should such systems and equipment be used to access, store, download or distribute materials that are:

• Unauthorized or personal, such as software or music, except for tablet PCs and smartphones, which feature user-download functionality. Being issued a Company tablet or smartphone is considered authorized use, but ensure that your downloads do not violate Company policy.

• Offensive, threatening or malicious

• Criminal or promote criminal activity

• Sexually explicit

Occasional personal use is allowed if it does not interfere with your job performance or the security or effectiveness of any system. If you have questions about appropriate use, speak to your Supervisor about guidelines for your area.

Because the Company owns these communication systems, you should have no expectations of rights to privacy. Management reserves the right to revoke Internet privileges and access and monitor and disclose the contents of any communications, whether business or personal, in accordance with laws. The consequences of visiting an Internet site and viewing, downloading or sending sexually explicit materials is a serious violation of Company policy and will lead to disciplinary action, possibly termination.

For information on use of social media, see the Confidentiality of Information Integrity Standard.
Unauthorized Software

Protect our Company’s computer systems by never loading unauthorized software onto Company-owned PCs, workstations or other computer systems. This could destroy information or systems or cause damage (like incompatible drivers or commands). Software may also be contaminated with viruses or conflict with computer architecture, which could disrupt your computer and others.

• Do not make unauthorized copies of computer software programs or use personal software on Company computer equipment.

• Before taking action, contact the appropriate Information Technology personnel, who must approve and possibly install any software.

• Remember, the unauthorized copying or use of unauthorized software could violate federal copyright laws and result in civil and/or criminal liability.

Respecting the Property Rights of Others

Always respect the property rights of others by never misusing their intellectual property or trade secrets, including the copying or downloading of trademarks, copyrighted materials and logos.

Q. Can I supply a list of our clients to an outside source?

A. No. Client lists are a valuable asset and should never be disclosed to anyone outside of the Company without specific management approval.

Q. Can I download documents, pictures, media clips or software from the Internet for distribution, printing or use on my computer?

A. You may download these items if they are related to a legitimate business need and allowed by the host site. Follow copyright laws before doing so, even if there is a legitimate business need.

Vital Sign

We use and maintain Company assets with the utmost care and respect, guarding against waste, abuse, loss and theft.

For more information, consult the following Company Policies:

• Proper Use of Company Assets Policy
• Confidential Information Policy
• Social Media Use and Requirements Policy
• Social Media Activity Policy
We believe that any successful business is built on commitments, so we honor the commitments we make to our members, employees, the government and the companies with which we do business. We also take responsibility for our actions and focus on accuracy, fairness and cooperation.
4.1 Accuracy of Records

Our Standard

Our business records are of critical importance to our Company’s decision-making processes. We believe in being accurate and complete in preparing these records and in fulfilling our financial, legal and reporting obligations.

Your Duties

For our employees, accuracy and reliability means never misrepresenting facts or falsifying or suppressing records. Another important responsibility is proper maintenance of records for the retention periods required by Company policy and our Enterprise Records Retention Schedule (ERRS).

Recordkeeping and Reporting

To ensure the integrity of our records and reporting:

- Ensure that all Company records, including business expense accounts, vouchers, bills, payrolls, service records, sales reports, operating statistics and measurements and other performance and utilization records, whether electronic or on paper, are reliable, accurate and complete.

- Promptly and accurately enter transactions between the Company and outside individuals and organizations in Company records according to our corporate policies and procedures.

- Do not alter or make false entries on, any Company record or document, or facilitate the creation of false or misleading records of any covered groups, vendors or business partner. Such entries are unlawful and could subject the Company and possibly you to fines and other civil or criminal penalties.

- If you are unsure if information is accurate or reliable, or you are being asked to help create false or misleading records for anyone, verify it or contact your Supervisor for advice.

- Charge all items to the appropriate account, regardless of the financial status of the line of business, contract or cost center.

- Never maintain secret or unrecorded funds.

- When errors are found, follow appropriate Company procedures to ensure that they are corrected through credits, refunds or other mutually acceptable means.

Never take steps to impede, obstruct, improperly influence or affect the integrity or availability of any audit, review or investigation, whether it is performed by government, external or internal personnel.

Records and Information Management

You are required to preserve and dispose of Company records in accordance with our records and information management policies and the Enterprise Records Retention Schedule (ERRS). Also keep in mind that you must comply with Legal or Tax Holds that may require different retention periods than those in the ERRS. It is especially important to be aware of any unique retention requirements for government business, as some are covered by special regulations. If you have any questions about records retention, please contact your department’s Records Liaison or the Records and Information Management Department.

Report Certifications

You may be asked to sign a Report Certification, which demonstrates HCSC’s commitment to the integrity,
accuracy and timeliness of its reports and disclosures. These Certifications are vitally important because they:

- Establish a written record to support the accuracy and completeness of reports.
- Document that information submitted has been reviewed and is accurate to the best knowledge of the certifier.
- Encourage disclosure of any issues via the “Exceptions” section of the certification.
- Provide a vehicle for feedback to management on identified exceptions.

Certifications are submitted to Audit Services, which is an administrator for Financial, Government and Performance Guarantee report certification programs. If you have questions about the report certification process, contact the Divisional Senior Vice President of Audit and Enterprise Governance or another Corporate Resource. Or call the Corporate Integrity HOTLINE to anonymously report your concerns regarding financial reporting, internal accounting controls or auditing matters.

Q. I am concerned about the accuracy of the reports we are providing to some of our large groups that have performance guarantee requirements. What should I do?

A. Discuss your concerns with your Supervisor to make sure you understand reporting requirements. You may also contact the Legal Department or another Corporate Resource. Misstating results could damage our reputation and relationship with these groups. Many larger groups audit performance guarantee results, so accuracy is critical. False reporting may result in civil and/or criminal liability.

Q. How will I know if a document that the Company schedules for destruction is relevant to a pending investigation, audit or litigation?

A. When the Company becomes aware of a possible legal proceeding, audit or investigation, the Legal Department circulates a memo identifying which records are relevant and may not be destroyed. If you receive such a memo, promptly notify your Supervisor.
Q. We are closing with a large group account. Our contact says it would “seal the deal” if we delayed the first month’s billing by 30 days, so they can show a large profit in the current month. The billing would be recorded appropriately on our books. Is this allowable?

A. While our financial records might be stated correctly, you may never assist a current or potential business partner to misstate their reporting.

Q. What should I do if I have completed a financial report, and someone wants to make changes which I believe will result in inaccurate information?

A. Discuss your concerns with your Supervisor to review the reasons for the proposed changes. If you still have concerns, contact the Chief Ethics and Compliance Officer or another Corporate Resource.

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**Vital Sign**

We preserve and maintain Company records in accordance with the Company’s records and information management policies.

For more information, consult the following Company Policies:

- Accuracy of Records Policy
- Corporate Records and Information Management Policy
- Enterprise Records Retention Schedule

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**4.2 Fair Competition**

**Our Standard**

We are committed to a policy of vigorous, lawful and ethical competition based on the merits of our Company’s products and services. By delivering high-quality products and services fairly, ethically and legally, we maintain the trust of our customers and providers.

**Your Duties**

Help us maintain our customers’ trust by:

- Ensuring that our sales materials, advertisements and other communications accurately and fairly describe our products and services
• Promoting our products and services through fair and accurate comparisons with our competitors

Our Company complies with all applicable antitrust and competition laws. While these laws are complex, they generally prohibit agreements or conduct that may restrain trade or reduce competition. They are intended to provide a variety of products and services at competitive prices. To help us comply:

• Avoid all contracts, agreements and understandings which unlawfully reduce or eliminate competition or the production or sale of products or services.

• Refuse any agreements with competitors to establish or fix prices or to divide or allocate markets either by market segment, geography or by any other means.

• Take special care in ensuring that our discussions and activities with representatives of other companies are in compliance with antitrust laws.

• Contact the Legal Department if you have questions about potential antitrust implications or antitrust practices.

We compete fairly and believe that information about competitors, customers and providers is a valuable asset in a highly competitive market. However, we do not tolerate illegal or unethical means of obtaining this information. Never seek or use information in a way that violates antitrust laws or laws and contracts protecting proprietary data.

Gathering and Using Competitor Information

Like any other company, HCSC believes in remaining competitive. That includes learning as much as we can about the competitive marketplace in which we operate. We believe in gathering this information legally and ethically, and we are committed to avoiding even the appearance of improper activity. As our employee, you are responsible for understanding the proper methods for gathering competitive information legally and ethically. Remember:

• Do not use confidential information about a competitor that was obtained inappropriately.

• Be sure that you and everyone who is involved with gathering competitive information understand what information is needed and the legal ways to get it.

• If you have questions regarding whether gathering certain competitor information is appropriate, consult the Legal Department.

• Only use legal methods to obtain public information.

Q. One of our competitors has proposed that we both freeze prices for one of our products for six months to show our mutual commitment to restraining health care costs. She says this is legal because we are limiting the price we will charge consumers. Is it legal?

A. No. It may be illegal. Maximum price-fixing agreements may be just as illegal under the antitrust laws as minimum price-fixing agreements. Avoid any discussion of prices with competitors and consult with the Legal Department any time you receive a similar proposal.
Q. Do I have to give a specific reason for refusing to do business with a particular producer, vendor or consultant?

A. We have broad discretion to decide with whom we do business, as long as we have legitimate business reasons and are not engaged in anti-competitive practices. If you have any questions about whether a particular practice is anti-competitive, contact the Legal Department.

Q. A new employee of ours used to work for a vendor that served one of our competitors. He says he has information that would be useful to us, and he can share it since he did not work directly for that competitor. Should I hear what he has to say?

A. You should consult with the Legal Department. If the new employee obtained confidential or proprietary information about our competitor, he could be violating his duty of confidentiality to that company, and we may not use information gathered that way.
Requests for Information from Government Agencies

Providing accurate, complete information is critical when working with government agencies. Remember:

• If you are approached by any person identifying himself or herself as a government investigator, immediately contact the Legal Department before responding or providing any information. A representative will assist you in following proper procedures for cooperating with the investigation.

• Don’t feel pressured to talk to a government investigator without first contacting our Legal Department. They will consult with any employee who is contacted in connection with a government investigation of the Company. You can advise the investigator that you need to contact the Legal Department for further direction and you may ask for contact information for that investigator. Please advise him or her that someone from the Company will get back to them as soon as possible.

• Never lie or make false or misleading statements, whether oral or written, to any government official or agency or anyone acting on their behalf, such as a lawyer or investigator.

• Never attempt to persuade or assist a Company employee or any other person, to provide false or misleading information to a government official or agency.

• Never destroy or alter any Company document or record when anticipating or following a government or court request for the document or record.
• Honor all holds that are placed on our normal document destruction procedures when a government audit or investigation is imminent or pending. Maintain this hold until you are instructed in writing by the Legal Department that it can be released.

Gifts to Government and Regulatory Officials

Generally, federal, state and local laws prohibit government employees from accepting anything of value. This may include things like buying lunch or dinner for, or hosting an event with, a government employee. Because of these restrictions, never offer a gift to, or on behalf of, a government employee and always check and abide by all federal, state and local laws, rules and regulations relating to gifts and entertainment of government officials and employees. For additional information, please see the Gifts, Gratuities and Kickbacks Integrity Standard. If you have questions as to what those specific legal restrictions may be, contact the Legal Division, Ethics and Compliance Department or the Corporate Integrity HOTLINE.

Federal Procurement

Our Company is subject to the Federal Procurement Integrity Act when bidding on federal contracts. This law calls for ethical business conduct for companies seeking to obtain work from the Federal Government. During the bidding process, do not:

• Discuss employment or business opportunities with agency procurement officials at the Company.
• Offer or give gratuities or anything of value to any agency procurement official.
• Seek to obtain any confidential information about the selection criteria before the contract is awarded; this includes information submitted by other companies.

Q. I have been contacted by a member of law enforcement requesting information about our Company. What should I do?

A. Before you provide any information, promptly notify our Legal Department for an evaluation of the request, including whether a subpoena is required for disclosure. Explain to the individual that Company policy requires notification of the Legal Department before any information is provided.

Vital Sign

We cooperate with all reasonable requests for information from governmental agencies.

For more information, consult the following Company Policies:

• Cooperating with the Government Policy
• Gifts, Awards and Perquisites Policy
When the Government is Our Client

Our Standard

When we act as a government contractor or subcontractor, we have a special obligation to the government, the beneficiaries of government programs and the public at large to ensure that we perform with the highest degree of integrity. There are also many new laws, regulations and Marketplace Requirements pertaining to our business under the Affordable Care Act. Part of that obligation is understanding and complying with the additional requirements of government contracts.

Your Duties

In the course of your employment, you may directly or indirectly perform work related to government contracts, e.g., Indian Health Service, Medicaid and Medicare, state or municipal government employee benefit programs. You may also perform work related to the Affordable Care Act. It is your job to:

- Know the terms of the government contract(s) that we are working on and all of the policies, procedures and corporate standards relating to those contracts.
- Understand the regulatory requirements that impact your job.
- Understand that you may be required to sign certifications, either internal or to the government, regarding the accuracy of information or the Company’s performance.
- Work with the Legal, Audit and/or Compliance Departments on information requests, and treat any such requests for information from the government as one of your highest priorities. Respond to these requests within the requested timeframe and with information that is complete and accurate.
- If you have any doubt regarding the Company’s performance under a government contract, come forward immediately.

If you need guidance or want to report a concern, you may call the toll-free Corporate Integrity HOTLINE (800-838-2552) or Government Programs Hotline (877-211-2290). These services are also available to subcontractors, agents and directors. You may call anonymously, without fear of intimidation or retaliation. Calls are not traced and information is treated confidentially, subject to legal limits. Both hotlines are available 24 hours a day, seven days a week and are not staffed by employees of HCSC or its subsidiaries.

Doing business with the government is unique, and special statutes and regulations apply, even those that are “flowed down” to us as a contractor or subcontractor. Below is a general summary of what you must do and what you must not do under some of these legal and contractual provisions of our government contracts.

When Bidding on Government Contracts

Do:

Read the request for proposal and/or bid instructions in their entirety and abide by their terms.

Submit pricing data that contains all the facts that a buyer and seller would expect to affect price.

Do not:

Offer or give gifts to any procurement official or make promises of future employment to government employees not involved in the bid.

Obtain non-public bid information such as cost or price data, proprietary information or agency source information prior to the award of the contract.

See also “kickbacks” next page.
In Performance of Our Government Contracts

Do:

Obtain necessary written approvals before using information for any purpose other than what is allowed under our government contracts. Protect individuals’ personal information by limiting its collection and disclosure to only what is legally authorized and necessary.

Protect the confidentiality of beneficiary records by not disclosing any government assistance that a beneficiary may have received related to the treatment, diagnosis or prognosis of substance abuse.

Honor appropriate requests from the public for government records that we create and maintain.

Provide required evaluations and reports regarding our internal accounting and administrative controls including compliance with the law, reasonable assurance and safeguards, etc.

Respond to all inquiries from the government, either directly or through Compliance staff, in a manner that is timely, accurate and complete.

Do not:

Offer or accept any form of kickback, e.g., money, fee, commission, credit, gift, gratuity or thing of value for improperly obtaining or rewarding favorable treatment, including unwarranted waivers of deadlines and acceptance of non-conforming goods in connection with a prime contract or subcontract.

Submit false or fraudulent claims for payment with actual knowledge of falsity, reckless disregard for the truth or deliberate ignorance of the truth or falsity.

Make any false statements or representations.

Hire or do business with individuals or entities that have been debarred or excluded from participation in federal health care programs.

In Our Workplace

Do:

Maintain a drug-free workplace by prohibiting the manufacture, distribution, possession or use of narcotics, drugs or controlled substances in the workplace or while conducting Company business.

Ensure that applicants and employees are treated without regard to their race, color, religion, sex or national origin and identity. Eliminate any impediments to equal employment opportunities.

Ensure that veterans and disabled veterans are provided equal employment opportunities.

Do not:

Discriminate against individuals in the terms and conditions of employment based on race, color, religion, sex, national origin or age.

Discriminate against individuals in the terms and conditions of employment based on disability or perceived disability.

Offer to hire, hire or do business with certain current or former government employees.

Failure to comply with these laws, government contracts and Company policies and procedures can:

• Jeopardize the Company’s ability to participate in any government programs

• Result in the loss of a particular government contract
Q. I have a friendly working relationship with a government client and would like to give him a $25 gift certificate to a restaurant that I can’t use. Since it’s a small amount, and I’m not asking for special treatment, it’s OK, isn’t it?

A. No. Our employees are prohibited from giving or accepting cash or cash equivalents from a government client, regardless of the dollar amount. This action could suggest that you are seeking favors or special treatment.

Q. I am concerned that a colleague who works with me on a government contract is involved in the submission of false Medicare claims. What should I do?

A. Bring your concerns to your Supervisor or call the Government Programs Hotline (877-211-2290), where you may report your concerns anonymously and without fear of retribution.

Vital Sign

We understand and uphold our special obligations when working for government clients.

For more information, consult the following Company Policies:

- Cooperating with the Government Policy
- Harassment Policy
- Gifts, Awards and Perquisites Policy
- Confidential Information Policy
- Substance Abuse Policy
- Privacy Authorization Policy
- Diversity Policy
- EEO and Affirmative Action Policy
We believe that people are the very heart of our business – our members, our employees and the communities we serve. Caring about people is what sets our Company apart. We look for ways to demonstrate that care through the service we provide and the way we interact with others.
5.1 Quality of Service

Our Standard

Our customers are the reason we are in business. Because of them, we are committed to providing products and services of the highest quality and value.

Your Duties

In providing our services, strive to:

• Provide prompt and accurate services consistent with contractual benefits, corporate policies and regulatory requirements.
• Serve our customers professionally and with integrity, honesty and respect.
• Pay all contractual benefits due Covered Persons and Providers promptly and accurately.
• Comply with all applicable statutes, regulations and instructions that govern the administration of benefit programs.
• Every day, work towards finding new ways to increase the quality of service delivered to our customers while ensuring that it is delivered in a cost-effective manner.

Q. I work in customer service as a customer service representative (CSR). We are measured on our average speed of answer (ASA), or “how long it takes to answer a call.” I have heard that a co-worker answers a call, and then hangs up in an attempt to lower her ASA. I know it is wrong to hang up on a caller, but I understand why she feels pressured to do so. I am torn – what should I do?

A. As Paula Steiner, our President and CEO, said, "We must never sacrifice our integrity – and trusted brand – to meet goals. It takes years to develop a strong brand, but only a momentary lapse in judgment to damage it." Purposely hanging up on a caller violates every one of HCSC’s values and leads to misleading reporting. Report such behavior and other concerns to your Supervisor or another Corporate Resource.
Q. I overheard a co-worker being rude to a customer. When the caller asked for his name, he refused to give it and disconnected the caller. Should I report this to my Supervisor?

A. Yes. Our customers are important to us. We always want to serve them courteously. Your Supervisor will want to contact the customer, apologize and address the concern appropriately. He or she will also counsel the employee to prevent similar situations in the future.

Vital Sign

We continually seek new ways to increase the quality of service we provide to our customers while delivering it in a cost-effective manner.

For more information, consult the following Company Policies:

- Accuracy of Records Policy
- Compliance with the Law Policy

5.2 Political Activity

Our Standard

We believe it is important for our Company and our employees to be engaged in the political process, as permitted by law. While federal laws restrict the use of corporate funds in connection with federal elections, and there are similar laws in some states, HCSC can support permissible political activities, including paying the administrative expenses of sponsoring a separated segregated fund, like the Health Care Service Corporation Employees’ Political Action Committee (HCSC PAC), which pools voluntary contributions of employees to support candidates for federal, state and local office. Therefore, we do not use our name, funds or facilities on behalf of political candidates, political parties or elected office holders at any level, (federal, state or local), except as permitted by law and our Political Activity Policy.

Your Duties

Political Activity on Personal Time

We encourage our employees to vote and participate fully in the political process, but it is important for you to understand our policies regarding our Company and political activity. Remember:

- The Company will not reimburse you for personal contributions to political candidates or the HCSC PAC, including any expenses related to personal political contributions (e.g., travel or meals).
- You may not use Company resources to vote and take part in political activities, except as permitted by Company policy and the political programs sponsored by the Company.
- While we encourage non-corporate political activity, it must be done on personal time and at your own expense.
• Our Company complies with all state and federal laws entitling you to take “time off” for voting.

• You may speak at a local meeting or event as long as you make it clear that you are speaking for yourself, and not as an official spokesperson for our Company. If you are asked to represent our Company in a formal capacity, get approval from your EVP/SVP, who will advise you if you need to review your proposed presentation with HCSC’s Government Relations Department.

The HCSC PAC

If you are an eligible salaried employee, you may voluntarily participate in the Company’s Political Action Committee, the HCSC PAC. Under federal election campaign laws, our Company can pay the costs necessary to establish and operate the HCSC PAC that complies with Company policy and with federal and/or state legal requirements.

Employee Political Engagement

HCSC’s Government Relations Department and our management may occasionally distribute memos or sponsor activities to bring political and public policy issues to your attention. These activities may involve public officials or political candidates. They are intended to encourage employee participation in the public policy dialogue, but they do not constitute endorsement of a particular candidate, officeholder or political party. We afford equal opportunity to all rival candidates and political parties.

Q. May I occasionally do some personal volunteer work monitoring election practices during various municipal, state and federal elections?

A. You may use PTO days to work as a volunteer in the election-related activities mentioned. However, the Company will not reimburse any expenses you incur.
Q. I just received an email announcing that a candidate for office will be speaking in our building to employees. Doesn’t that violate our Code by using the building for political purposes?

A. Provided all rival candidates or political parties are offered equal access, this does not constitute endorsement of a particular candidacy and is not a violation of our Code.

Q. HCSC’s Government Relations Department sent out an email urging employees to contact members of the Legislature to oppose a specific piece of legislation. They say the bill would hurt our Company. Isn’t that a violation of the Code?

A. No. Public policy issues differ from political endorsements. Our ability to operate effectively depends upon fair and equitable legislation and regulation at both the state and federal levels. It is important that our Company and our employees are heard on these issues. However, while the Company may encourage such employee participation, it is always voluntary.

Vital Sign

We believe it is important to participate in the political process, and our Company honors all laws regulating corporate involvement in political activities.

For more information, consult the following Company Policies:

- Political Activity and Community Involvement Policy
- Cooperating with the Government Policy
- PAC Policy

Corporate Contributions, Volunteerism & Fundraising

Our Standard

Our Company is committed to good corporate citizenship and corporate social responsiveness. We believe in supporting the well-being of the communities we serve through a Corporate Contributions Program.

The objective of this program is to help improve community health, support community initiatives and position HCSC and its Divisions as a proactive member of the community through
grants and sponsorships. In responding to requests for corporate contributions, we give consideration to alternatives, including in-kind support and employee volunteerism, which helps build our brand and position our Company for growth.

Your Duties

Many of our employees are involved in their own volunteer activities. They may also become involved with 501(c)(3) non-profit organizations, helping them raise money. Our Company supports all corporate volunteer activity as long as it is aligned with our goals, strategy, mission and relationship building. Engagement with strategic community partner non-profit organizations benefits both parties and demonstrates our strong commitment to the communities in which we do business. When you volunteer, remember:

• If you want to request our Company’s support for the organization you are involved with, submit a request through our online application process. A state public affairs team will review your request.

• Do not engage in fundraising at work. Unless approved by senior leadership, any fundraising must take place during non-working time, in non-working areas only. It must also be coordinated by employee Supervisors.

• Our Company financially matches your volunteer efforts. For every verified volunteer hour you spend with a community partner – or with a 501(c)(3) for corporate volunteer events – HCSC contributes $20 per hour to the designated organization, not to exceed a total annual contribution of $2,000.

• If you need more information regarding our policies about contributions, volunteering and fundraising, refer to our Corporate Contributions Policy and Corporate Volunteerism and Fundraising Policy.

Can I pay for community events through my cost center?

A. All contributions need to be coordinated through the appropriate state public affairs department in addition to being documented in our contributions database, MicroEdge Gifts.

How do I learn about volunteer opportunities?

A. Please view Time Money Things on FYIBlue to learn about all community events and activities within your state and location.

Vital Sign

Being good corporate citizens is an important part of HCSC’s work, and we support our employees’ efforts to volunteer in support of their communities.

For more information, consult the following Company Policies:

• Corporate Volunteerism and Fundraising Policy
• Corporate Contributions Policy
A Final Word

This Code of Business Ethics and Conduct reflects our Company’s commitment to the highest ethical standards of legal and ethical business conduct. It does not contain all Company policies or include all details regarding any policy. Rather, the Code sets forth the fundamental legal and ethical principles for conducting all aspects of Company business. Detailed policies, procedures and corporate standards for conducting Company business are contained in:

- The Corporate Policy Manual
- Workforce and Employment Policies
- The Corporate Integrity and Compliance Program Charter
- The Corporate Privacy Policies and Procedures
- Regulatory Oversight Policies and Procedures
- The Corporate Security Policies and Procedures
- Other Company manuals, instructions and directions applicable to particular job functions, all of which are available to the Company’s employees.

Nothing contained in the Code of Business Ethics and Conduct constitutes a contract of employment, and it should not be construed as creating an express or implied contract of employment or continued employment. The Company reserves the right to modify the Code of Business Ethics and Conduct at any time as it deems appropriate.
## Helpful Resources

For a comprehensive list of resources, visit [http://hcsc.fyiblue.com/policies/compliance/compliance_resources/corporate_resources.htm](http://hcsc.fyiblue.com/policies/compliance/compliance_resources/corporate_resources.htm) or the published Corporate Resource at your site.

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<tr>
<td>Corporate Integrity HOTLINE</td>
<td>Call toll-free: (800) 838-2552 24 hours a day, 7 days a week Or go online at: <a href="https://hcsc.alertline.com">https://hcsc.alertline.com</a></td>
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<td>To ask questions about or report violations of the Code</td>
<td>Ethics &amp; Compliance Department Government Programs Compliance</td>
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<td></td>
<td>Email: <a href="mailto:CorporateCompliance@bcbsil.com">CorporateCompliance@bcbsil.com</a></td>
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<tr>
<td>Tom Lubben</td>
<td>Chief Compliance &amp; Privacy Officer (312) 653-7934 (312) 819-9457 Confidential Fax</td>
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<tr>
<td>Vera Malone</td>
<td>VP Compliance Operations (312) 653-2420</td>
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<tr>
<td>Kim Green</td>
<td>VP Government Programs Compliance, Compliance Officer (312) 653-5110</td>
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<tr>
<td>For issues involving Medicare Part D, Medicare Advantage or Medicaid</td>
<td>HCSC Government Programs Hotline Report anonymously 24/7 (877) 211-2290</td>
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<tr>
<td>To report any suspicious activity or unsafe conditions</td>
<td>Office of Corporate Protection and Security</td>
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<tr>
<td>Gerry Cavis</td>
<td>VP Corporate Protection &amp; Security (312) 653-6528</td>
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<tr>
<td>Tom Bourgeois</td>
<td>Sr. Director, Corporate Protection &amp; Security (312) 653-5785</td>
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<tr>
<td>For assistance with questions or concerns about the work environment, work relationships, performance management and development</td>
<td>Human Resources</td>
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<td>Call Employee Services at: (866) 977-SERV (7378)</td>
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<td>Jan Jerger-Stevens</td>
<td>VP Corporate Human Resources (972) 766-6329</td>
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<td>If you suspect or know about an information security incident</td>
<td>Information Security</td>
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<td>Contact the ITG Service Center at (312) 653-6675</td>
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<tr>
<td>Ray Biondo</td>
<td>VP &amp; Chief Information Security Officer (312) 653-6683, Divisional Security Officers (DSOs) The DSO is the senior information security official in the division.</td>
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<td>To address Health Insurance Portability and Accountability Act (HIPAA) privacy-related complaints</td>
<td>Privacy Office (PO), Corporate Governance &amp; Internal Audit</td>
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<td>For allegations of both internal and external health care insurance fraud</td>
<td>Special Investigations Department (SID)</td>
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<td>Report anonymously to the SID Fraud Hotline at (800) 543-0867</td>
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<tr>
<td>Bill Monroe</td>
<td>Vice President, Special Investigations (312) 653-5348</td>
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<tr>
<td>For questions, issues or concerns regarding HCSC’s subsidiary companies</td>
<td>Subsidiary Contacts</td>
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<tr>
<td>Academic HealthPlans (AHP) Brett Curran</td>
<td>SVP &amp; Chief Operating Officer (817) 479-2141</td>
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<tr>
<td>Dearborn National Matt Sullivan</td>
<td>Sr. Director, Human Resources (630) 458-2254</td>
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<tr>
<td>Claire Burke</td>
<td>VP Finance and Compliance (630) 458-2215</td>
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<td>Innovista</td>
<td>To be Determined</td>
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<tr>
<td>MEDecision Jennifer Ponski</td>
<td>EVP, Chief Administrative Officer (972) 388-3977</td>
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<td>TMG Health Trish Savitsky</td>
<td>EVP, Chief Compliance Officer (570) 344-9237 (ext. 1181)</td>
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</table>

If you have any questions concerning any part of the Code, contact your Supervisor, a higher level Supervisor, any of the Corporate Resources or call the Corporate Integrity HOTLINE (1-800-838-2552).