

2025 Code of Conduct





Capital Blue Cross has established its Code of Conduct as a moral compass to assure we act ethically and are committed to doing what is right. Just as you strive to remain healthy, Capital Blue Cross must remain strong in integrity, professional responsibility, and regulatory compliance to keep our company healthy.

Our Code of Conduct provides a point of reference and guidance to help you make the right decisions as a Capital Blue Cross employee. If you are unable to find answers to your particular situation, please contact our Compliance department or speak with your supervisor.

Let's commit to not just reading the Code of Conduct, but to living it!

Sincerely,

Todd A. Shamash
President and CEO





Velma Redmond



Joel Hopkins

Our Code of Conduct serves as a framework for ethical decision-making at Capital Blue Cross. No code or policy can anticipate every situation or dilemma that may arise, but it can and does serve as a written guide for the values, expectations, and principles we believe are critical to the success of our organization. Our Code of Conduct also details our expectations and standards for our relationships with vendors and other partners.

Capital Blue Cross' leadership team and Board of Directors believe we are all accountable for ensuring that the ongoing success of our company is built on a culture of integrity and commitment to the highest professional, ethical, legal, and regulatory compliance standards.

On behalf of the Capital Blue Cross Board of Directors and the Compliance department, we join Todd Shamash in affirming Capital's commitment to act and lead with integrity. It is who we are at Capital Blue Cross, and the strength of our brand reinforces that commitment.

Thank you for doing the right thing for our stakeholders, for each other, and for our business.

Sincerely,

Velma Redmond
Board of Directors
Chair, Compliance & Risk Committee

Joel C. Hopkins
Chief Compliance Officer

Table of Contents

Our Mission	5
Our Vision	5
Brand Promise	5
The Company's Commitment to Equal Employment Opportunity	5
Highlights	6
Section 1	7
A. Commitment to Ethical Business Practices	8
B. Commitment to Protection of Employee and Member Information	8
C. Responsibility of Board Members and Committee Members	8
D. Disclosure Statement	9
E. Responsibility of External Entities	9
Section 2	10
A. Be Alert for and Avoid Potential Conflicts of Interest	11
1. Personal Gain	11
2. Outside Activities	12
3. Use of Corporate Assets and Electronic Communication	12
4. Social Media	13
B. Ensure Accurate Reporting and Protection of Corporate Information	13
1. Proper Accounting	13
2. Member Information	14
3. Other Proprietary and Confidential Information	14
4. Secure Data	15
5. Record Retention	15
6. Intellectual Property	15
7. Use of Software	16
C. Understand and Participate in the Company's Commitment to a Safe and Healthy Workplace	16
1. Workplace Access	16
2. Workplace Violence	16
3. Harassment/Sexual Harassment	17
4. Substance Use	17
5. The Environment	18
Section 3	19
A. Gifts and Entertainment	20
1. Giving and Receiving Gifts	20
B. Conference and Seminar Sponsorships/Travel Reimbursement	22

C. Participation in External Forums and Honoraria.....	22
D. Contacts with Government Representatives.....	24
E. Kickbacks and Rebates.....	24
F. Reciprocity	25
G. Payments to Agents, Brokers, and Consultants.....	25
H. Ethics of Competitive Intelligence	25
Section 4	26
A. Fraud, Waste, and Abuse.....	27
B. Government Health Benefit Contracts.....	29
C. Ineligible Persons	30
D. Fair Competition and Antitrust Laws	30
E. Political Activity in Connection with Work	30
F. The Company's Commitment to Equal Opportunity/ Affirmative Action	31
G. Responding to a Government Investigation or Inquiry.....	31
H. Responding to Media Inquiries	31
Section 5	32
A. Report Ethical Concerns and Compliance Issues	33
B. What to Expect When Submitting a Report	33
1. Non-Retaliation	33
2. Investigation	34
3. Corrective Action.....	34
4. Legal Reporting Requirements.....	34
C. Conclusion	35
Appendix A: Contact Information	36
Appendix B: Gifts and Entertainment	39
Frequently Asked Questions (FAQ)	42

Our Mission

Our mission is to improve the health and well-being of our members and the communities in which they live.

Our Vision

We will earn the trust of our customers by:

- Improving the physical and emotional health of our members and
- Delivering on our promise of a premier customer experience.

Brand Promise

To be the most trusted health plan by going the extra mile.

The Company's Commitment to Equal Employment Opportunity

Capital Blue Cross is committed to the administration of employment without regard to race, color, religion, national origin, sex, sexual orientation, gender, gender identity, age, genetic information, disability, veteran status, or marital status. See corporate policy **HR-0101**, Equal Employment Opportunity. Questions about equal opportunity should be directed to Human Resources.

Highlights

We continue our efforts to make important information in the Code of Conduct easily available to employees. Highlighted below are key pieces of information that may be useful to you.

Ethical Decisions Framework	Reference this framework when making difficult ethical decisions. If you would like guidance and assistance when making a difficult ethical decision, please reach out to any member of the Compliance Department.
Disclosure Statement Reminder	Language is included to remind individuals that they must promptly report any updates on their Disclosure Statement and Certification form. See Section 1.D .
Gifts and Entertainment Includes Government and Commercial Business Guidelines	Appendix B includes important updated information pertaining to government and commercial regulations and guidelines for giving or receiving gifts.
Contact Information	Appendix A includes Compliance department and other important contact information. Anonymous reporting options are available for compliance and ethical concerns, and Capital maintains and enforces a Non-Retaliation Policy, HR-0741 .
The Company's Commitment to Equal Employment Opportunity	This reflects the company's position on equal employment opportunity.
Frequently Asked Questions (FAQ)	The FAQ section provides examples of situations when you should reference the Code of Conduct.

Section 1

What Does it Mean to Conduct Business with ETHICS and INTEGRITY?

Ethics is a set of rules and principles that guide how people make decisions, which in turn guide their behavior.

Integrity is “adherence to moral and ethical principles; soundness of moral character; and honesty.” Simply put, it’s doing the right thing when no one is looking.

Acting with integrity means following the Capital Blue Cross Code of Conduct, not just reading it. You should keep the Code of Conduct accessible and refer to it when questions arise. You can access our Code of Conduct electronically under the Compliance section of CrossNet at this link: [Code of Conduct](#).

A. Commitment to Ethical Business Practices

At Capital Blue Cross¹ (“Capital” or the “Company”), we are committed to acting with integrity by being respectful, fair, and honest in every aspect of our business. Our success depends on making and keeping this commitment. This Code of Conduct (or “Code”) governs the business conduct of all Capital employees, members of the Company’s Board of Directors, medical and dental review and advisory committees, consultants, third party contractors, vendors, and temporary employees when acting on the Company’s behalf, collectively referenced as “Stakeholders”. Among other things, the Code establishes an expectation that all Stakeholders will act with integrity in everything they do.

As Capital Blue Cross Stakeholders, we are expected to follow the spirit and the letter of the Code in all Company matters. We all share a responsibility to:

- Understand the issues covered by the Code and Capital policies and procedures that apply to your job.
- Observe all laws and regulations that apply to Company business.
- Understand that abiding by the Code in your daily work activities is a mandatory part of your job.
- Speak up if you have concerns about ethics, integrity, or suspect violations of the law, the Code, or Capital Blue Cross policies and procedures. Everyone has a responsibility to report concerns in good faith.
- Not retaliate against anyone who relates a good faith compliance concern or question.
- Report retaliation if you believe it is occurring (Reference **Section 5.B.1** and corporate policy **HR-741**, Non-Retaliation).

B. Commitment to Protection of Employee and Member Information

Capital Blue Cross is committed to protecting confidential information, including, but not limited to employee and member information. Capital restricts access to confidential employee-related information to those employees and vendors/service providers who need the data to provide services to our employee population. Reasonable caution is taken to maintain physical, electronic, and procedural safeguards to protect this personal data. The safeguards are reviewed periodically by internal and external auditors.

Capital Blue Cross is equally committed to protecting the protected health information (PHI) of its members including employees who are also members, including the PHI of its employees as members. See **Section 2.B.2** and corporate policy **HR-735**, Privacy of Member Information, for guidance to assure compliance with all state and federal laws regarding the use and disclosure of member information.

As an example, we must protect employment-related information and, as a result, employment verification requests regarding current and former employees must be directed to Human Resources and will be limited to confirmation of employment dates and the last position held.

C. Responsibility of Board Members and Committee Members

The Capital Blue Cross Board of Directors (the Board) is responsible for periodically reviewing, and approving business goals, strategies and objectives developed by senior management. The Board also monitors the Company’s business performance. Members of the Capital Blue Cross medical and dental committees

¹ This term includes Capital Blue Cross subsidiaries, including but not limited to: Capital Advantage Insurance Company®, Capital Advantage Assurance Company®, Keystone Health Plan® Central, Consolidated Benefits, Inc., Dominion National, and Avalon® Insurance Company.

(Committee Members) review information and make recommendations related to clinical matters. Even though the Board and Committee Members are typically not employees of Capital Blue Cross, the Code applies to them when they are engaged in Company related activities. Our corporate officers are responsible for Capital's day-to-day operations, including delegation of certain company responsibilities to employees, when appropriate. For purposes of the Code of Conduct, the term "employee" includes the Board, Committee Members, and Company officers.

Because of their responsibilities, the Board and officers have what is known as a fiduciary relationship with Capital Blue Cross. This requires them to act with utmost good faith and to exercise their powers solely in the interest of Capital Blue Cross. A fiduciary agrees to give diligent attention to the Company's business and to be faithful and honest in the discharge of the duties of the office. Because of this special relationship, adherence to our Code of Conduct by the Board and officers is of utmost importance, especially with respect to conflicts of interest.

The Board, Committee Members, and officers are required to make decisions reasonably believed to be in the best interests of Capital Blue Cross. They are required to avoid conflicts of interest and to disclose any potential or actual conflicts of interest, or the appearance thereof, as soon as a conflict is discovered.

D. Disclosure Statement

The Board, Committee Members, officers, employees, temporary workers, and independent contractors are required to complete an initial and annual Disclosure Statement and Certification form that identifies any potential or actual conflicts of interest, or the appearance thereof, and confirm their commitment to protect confidential and proprietary data. They also certify that they have read and understand the Code and other important corporate policies and agree to abide by them. They must disclose whether they have been excluded, debarred, suspended or otherwise determined to be ineligible to participate in, or receive funds from, any federal or state program or under any federal or state contract, and whether they have been convicted of, or pled guilty or no contest to, a felony or misdemeanor in any jurisdiction.

It is important to remember that individuals are under a continuing obligation to promptly report to the Compliance department any updates to their Disclosure Statement and Certification form that arise throughout the year. This includes promptly reporting new potential or actual conflict of interest situations, or the appearance thereof, along with any new details or changes in circumstances regarding any prior disclosures.

E. Responsibility of External Entities

Capital Blue Cross contracts with a number of entities to provide services relating to the administration or delivery of health, prescription drug, dental, vision, or government-sponsored benefits. Our Code of Conduct is available to our external entities and, upon request, to their business partners. We encourage them to adopt and follow a code of conduct that embraces a similar commitment to excellence.

Section 2

How Can I Demonstrate **INTEGRITY** in the Workplace?

Demonstrating integrity in the workplace means conscientiously making the best possible decisions—every day, in every situation.

It means being aware of:

- Disclosing and avoiding potential, actual, or the appearance of conflicts of interest.
- Protecting Capital Blue Cross' confidential and proprietary information and members' PHI and properly disposing of this information in accordance with record retention and other legal requirements.
- Using corporate assets responsibly.
- Making sure all accounting, expense, and financial records and statements are accurate, timely, and complete.
- Acting in a manner that provides a safe work environment.

We need to do everything we can to maintain a work environment that demonstrates honesty, transparency, and protection of our employees, assets, and data, without conflicts of interest.

A. Be Alert for and Avoid Potential Conflicts of Interest

At Capital Blue Cross, we are expected to use our best efforts to ensure our Company's success, which includes maintaining Capital Blue Cross' good reputation. This includes avoiding activities that could present, or give the appearance of, a conflict between our personal interests and the best interests of the Company. This rule applies to the Board and every Committee Member, officer, employee, temporary worker, and independent contractor of the organization, regardless of role.

A conflict of interest can occur when you, or a family member by blood, marriage, or adoption (spouse, child, parent, sibling, step-relative, in-law, grandparent, or grandchild), have a non-Capital connection that could interfere with your objectivity in performing your job duties at Capital Blue Cross. However, an actual conflict of interest does not need to exist for the Code of Conduct to apply. We must also avoid activities that could create the appearance of a conflict of interest. Connections that could be deemed a conflict of interest include a close personal relationship with a vendor or competitor, financial or contractual interests, arrangements, affiliations, or substantial interests of any kind. If you believe you need to make a disclosure or have a question about whether you need to disclose a Connection or potential conflict of interest, please contact the Compliance department. Reference **Appendix A** for contact information.

Disclosure to management within your chain of command and the Corporate Compliance department is required to occur before taking any action that might present an actual or potential conflict of interest or give the appearance thereof. Disclosure needs to occur promptly when the situation arises.

The areas discussed below provide examples of some, but not all, situations that may involve potential conflicts of interest.

1. Personal Gain

- a. Outside Connections: We cannot participate in any transaction, situation, or employment where we, or a family member, stand to gain personally or financially to the detriment of Capital Blue Cross. For example:
 - Being involved in a decision for Capital to do business with a company in which you or a family member have a financial interest.
 - Receiving personal gain from any commercial opportunities discovered in the course of your job with Capital Blue Cross.
 - Accepting an outside position that conflicts, or appears to conflict, with your job duties at Capital Blue Cross.
 - Consulting for or holding a second job with a competitor.
 - Starting a competing business or pursuing any commercial or government business opportunity that may interfere with the best interests of Capital Blue Cross or any of its subsidiaries.
 - Holding an investment in a business that competes directly with Capital Blue Cross, unless that investment is less than ten percent (10%) of your net worth or your ownership interest does not allow you to influence or control a decision of the company in which you made the investment.
 - Hiring or having a reporting relationship, or other position of influence, with a family member, domestic partner, or someone with whom you share a significant personal relationship.
 - Accepting an expensive gift from a vendor with whom Capital Blue Cross has a business relationship. Refer to **Section 3** and **Appendix B** of this Code for guidelines regarding gifts.

- b. Solicitation: The potential for personal gain at work could also occur through an employee's solicitation of coworkers, e.g., taking orders for home party products, promoting personal businesses, etc. Capital Blue Cross guidelines generally prohibit solicitation at work. However, because Capital Blue Cross is strongly committed to our local communities, employees are permitted to support nonprofit organizations where the solicitation is: 1) passive only, 2) within our own departments, and 3) with management approval. See corporate policy **HR-703**, Selling, Canvassing, and Solicitations.

2. Outside Activities

Capital Blue Cross values and supports our employees' involvement in community and personal activities. However, our outside activities, including other employment, should not interfere, either directly or indirectly, with our work performance or in any way negatively impact Capital Blue Cross' reputation in the community.

3. Use of Corporate Assets and Electronic Communication

All systems of electronic communications and other corporate assets (such as supplies, computers, telephones, or other equipment) are provided solely for business use by employees on behalf of Capital Blue Cross. Those assets must not be used for personal reasons except as approved by management (e.g., minimal use of equipment during break and lunch periods). We must also remember that good etiquette and professionalism are important aspects of email and all other forms of electronic communication.

All corporate assets, including email, and Internet access, are controlled by Capital Blue Cross and subject to audit. Therefore, any permitted limited personal use should not:

- Interfere with normal business activities.
- Involve solicitation.
- Be associated with any other employment or external business activity.
- Present personal opinions that could be construed as representing approved corporate policy or Company opinion, including personal websites, blogs, and social networking environments (e.g., Facebook, Instagram, LinkedIn, or "X", formerly Twitter).
- Involve pornographic, violent, or offensive materials.

Remember, management may periodically access any employee's corporate electronic communications, without consent or prior notice. Inappropriate use of corporate assets may result in corrective action, up to and including termination of employment. See corporate policies **IT-110**, Computer Use and Information Security; and **HR-903**, Involuntary Termination of Employment.

4. Social Media

Employees' use of social media should be consistent with all Capital Blue Cross policies, including but not limited to those referenced in corporate policy **HR-742**, Social Media Usage, as well as those included in Disclosure Statement and Certification forms.

Capital Blue Cross' equipment or work time should not be used to engage in personal social media activities. Capital Blue Cross reserves the right to monitor all Internet/social media activity undertaken during work hours or with Company assets. The use of corporate passwords for security does not guarantee confidentiality. Be mindful that postings may become public.

Capital Blue Cross employees may not post on social media anything in Capital's name or in a way that the posting could reasonably be viewed as being approved by the Company, without prior authorization from senior management. Capital Blue Cross has a defined unit, Brand and Market Strategy, which is authorized to communicate on behalf of the organization. See corporate policy **HR-742**, Social Media Usage, for more details.

B. Ensure Accurate Reporting and Protection of Corporate Information

1. Proper Accounting

Capital Blue Cross deals with important financial information every day and maintains internal controls to verify that transactions are recorded in accordance with applicable laws and corporate policies. Capital relies on all of us to be complete, accurate, and honest in preparing, recording, and reporting information. Improperly altering, omitting, or destroying financial records or expense records is prohibited. With the exception of travel advances, Capital Blue Cross does not maintain credit, arrange for, or renew an extension of credit in the form of a personal loan to or for any employee.

No secret or unrecorded funds or assets may be created or maintained for any purpose. Making or participating in false or fictitious entries in Company records with respect to any transaction or the disposition of corporate assets is prohibited. To ensure that the financial statements of Capital Blue Cross fully and fairly disclose the Company's financial condition and are not misleading, you (and anyone acting under your direction) are prohibited from taking any action that could improperly influence, coerce, manipulate, or mislead: (i) any independent public or certified accountant engaged in the performance of an audit of the financial statements of Capital Blue Cross; or (ii) any member of Capital Blue Cross' Internal Audit department while performing an internal audit or investigation.

Concerns about the accuracy, timeliness, and completeness of all accounting, expense, and financial records and statements must be directed to management or the Compliance department immediately. See **Appendix A** for contact information.

Capital Blue Cross employees must cooperate fully in any audit or investigation being conducted by the Company or on its behalf. Any falsification or attempts to coerce, manipulate, or mislead may result in corrective action up to and including termination. See corporate policy **HR-903**, Involuntary Termination of Employment.

2. Member Information

Capital Blue Cross sends, receives, uses, and maintains large volumes of member information. Our members trust us with some of their most sensitive information, and it is our obligation to diligently protect the privacy and the security of that information. Most member information is considered PHI, whether used alone or in connection with other medical information, such as diagnosis, procedure codes, and medical records, and includes, but is not limited to:

- Name.
- Address.
- Social security number.
- Contract number.
- Date of birth.
- Date of service.

As Capital Blue Cross employees, we are responsible for safeguarding PHI, not only in the Company's computer systems and filing cabinets, but in every way that we use and share it. This includes oral conversations in the hallway or on the telephone, printed information, and information transferred by email, fax, mail, etc. See corporate policy **HR-735**, Privacy of Member Information. Questions about any privacy issue related to member information should be directed to the Privacy and Data Protection Office. See **Appendix A** for contact information.

3. Other Proprietary and Confidential Information

In addition to member information, Capital Blue Cross receives and generates a large amount of information that is confidential or proprietary. This includes company-specific information that is not intended for public knowledge, whether specific to Capital Blue Cross or companies with whom we conduct business.

Employees are obligated, both during and after employment, to protect the confidential and proprietary information of Capital Blue Cross, our customers, members, and our vendors. Confidential or proprietary information should be disclosed only to employees who have a specific business need to know it.

Confidential or proprietary information should only be disclosed to outside parties in accordance with Capital Blue Cross policies, confidentiality agreements reviewed and approved by the Legal department, or in response to a valid court order and with the Legal department's approval.

To avoid inadvertent disclosures of confidential or proprietary information, we must be especially cautious about discussing confidential information in social settings. One innocent disclosure may be enough to damage the reputation and competitive position of Capital Blue Cross with our customers and may even violate the law.

See corporate policies **HR-701**, Confidentiality and Proprietary Information; and **HR-735**, Privacy of Member Information.

4. Secure Data

Much of Capital Blue Cross' data resides in an electronic format that requires user identification, passphrase, and multi-factor authentication to gain access. Employees are expected to protect authentication information responsibly, which includes not sharing them with anyone and not facilitating unauthorized access to Capital Blue Cross systems. It is equally important to securely transmit and store data with Capital Blue Cross' administrative, physical, and technical safeguards. Corporate data must not be stored on non-Capital electronic devices (e.g., a personal laptop or smartphone). Capital Blue Cross business is to be conducted only through company-controlled solutions with appropriate technical safeguards. Employees must never transmit or store Capital Blue Cross' data in personal email or cloud storage such as Gmail or Google Docs, or on other personal media devices, such as thumb drives. Please reference corporate policy **IT-110**, Computer Use and Information Security for more information, including, but not limited to, the required criteria that needs used to establish an acceptable passphrase.

5. Record Retention

Capital Blue Cross records, including electronic information, are maintained and discarded in accordance with the Company's record retention policy and procedures, which are based on federal and state laws and regulations. Failure to maintain Company records in accordance with these requirements may result in fines and penalties against the Company. Documents that are required to be retained must be maintained in their original state. Documents may not be destroyed, revised or modified once they have been identified for retention.

Destruction or alteration of any information relating to a pending lawsuit or government audit could result in serious consequences for you and Capital Blue Cross. If you are uncertain about whether documents may be destroyed, consult with management, the records manager, the Legal department, or the Compliance department. See **Appendix A** for contact information.

See corporate policies **PF-301**, Management and Retention of Corporate Business Records; and **PF-304**, Email Retention.

6. Intellectual Property

Intellectual property generally consists of knowledge or creative ideas that have a monetary value or are protected under copyright, patent, service mark, trademark, or trade secret laws.

Capital Blue Cross works diligently to protect its intellectual property. Capital Blue Cross also respects and often has the legal obligation to protect the intellectual property of others, such as vendors. Contact Vendor Alliances or the Legal department with any questions about using licensed property, such as software or publications. Any suspected improper use of intellectual property should be reported to management or the Compliance department. See **Appendix A** for contact information.

7. Use of Software

When Capital Blue Cross purchases software, it generally does not own the software itself. Instead, we purchase a license to use the software in accordance with the vendor's restrictions. For example, using the software only for Capital Blue Cross' internal business purposes or limiting the number of copies that can be made. Unauthorized use or copying of software could result in civil and criminal penalties.

Employees may never install, download, or copy any software, including software available from the Internet, unless the software is specifically approved or appropriately licensed to Capital Blue Cross. Furthermore, copying a software application to more than one Company computer or to your personal computer is generally prohibited unless Capital has granted you specific permission to do so. Any improper use of software licenses must be reported to management or the Compliance department. See **Appendix A** for contact information.

C. Understand and Participate in the Company's Commitment to a Safe and Healthy Workplace

Capital Blue Cross recognizes that its greatest and most valuable asset is its diverse workforce and is therefore committed to providing employees with a safe working environment. Capital policy expects that we comply with all safety and health-related laws and regulations. See corporate policy **HR-711**, Building Security and Use of Facilities. Issues of safety are especially important in the following five areas.

1. Workplace Access

It is every employee's responsibility to assist in keeping the workplace safe and secure. This begins by always displaying our employee badges while at work and being aware of anyone who is not displaying a badge (employee, contractor, or visitor). Visitors must always be escorted by their host employee. An individual without a badge must be escorted to the front desk to obtain one.

Access to Capital Blue Cross facilities and restricted areas requires employees to show or swipe their own access badge. As a courtesy, you may hold open a perimeter door for an individual who is displaying an authorized badge. However, if a badge is not present, the individual must be escorted to the front desk. For restricted areas, such as a data center, you are not permitted to allow anyone to follow you through any internal secure door. Each individual must present their own access badge. If an individual must enter a restricted area without authorized access, they must sign a logbook and be escorted at all times.

See corporate policy **HR-711**, Building Security and Use of Facilities.

2. Workplace Violence

Capital Blue Cross strictly prohibits any act or threat of violence by an employee against another employee or any other person on Capital Blue Cross property or while conducting Company business. Prohibited conduct includes, but is not limited to:

- Assaults.
- Harassment.
- Physical, verbal, or written intimidation.
- Possession of weapons, including guns, knives, explosives, or the like, which are strictly prohibited in Capital Blue Cross buildings except for any individuals who are designated or otherwise authorized by Capital Blue Cross to act as security personnel or to otherwise assist in security measures.

Such conduct may result in immediate termination. In addition, threats of violence by nonemployees, such as disgruntled members or other persons, must be reported immediately to management, Human Resources, or the Manager of Facilities and Support Services. See corporate policies **HR-729**, Violence in the Workplace; **HR-711**, Building Security and Use of Facilities; and **HR-903**, Involuntary Termination of Employment.

3. Harassment/Sexual Harassment

Capital Blue Cross does not tolerate harassment or sexual harassment by or against any employee or other individual who represents or serves Capital Blue Cross.

Harassment is broadly defined as any unwelcome or offensive conduct committed by coworkers, vendors, customers, or other individuals. Discriminatory harassment involves unwelcome or offensive conduct with regard to another individual's race, color, sex, sexual orientation, gender, gender identity, religion, national origin, age, disability, or any other basis protected by law. See corporate policy **HR-732**, Harassment.

Examples of harassment include, but are not limited to:

- Derogatory nicknames, comments or slurs, or gestures.
- Derogatory posters, screen savers, or cartoons.
- Assault, intentional blocking, or interfering with normal conduct.
- Inappropriate words, labels, or symbols used as IDs, passwords, computer signoffs, or greetings.
- Threats, intimidation, bullying, or other forms of harassment, which have the effect of disrupting an employee's work environment.

Sexual harassment generally exists in two forms: 1) requests for sexual favors in exchange for continuation of employment, or for taking or not taking other job-related actions, such as promotions or corrective action and 2) conduct that creates a sexually offensive working environment. See corporate policy **HR-710**, Sexual Harassment.

Examples of sexual harassment include, but are not limited to:

- Unwelcome sexual advances, propositions, or requests for sexual favors.
- Unwanted physical contact, including touching, rubbing, or brushing up against another.
- Verbal harassment, such as suggestive comments, sexual innuendos, or jokes of a sexual nature.
- Nonverbal conduct, such as obscene gestures, leering, whistling, or displaying or circulation of sexually suggestive objects or pictures.
- Aggressive, intimidating, or "bullying" conduct directed toward someone because of their gender, even if not sexual in nature.

If you experience or observe harassment or sexual harassment in the workplace, you are required to report the incident promptly to management, Human Resources, or the Compliance department.

4. Substance Use

Capital Blue Cross prohibits the possession, use, or distribution of illegal drugs or alcohol on Company property or while conducting Capital Blue Cross business. An employee cannot report to work or remain at work if the employee is under the influence of legal or illegal drugs or alcohol. During certain approved business-related activities, however, conservative consumption of alcohol on Company property is permitted, e.g., Capital Blue Cross-sponsored dinner meetings or banquets.

5. The Environment

Capital Blue Cross is committed to making environmentally sound choices, and we ask all employees to do the same. Capital Blue Cross supports local recycling efforts and incorporates energy and water-saving devices in our buildings. Many segments of our business have moved to digital distribution of member and provider communications rather than hard copies mailed through the postal service. Employees should be mindful of what they use and how they use it and look for opportunities to minimize, reuse, and recycle waste at our facilities. Each of us should consider the impact on the environment before printing documents and help Capital Blue Cross conserve energy by turning off computers, monitors, and unnecessary lighting after business hours.

All documents that contain confidential or proprietary information or PHI must be appropriately disposed of in the approved blue recycling containers located at their workstations or shredding them if working remotely. It is never acceptable to place documents of this nature in the gray bins located in the office or trash cans.

Section 3

How Does INTEGRITY Affect My Business Relationships Outside the Workplace?

Employees are expected to foster courteous and productive working relationships with Capital Blue Cross vendors and customers. This includes:

- Following Capital Blue Cross policy when giving or receiving gifts and entertainment.
- Adhering to the terms of our contracts with vendors and customers.
- Abiding by established rules for reimbursement of expenses for attendance and participation at conferences and forums.
- Appropriate interactions with government representatives.
- Not accepting kickbacks or rebates of any kind or amount.
- Gathering information about competitors in a legal and ethical manner.

A. Gifts and Entertainment

Gifts and entertainment, both to and from external individuals and external entities, raise many conflict of interest questions. Capital Blue Cross' policy therefore requires handling gifts and entertainment in a certain manner.

A gift is any item, activity, privilege, etc., that is given from one person, entity, or group to another with the intention that the recipient will use the gift at their personal discretion and within a timeframe of their choosing.

Entertainment, which may include meals, also involves giving and receiving an activity or privilege, but with the intent that the gift-giver will accompany or host the recipient(s). Entertainment does not necessarily have the same monetary restrictions as gifts. See **Appendix B** for guidelines and examples.

Any gift given or received, or entertainment hosted or attended, must comply with law, customary business practices, and the Code.

In certain instances, government reporting may be required. For example, entertainment or gifts given to labor unions or labor representatives must be carefully documented, as reporting to the Department of Labor or other government agency may be required. Gifts and entertainment provided by Capital Blue Cross' Government Affairs department are also guided by both state and federal laws. Providing meals or entertainment to federal employees is strictly prohibited under federal law.

The following sections provide helpful guidance for employees when questions arise about appropriate business-related gifts or entertainment.

Giving and Receiving Gifts

Giving and receiving business gifts have long been considered part of good business etiquette. However, gifts and entertainment, both to and from external individuals and entities, raise many questions. We need to be sure that our decisions are not influenced by favoritism or inappropriate motives. The safest course of action is not to give or receive gifts at all. Sometimes, circumstances arise when that is not possible. If you must give or receive a gift, inexpensive or promotional items are appropriate if the item is widely available to others and the exchange is legal. Even inexpensive gifts should not be given or accepted if they are intended as, or could be perceived to be, an attempt to influence business decisions or are otherwise illegal or inappropriate. You are encouraged to ask the Compliance Department if you are unsure about giving or receiving a gift. For guidance and examples of the different gifts and entertainment guidelines, see **Appendix B**.

Employees may never ask for a gift, either directly or indirectly, from an individual or entity with whom Capital Blue Cross conducts business. However, from time to time such a person or company may choose to offer a gift. While conducting Capital Blue Cross business, nonmonetary items may be accepted, up to a maximum of \$100 value per calendar year, from any external individual/entity. For specific guidance on what constitutes a nonmonetary gift, see **Appendix B**.

Cash and cash-equivalent gifts may never be accepted for personal use. Employees who receive cash or cash-equivalent gifts from an external business-related individual or entity have two options:

- **Decline:** You may always politely decline the gift. Please contact the Compliance department for a copy of the Gift Gratitude Return Letter template. See **Appendix A** for contact information.
- **Donate:** Because Capital Blue Cross cares deeply about the needs of our local communities, you may donate the gift to a Company sponsored charitable organization of your choice, as coordinated by the Compliance department, through an established and documentable process. It is preferable that checks are made payable to Capital Blue Cross or that a cash gift is contributed directly to a charity by the individual or entity providing the gift. The Compliance department will provide additional guidance, as necessary, for checks made payable to employees and gift cards. Because cash or cash-equivalent gifts are transferred to a charity, disclosure to the government for tax purposes is not required.

Gift cards are considered cash equivalent and therefore may not be accepted for personal use. If a gift card has been received, the employee should coordinate with the Compliance department to submit the gift card or a personal check for the value of the gift card payable to Capital Blue Cross.

There are specific regulatory requirements regarding gifts to government and commercial enrollees and employees, including possible reporting requirements. The guidelines are found in **Appendix B**. See corporate policy **RC-714**, Gratuities and Kickbacks Involving Government Employees and Vendors.

On occasion, it may be acceptable to host or attend a celebratory dinner or function with business partners to mark the end of a project or a deal. However, the dinner or function must be:

- Offered on an infrequent basis.
- Reasonable and appropriate to the occasion.
- Compliant with department and corporate policies and state and federal laws and regulations.
- Preapproved by management.

If you use a Capital Blue Cross vendor for purposes that are not related to Capital Blue Cross, you must pay full market value for the services and materials. In most instances, you may not accept discounts or preferential treatment offered to you because of your position at Capital Blue Cross. A discount or preferential treatment may be acceptable if the same treatment is offered openly to all Capital Blue Cross associates (e.g., Capital Blue Cross Activities Association (CBCAA) discounts).

B. Conference and Seminar Sponsorships/Travel Reimbursement

In most instances, Capital Blue Cross prohibits any outside entity or individual who does or seeks to do business with Capital from paying for an employee's expenses to attend a conference, seminar, or other similar event. This includes discounted conference fees or reimbursement for travel, meals, or lodging expenses, as well as offers of gifts or prizes valued at more than \$100. An exception may be made when the reimbursement is part of the terms of a signed agreement that Capital Blue Cross maintains the outside entity.

Capital Blue Cross will reimburse an employee for attendance at a conference or seminar if there is a business reason for the employee to attend, if the employee has received prior approval from management, and if the purpose and cost of the event is within Capital Blue Cross guidelines and budget.

C. Participation in External Forums and Honoraria

There may be occasions when an outside group or organization solicits the expertise of an employee for a professional presentation; participation on a panel, focus group, or advisory council; submission of a written paper; membership on a working board; or other such activities related to our work for Capital Blue Cross (e.g., external forums). With management's approval, Capital encourages participation in appropriate corporate employment or community-related forums. Compensation for these types of activities is commonly referred to as honoraria (a nominal payment in recognition of acts of professional services for which custom or propriety does not allow a price to be set).

At Capital Blue Cross, *we may not accept honoraria for personal use* for activities that relate to our duties or representation of the Company. If offered, we may accept an honorarium payment *only under the condition that it is donated to a charitable organization*, as outlined in this Code. See **Section 3.A.1**.

However, Capital Blue Cross does allow reasonable reimbursement from a sponsoring organization for registration, travel, lodging and/or food expenses incurred by the participating employee. In these instances, any reimbursement for expenses associated with our participation in external forums must be approved by management in advance.

For appearances, presentations, speeches, or written works that involve outside personal interests, i.e., knowledge or expertise *unrelated* to our duties with or representation of Capital Blue Cross, employees may personally accept honoraria. In such circumstances, the employee is responsible for all expenses related to the activity and any arrangements for honoraria. Additionally, the activities must be performed on personal time.

Questions about honoraria should be directed to management or the Compliance department.

Conferences/Seminars and External Forums: Potential Business-Related Scenarios and Guidelines

- If you are a participant in a business-related conference or seminar that has been approved by Capital Blue Cross management, all registration, travel, lodging, and meal costs must be paid by Capital Blue Cross.
- From time to time, our Capital Blue Cross employees may serve as speakers and panelists at conferences and seminars at local and national levels. If you are a speaker or panelist at a management-approved business-related conference or seminar, you may accept full or partial reimbursement for your registration, travel, lodging and/or food expenses if offered to all speakers in the event from the organization or underwriter sponsoring the event provided the expenses are a reasonable amount. This includes attendance at additional sessions at the conference as a participant only.
- Sometimes our employees are invited to attend advisory councils or forums as subject matter participants in order to help the organization sponsoring the council or forum improve its products or services. If you are invited to participate at such an event in your role as a Capital Blue Cross employee in order to provide industry, subject-matter, or best-practice insight and feedback, you may, with prior management approval, accept reasonable full or partial reimbursement for your registration, travel, lodging, and/or food expenses as long as such reimbursement is offered to all participants. This is because the sponsoring organization is receiving the benefit of your expertise and knowledge.

It is important to remember that while you may accept reimbursement in situations like those above, as a Capital Blue Cross employee, it is unacceptable to solicit or demand reimbursement when it has not been offered. Further, the Compliance department must review and approve any unique situations to determine if reimbursement is appropriate.

Additionally, as a Capital Blue Cross employee, you may not accept a cash or cash-equivalent honorarium or payment for your services, if one is offered. Please politely decline the honorarium or allow a donation to be made directly to a charity instead. Alternatively, you must follow the guidelines in **Section 3.A.1.** of this Code regarding the receipt of cash gifts.

D. Contacts with Government Representatives

Federal and state laws and regulations govern Capital Blue Cross' contacts with elected officials and government employees (collectively "government representatives"), as well as members of a government representative's immediate family. Employees should consult the Legal or Government Affairs department on issues that involve contacts with federal, state, or local government representatives.

Only Capital Blue Cross Government Affairs or Legal department employees are permitted to express the Company's views on legislation, regulations, or government action. Other employees may communicate Capital Blue Cross' views only with specific guidance from Government Affairs.

Certain prohibitions or restrictions limit what we can offer or give by way of gifts, business courtesies, meals, or entertainment to government representatives. To ensure compliance with government guidelines, all questions should be directed to the Legal or Government Affairs department. See **Appendix A** for contact information.

E. Kickbacks and Rebates

Employees and their immediate family members may never accept kickbacks (the return of any portion of the purchase price, usually the result of a secret agreement) or rebates from the purchase or sale of any Capital Blue Cross goods or services. Kickbacks and rebates are not limited to cash or credit. If you or a family member stands to experience any personal gain from the deal, it is generally prohibited. Further, no payment or offer of benefit of any kind, other than those promotional items included in Capital's marketing policies that comply with the standards in the Code, may be made to a member, group, or potential member or group, as an inducement to purchase or remain enrolled in any of our products.

Not only are kickbacks and rebates prohibited as provided under the Code, but strict federal laws apply, as well. The federal Anti-Kickback statute prohibits "the direct or indirect offering, giving, soliciting, or accepting of any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind to improperly obtain or reward favorable treatment under any government contract." This includes kickbacks and rebates to or from a vendor, provider, or government agency, or their employees in connection with favorable treatment under a federal healthcare program, such as Medicare. By law, Capital Blue Cross is required to report violations of the Anti-Kickback statute to the government, and it is imperative that all suspected violations are reported to the Compliance department. If you violate the Anti-Kickback statute or other anti-fraud laws, you may be subject to corrective action up to and including termination. See corporate policies **HR-725**, Corrective Actions; and **HR-903**, Involuntary Termination of Employment.

Questions about whether a benefit constitutes a kickback or a rebate should be directed to management, Legal, and the Compliance department. See **Appendix A** for contact information.

F. Reciprocity

Capital Blue Cross often buys products and services from vendors who purchase or may purchase health, prescription drug, dental, or vision coverage from the Company. It is appropriate for Capital to purchase from these vendors, provided their prices or bids are competitive with vendors who do not purchase our products. However, it is not appropriate for an entity to be pressured into buying our coverage as a condition of doing business with the Company.

G. Payments to Agents, Brokers, and Consultants

Capital Blue Cross enters into agreements with agents, brokers, or consultants to carry out business requirements. These agreements should be in writing, approved by appropriate management, and submitted through the contract review process, when applicable, which includes legal review. The agreements should clearly and accurately state the services to be performed, the basis for payment, the rate of payment or applicable fee, and should conform to all applicable federal and state laws and regulations. See **PF-701**, Vendor Lifecycle Management. Contact Vendor Alliances if you have questions about preparing or executing a contract. See **Appendix A** for contact information.

H. Ethics of Competitive Intelligence

Gathering information about competitors in a legally appropriate manner is quite common and reasonable in the business world, and Capital Blue Cross is committed to conducting such activities with the utmost integrity. This commitment includes, but is not limited to:

- Gathering competitive information only from proper sources, such as journal and magazine articles, advertisements, public presentations, publicly posted/distributed documents and brochures; surveys conducted by consultants; and/or communications with our broker community and other individuals who can provide information legally and ethically;
- Avoiding improper means of obtaining competitive information, such as through theft, bribery, or improper infiltration; and
- Accepting competitive information only when its receipt and use is lawful and appropriate.

When in doubt, information gatherers should contact the Legal department or the Compliance department for guidance before obtaining or using the information. See **Appendix A** for contact information.

Section 4

What Other Laws or Requirements Should Guide My Commitment to **INTEGRITY**?

We are required to comply with all applicable laws, regulations, legal, and corporate requirements. This includes, but is not limited to, the following subjects:

- Fraud, Waste, and Abuse.
- Government health benefit contracts.
- Criminal convictions related to healthcare and fraud and persons not eligible to participate in government healthcare programs.
- Fair competition and antitrust laws.
- Political activity in connection with work.
- Equal opportunity/affirmative action.
- Responding to government investigations and inquiries, as well as media inquiries.

A. Fraud, Waste, and Abuse

Fraud, waste, and abuse in the healthcare industry are serious national problems that have the ability to impact all Capital Blue Cross lines of business. This includes Medicare, coverage written through the Pennsylvania health insurance marketplace (Pennie), Children's Health Insurance Program (CHIP), Federal Employee Health Benefit Plan (FEHBP), and all commercial lines of business. Fraud is activity that is deliberately deceptive in order to secure unlawful or unfair gain. Most doctors, healthcare providers, suppliers, and members are honest. However, some may not be.

As employees in the healthcare industry, we play a significant role in identifying potential incidents of fraud, waste, or abuse and reporting suspected inappropriate activity immediately.

It is therefore important to understand that the differences among fraud, waste, and abuse are often subtle, primarily dependent on intent. It is difficult to know a person's intent without an investigation, which normally includes a request for medical records and a thorough review of claims history. Because the lines among fraud, waste, and abuse are often blurred, employees are not expected to be able to identify the category into which the potentially inappropriate activity falls. All questionable activity should be reported to Capital Blue Cross' Special Investigations Unit to be investigated by trained personnel.

Questions about a potential fraudulent, wasteful, or abusive activity should be immediately directed to management, the Special Investigations Unit, or the Compliance department. See **Appendix A** for contact information.

Following are definitions and examples of fraud, waste, and abuse that only scratch the surface of the possibilities. Understanding what fraud, waste, and abuse look like in your business unit will ensure that you are prepared to take action should you observe or suspect it during the daily work activities.

Fraud	
Definition	Fraud is knowingly and willingly executing, or attempting to execute, a scheme to defraud any healthcare benefit program; or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program. • Deliberately submitting or filing false claims. • Purposely misrepresenting a condition or the type of services provided. • Borrowing someone else's insurance ID card to receive services.
Example	The provider deliberately submits a claim for a surgery that the provider knows was not performed.
Waste	
Definition	Waste is the over utilization of services or other practices that, directly or indirectly, result in unnecessary costs. Waste is generally not considered a criminal action, but rather the misuse of resources. • Always performing a higher level of service or more extensive procedure. • Routinely ordering tests that may not be medically necessary.
Example	A physician only stocks the larger vials of medication, even if smaller vials are available, and bills for the medication used and wasted.
Abuse	
Definition	Abuse includes actions that may, directly or indirectly, result in unnecessary costs. Abuse involves payment for items or services when there is not legal entitlement to that payment, and can occur even if the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. <i>Essentially the difference between fraud and abuse is intent. Abuse involves:</i> • Unknowingly submitting or filing claims for services that were not rendered or; • Unintentionally submitting the incorrect condition or type of service provided.
Example	The provider's office routinely submits claims for surgical procedures the day after the surgery is scheduled to occur. The surgery is cancelled, but the billing office is not notified. The office submits the claim for a surgical procedure that was not performed.

Healthcare fraud can result in significant liabilities and, in some cases, subject the perpetrator to criminal prosecution. Waste and abuse, like fraud, can result in the same obstacles to process improvements and unnecessary costs of care. Capital Blue Cross takes these issues seriously. Capital Blue Cross has an internal fraud, waste, and abuse audit program, and a Fraud and Abuse Committee, which are committed to investigating any suspicious claim activity and taking appropriate action. When appropriate, investigative findings will be reported to law enforcement, government entity, or the Medicare Drug Integrity Contractor (MEDIC), as applicable.

In addition to inappropriate conduct from external sources, it is also possible for employees to perpetrate acts of *internal* fraud, waste, or abuse, including, but not limited to:

- Submitting false or “padded” expense reports.
- Forging or altering checks.
- Accepting payment for which they know services were not provided.
- Falsifying 401(k) loan application (e.g., fabricating a reason to apply for a hardship exception).
- Submitting inaccurate timesheets (e.g., falsely claiming overtime hours).
- Intentionally revising Capital Blue Cross records, financial statements, or government reports with the intent to mislead.
- Misusing or misappropriating Capital Blue Cross property.

It is each employee’s responsibility to notify management, the Special Investigations Unit, or the Compliance department, if you become aware of external or internal fraud, waste, or abuse.

Fraud, waste, and abuse are not the only actions that may place Capital Blue Cross at risk; willful disregard or negligence in following internal standards of conduct or policies and procedures may also hinder process improvements and result in customer or member dissatisfaction and unnecessary costs of care. It is everyone’s responsibility to be aware of and understand the corporate and department level policies and procedures that impact or control daily work processes and actions. Questions or concerns related to the failure to comply with these internal standards should be promptly directed to the Compliance department.

B. Government Health Benefit Contracts

Capital Blue Cross is proud to provide services to many members through federal and state contracts and programs; for example, Medicare Advantage and Medicare Part D programs, the Pennsylvania health insurance marketplace (Pennie), the FEHBP, and CHIP. When conducting business under a government contract, Capital must ensure that all activities are performed with the highest degree of care and integrity, complying with applicable laws and regulations.

Capital Blue Cross is often required to certify certain data that is submitted to the government. Inaccurate information or false certifications can result in civil penalties and criminal sanctions against you or Capital Blue Cross, regardless of whether you are an employee or a contractor doing business on the Company’s behalf. See corporate policy **HR-903**, Involuntary Termination of Employment, for potential consequences. Exercise extreme care and accuracy when preparing and submitting documentation to the government or any other entity.

C. Ineligible Persons

Capital Blue Cross will not employ or contract with individuals or entities who have been convicted of certain criminal offenses related to healthcare or fraud, or who are ineligible to participate in federal or state healthcare programs. To ensure this, Capital Blue Cross performs upfront and routine checks on government exclusion and preclusion lists to identify any ineligible individuals and entities. See corporate policies **RC-734**, Complying with Executive Order 13224; and **RC-737**, Federal and State Exclusion Reviews. Capital Blue Cross also requires subcontractors under its government programs to comply with all regulations regarding ineligible individuals and entities. It is important to remember that individuals are under a continuing obligation to immediately report to the Compliance department any new details or changes in circumstances regarding eligibility to participate in a healthcare program or a conviction (or guilty or no contest plea) of a felony or misdemeanor in any jurisdiction.

D. Fair Competition and Antitrust Laws

Antitrust laws prohibit anticompetitive behavior (including conspiracy and monopoly) and unfair business practices. Capital Blue Cross has strict policies in place to ensure compliance with antitrust laws. See corporate policy **RC-736**, Compliance with Antitrust Laws. Of particular importance is the prohibition of agreements or joint conduct between competitors that harms competition. Compliance with antitrust laws means that we must:

- Never discuss with competitors any matter directly related to competition between Capital Blue Cross and the competitor, including pricing, marketing strategies, sales policies, and provider contracts.
- Never agree with a competitor to restrict competition by fixing prices, allocating markets, or other means.
- Never require customers or members to take a service/product they do not want just so they can get the service/product they do want.
- Be accurate and truthful in all dealings with customers and members, and be careful to accurately represent the quality, features, all related costs and availability of Capital Blue Cross products and services.
- Be especially careful with information shared at trade associations or other meetings where interactions with competitors may take place.

Because the antitrust laws are extremely complex, questions regarding permissible conduct should be directed to the Legal department. See **Appendix A** for contact information.

E. Political Activity in Connection with Work

Employees must not participate in political activities during work hours or on Capital Blue Cross property. While Capital Blue Cross encourages employees to participate in the political process, we must do so in accordance with federal and state laws. It is against the law to use corporate funds, property, facilities, or work time in connection with federal and state elections. Outside of Capital Blue Cross, you may make personal contributions, support candidates or political organizations, and vote as you wish. However, when you speak out about political activities, you should give no indication that you are connected with or speaking on behalf of the Company.

As an exception to the above limitations, Capital Blue Cross makes contributions to the Blue Cross Blue Shield Association Political Action Committee (PAC) and has its own PAC known as "Capital Blue PAC."

Contributions to the PACs are voluntary, and it is against Capital Blue Cross policy to pressure any employee to contribute.

Moreover, Capital Blue Cross employees who are registered lobbyists must comply with specific state and federal statutes and regulations regarding lobbying activities. Because of their job-related, direct role with lawmakers and political activity, the Capital Blue Cross lobbyists and their staff are exempt from the restrictions regarding the use of corporate assets or Company time for conducting political activity. Questions about political activity should be directed to the Government Affairs or Legal departments. See **Section 3.D**, Contacts with Government Representatives.

F. The Company's Commitment to Equal Opportunity/ Affirmative Action

Capital Blue Cross is committed to the administration of employment without regard to race, color, religion, national origin, sex, sexual orientation, gender, gender identity, age, genetic information, disability, veteran status, or marital status. See corporate policy **HR-101**, Equal Employment Opportunity.

As an Affirmative Action employer, Capital Blue Cross documents its good-faith efforts to recruit, hire, and develop an employee base reflecting a diverse cross-section of the local population. Furthermore, Capital Blue Cross strives to purchase goods and services from both women- and minority-owned businesses where appropriate. The Company monitors its progress in reaching these goals and strives to maintain its achievements and improve its performance in these areas, as necessary.

Questions about equal opportunity or affirmative action should be directed to Human Resources.

G. Responding to a Government Investigation or Inquiry

Capital Blue Cross is routinely audited by various government agencies; for example, the Centers for Medicare & Medicaid Services (CMS), the Internal Revenue Service (IRS), and the Pennsylvania Insurance Department (PID). Capital could also be the subject of an investigation from other agencies. The Company intends to comply with all applicable federal, state, and local laws and regulations and to cooperate fully with government agencies concerning audits, inquiries, and investigations. To protect Capital Blue Cross' interests, please follow Company policy with respect to any such audit, inquiry, or investigation. See corporate policy **RC-733**, Responding to Government Investigative or Enforcement Agents.

Under the law, you have no obligation to provide any information to, nor speak with, an investigator at any time unless you are subpoenaed to testify. The Legal department can provide assistance in recommending how to respond to the subpoena or any other request for information. *If you are served with a subpoena from a government agency, you must report it to the Legal department immediately.* Questions about government audits and investigations should be directed to the Legal department and the Compliance department. See **Appendix A** for contact information.

H. Responding to Media Inquiries

Never respond to any media request. In order to provide accurate and consistent answers to inquiries and protect customer confidentiality, all written or oral media requests received by Capital Blue Cross employees should be referred to Brand and Market Strategy. See **Appendix A** for contact information and corporate policy **HR-728**, Media Contacts.

Section 5

How Does **INTEGRITY** Affect My Response to Suspected Misconduct or a Code Violation or Compliance Issue?

In addition to guidance found in the Code and our corporate policies, we should always use integrity, common sense, and good judgment. We must report suspected violations and ask questions if ethical dilemmas arise, or we have concerns about compliance issues. This is part of preserving an ethical culture at Capital Blue Cross. There may be times, however, when you are uncertain about what action to take. Capital provides multiple resources to help guide your decision-making process.

A. Report Ethical Concerns and Compliance Issues

As a Capital Blue Cross employee, you may become aware of a potential compliance violation or be faced with ethical dilemmas where the best response may not be obvious. You may also become aware of a potential or confirmed compliance issue.* Please reference Corporate Policy **RC-200** for more information. This policy addresses obligations to report suspected or confirmed compliance issues to the Compliance department and outlines the various reporting methods, assessment, remediation, and oversight process.

You should never hesitate to report suspected violations, ethical concerns, or known compliance issues, or to ask questions and seek assistance when you face an ethical dilemma.

You have access to several areas of support when you have concerns about potential noncompliance, ethics concerns, suspected fraud, waste and abuse, or need to report a violation of the Code, Capital Blue Cross policies, or the law. Contact information and area of expertise by department can be found in **Appendix A** of the Code. Please use this convenient resource when needed.

Each reported concern is thoroughly investigated and addressed, as appropriate. Your reports are an important part of our culture of compliance and are welcomed and encouraged.

Remember to consult with your management or the Compliance Department if you are uncertain about the laws, regulations, policies, or procedures that apply to the work that you or your external business partner (e.g., contractor, vendor, etc.,) do for Capital Blue Cross.

*Compliance issues include failures to comply with Capital Blue Cross' Code of Conduct, applicable federal or state laws, regulations, sub-regulatory guidance, other government directives or requirements, third-party contractual obligations with regulatory implications, corporate and departmental policies and procedures, accreditation agency requirements, or other situations that may require reporting to regulatory agencies, wherein these situations may result or have resulted in direct or indirect operational, member, employer group, or provider impact to Capital or its subsidiaries.

B. What to Expect When Submitting a Report

1. Non-Retaliation

Retaliation is defined as reprisal, interference, restraint, penalty, discrimination, intimidation, harassment, or other adverse employment consequences. Retaliation is prohibited by corporate policy and, in some instances, the law. Retaliation will not be tolerated if taken against an employee because they came forward to raise a genuine concern; made a good faith report of noncompliance with federal, state, or local laws and regulations; or reported suspected acts of noncompliance with corporate policies and procedures or the Code. A report made in good faith involves one in which a genuine attempt was made to provide truthful and accurate information.

If you suspect or observe retribution or retaliation, report it immediately to management, Human Resources, or the Compliance department. See **Appendix A** for contact information. An employee who is found to retaliated against another employee will be subject to corrective action up to and including termination. See corporate policy **HR-741**, Non-Retaliation.

Capital Blue Cross' policy against retaliation does not excuse us from the consequences of our own improper or unethical behavior. However, the consequences will never be more severe because someone has reported their own conduct. To the extent possible, Capital will protect a reporter's request for confidentiality. Likewise, we are

each responsible for protecting the confidentiality of any reports that are made to management or the Compliance department as well as the privacy of any employee who makes such a report.

2. Investigation

A report of unethical behavior or a suspected violation of the Code, corporate policy, law, or regulation will be promptly investigated.

All team members are expected to be honest, cooperate fully with an investigation and to maintain confidentiality (to the extent reasonably possible) and respect for the process, our Company, and our fellow team members.

The Compliance department may seek assistance from, or refer matters to, other areas for handling, including but not limited to Human Resources, Internal Audit, Special Investigations Unit, the Legal department, or external counsel to assist or handle the investigation. For example, Human Resources-related matters that are reported to the Compliance department are promptly forwarded to Human Resources. Human Resources is responsible for reviewing the concern, following up with the inquirer in a timely manner, and keeping the Compliance department apprised of the progress and final resolution. This maintains an open-door policy to the Compliance department and an effective resolution of concerns that are not directly related to compliance matters.

3. Corrective Action

Capital Blue Cross' disciplinary policies and procedures apply to issues of misconduct. A violation of the Code, corporate policy, law, or regulation could potentially result in corrective action up to and including termination of employment. See corporate policies **HR-725**, Corrective Actions; and **HR-903**, Involuntary Termination of Employment. The level of discipline administered will depend on the nature, severity, and frequency of the violation and may result in any one or more of the following corrective actions:

- Counseling or coaching.
- First written notice.
- Second written notice.
- Third or final written notice.
- Termination.

Unethical or illegal behavior that impacts a benefit program, including but not limited to federal or state government programs (Medicare, the Pennsylvania health insurance marketplace (Pennie), FEHBP, and CHIP), may subject Capital Blue Cross to governmental corrective actions, including oral or written warnings or reprimands, suspension of enrollment or license, termination of governmental contracts, or financial penalties.

4. Legal Reporting Requirements

Capital Blue Cross' attorneys have a duty to report evidence of a material violation of law or breach of fiduciary duty or similar violation by Capital Blue Cross, or any agent thereof, to the Company's General Counsel or President and Chief Executive Officer. If neither appropriately responds to the evidence (adopting, as necessary, appropriate remedial measures or sanctions with respect to the violation), Capital Blue Cross' attorneys must report the evidence to the Compliance and Risk Committee of the Board or to the full Board.

C. Conclusion

As an initial condition of employment, and annually thereafter, every employee is required to complete a Disclosure Statement and Certification form that acknowledges that you have read the Code, understand it, and will abide by it. This is an important part of your job responsibilities and remains the key to Capital Blue Cross' success and our continuing good reputation in the communities we serve.

As Capital Blue Cross employees, we have daily opportunities to conduct Company business in accordance with the utmost legal and ethical business principles. Intentional contribution to a corporate culture of integrity has a significant impact on personal and professional satisfaction and reward, and is the utmost importance of our members, stakeholders, community, and our business as a whole.

Capital Blue Cross appreciates you being a key part of our culture of ethics and compliance!

Appendix A: Contact Information

As discussed throughout the Code of Conduct, you may contact the Compliance department with any questions or concerns. Also listed below are additional contacts that you may use in a variety of situations.

Compliance Department (Corporate and Medicare)	
Chief Compliance Officer Joel Hopkins	717.541.6358
Vice President, Compliance Officer Carlos M. Fernández	717.541.7275
Medicare Compliance Officer Melissa Leedock	717.541.6934
Compliance inquiries Code of Conduct concerns or violations	Complete the Online Submission Form* (found on CrossNet under the Compliance homepage). Non-Medicare: CBC.CorporateCompliance@capbluecross.com Medicare: CBCMedicareCompliance@capbluecross.com Compliance Hotline*: 888.511.4036 Interoffice mail drop*: 6044
Compliance issues	The preferred method of reporting suspected or known compliance issues is a Report, Access, Comply, and Examine (RACE) submission. Please work with your management, as necessary. This is an online submission that is intended for internal use only; it is not meant for vendors or anyone outside Capital Blue Cross to complete. This CrossNet link can be used to submit a RACE: CapBlueCross.com. If you are uncertain about whether there is a compliance issue that warrants the submission of a RACE, please reach out to the applicable Compliance email address listed below prior to submission. - Medicare: CBCMedicareCompliance@capbluecross.com - Non Medicare: CBC.CorporateCompliance@capbluecross.com You are also welcome to reach out to anyone in the Compliance Department directly for assistance.
Report directly to the Compliance and Risk Chairperson, Capital Blue Cross Board of Directors	Call the Compliance Hotline at 888.511.4036, select "Board Level Reporting".*

*Offers anonymous reporting.

Appendix A: Contact Information (cont.)

For Assistance with Specific Issues	
If the Issue Concerns:	Contact this Resource:
Human Resources issues: • Employment practices. • Harassment. • Respect in the workplace. • Workplace behavior.	Human Resources: 717.541.6527
Fraud, Waste or Abuse	Special Investigations Unit (SIU) Fraud Hotline: 888.612.1277 Fraud.CBC@CapBlueCross.COM Complete "Report Fraud" Form (found on CrossNet under the SIU homepage). You can use this link to access: Special Investigations Unit .
Confidential information: • Privacy. • Information Security.	Privacy and Data Protection Officer: 717.541.6063 IT Security: 717.541.7200
Conflicts of interest	Corporate Compliance Department: 717.541.6483 CBC.ComplianceDisclosures@CapBlueCross.COM
Accounting records: • Financial statements and records. • Expense records. • Other accounting records.	Compliance Officer: 717.541.7275
Legal	Legal Department: 717.541.6886
Regulatory inquiries, requests, and investigations	Corporate Compliance Department: 717.541.7275 Medicare Compliance Department: 717.541.6934 Legal Department: 717.541.6358
Media inquiries	Brand and Market Strategy: 717.541.7692
Gifts, business courtesies, meals, entertainment, and contacts with federal, state, and local government representatives; political activity	Government Affairs: 717.541.6135
Vendor contracts and other questions about vendors	VendorAlliances@capbluecross.com

Front Desk	Capital Blue Cross general number: 855.505.2583 Elmerton Avenue: 717.541.6001 Lehigh Valley: 610.820.2730
Facilities	Harrisburg Area: 717.541.6035 Lehigh Valley: 610.820.2730

Appendix B: Gifts and Entertainment

Below are charts of examples to help guide your decision on giving or receiving a gift or entertainment. If you have any questions, please contact the Compliance department for further assistance.

Examples of Business Gifts	
Generally Acceptable	Generally Not Acceptable
Logos, t-shirts, pens, calendars.	Jackets, wristwatches, electronics, jewelry.
Flowers or gift baskets to be shared with other associates.	Any gift which could be perceived to create a conflict of interest.
	Gift Cards—Must either be declined or donated.

Examples of Business Hospitality and Entertainment	
Generally Acceptable	Generally Not Acceptable
Inexpensive general admission tickets to regular season sporting events.*	Expensive, hard to obtain tickets to playoff tournaments, or series.
An inexpensive round of golf with a business associate.*	All expenses paid vacation at a golf resort.
Travel expenses in connection with a speaking engagement, if authorized by the Compliance department.	Accepting an offer to cover the costs associated with travel, accommodations, and registration fees from the host or sponsor of an industry seminar.
Sharing a taxi to a trade show.	Using a vendor's ski chalet for the weekend.
*\$100 maximum value.	

Hosting Meals/Entertainment for External Individuals or Entities	
Acceptable Hosting Situations	Nonacceptable Hosting Situations
Nongovernment business—Capital Blue Cross may reimburse for management-approved, business-related entertainment that is reasonable, does not violate any law or regulation, and does not negatively impact Capital Blue Cross' reputation. For additional information, please reference corporate policy PF-030 .	Federal government employees—Providing meals or entertainment is strictly prohibited by federal law.
The \$100 maximum gift allowance does not necessarily apply to meals and entertainment hosted by Capital Blue Cross, but management approval is required in order to ensure that the entertainment is not excessive and is consistent with department policy and budgetary guidelines.	State and local government employees—Restrictions and reporting requirements may apply.
	Before offering meals or entertainment to state or local employees, obtain approval from management and contact Government Affairs for guidance.

Appendix B: Gifts and Entertainment (cont.)

There are specific regulatory requirements regarding gifts to government enrollees and employees, including possible reporting requirements. See corporate policy **RC-714**, Gratuities and Kickbacks Involving Government Employees and Vendors. The following guidelines apply to gift giving for the different categories. The Compliance department must be notified in advance of any gifts to be given in accordance with this section.

Government Related Business Guidelines	
Government Program Enrollees	Government Employees
General rule: No cash or cash equivalent (for example, gift cards to retailers such as Amazon or Target; cash debit cards).	General rule: No cash or cash equivalent.
Limited gift allowances.	Limited gift allowances.
Medicare Advantage or Part D Plan: - Maximum value of \$15 per item, and \$75 per calendar year, per member. - Current Medicare enrollee rewards and incentives programs are excluded from this requirement.	Maximum value of \$20 per item and \$50 per calendar year.
Children's Health Insurance Program (CHIP): - Maximum value of \$5 per item. - Special rules for incentives.	Most meals and entertainment are forbidden by federal law, although modest refreshments are excluded from the gift rule restrictions (e.g., snacks, coffee, doughnuts).
Federal Employee Health Benefit Program (FEHBP): Maximum value of \$20 per item. \$50 per calendar year.	Additional prohibitions and restrictions may apply where established by the government. See Section 3.D , "Contacts with Government Representatives."
Pennsylvania health insurance marketplace (Pennie): Contact Legal or the Compliance department to confirm current guidelines.	Nongovernment business—Employees may give minimal monetary gifts, or reasonable and appropriate nonmonetary gifts, which are primarily advertising or promotional in nature, as long as the maximum value does not exceed: \$100 per gift; and \$100 per calendar year per individual.

Appendix B: Gifts and Entertainment (cont.)

Exceptions and Guidelines on Receiving and Accepting Gifts and Entertainment	
The \$100 value rule does not apply:	Noncash raffle prizes that may be accepted if each of the following is met:
“Incentive trips” offered by insurance carriers to high-producing marketing agents who will receive a 1099 form for the value of the award (i.e., income) and use approved PTO for time off during the trip.	The event is not for only Capital Blue Cross or its subsidiaries’ employees.
Nonexcessive activities offered to all participants at approved business meetings and conferences, e.g., golf outing, ball game, spa treatment, or dinner. An approved business event means that Capital Blue Cross pays for employees’ travel and other expenses associated with the meeting or conference.	Everyone who registers, puts in a ticket, or otherwise enters the contest has the same opportunity or chance to win.
Onsite or offsite meals must be: • Reasonable and nonexcessive. • Offered on an infrequent basis. • Compliant with department or corporate policies and state or federal laws and regulations. • Preapproved by management.	The prize is not excessive or inappropriate to the occasion (e.g., an iPad would be allowed but no lavish trips).
	The prize is not cash or a cash equivalent unless the “Cash Gift Transfer Form” is used for donation purposes.
	Neither Capital Blue Cross, nor any of its subsidiaries or employees, is under any obligation to the vendor or supplier of the prize for having entered or for winning the prize item.
	In all instances, regardless of the value of the prize, winning does not influence an employee’s decision-making or otherwise compromise an employee’s ability to act in the best interests of Capital Blue Cross or its subsidiaries.
	If an employee who has won a vendor’s raffle drawing is subsequently involved in choosing or evaluating a vendor, that employee must disclose the winning of the prize to his/her manager and to the Compliance officer, and may need to recuse himself/herself from decision-making.

Commercial Related Business Guidelines
Commercial Program Enrollees/Prospective Enrollees
Under Pennsylvania’s rebate limitations: Maximum value of \$100 per individual (in the aggregate) per calendar year. No cash permitted. Contact the Legal or Compliance department with any questions.

Frequently Asked Questions (FAQ)

One of our vendors invites me and some of my coworkers to dinner to celebrate the completion of a big project. May we attend?

Yes, as long as the occasion follows the guidelines in the Code, including ensuring that the dinner is: 1) offered on an infrequent basis, 2) reasonable and appropriate to the occasion, 3) compliant with department or corporate policies and state or federal laws and regulations, and 4) preapproved by management.

A prospective vendor extends an invitation for one person from my business area to attend an all-expense paid weekend conference at a popular resort. May I accept the offer?

No. In most instances, Capital Blue Cross prohibits any outside entity or individual from paying an employee's expenses to attend a conference or seminar, including those who do business or seek to do business with Capital Blue Cross. This includes discounted conference fees or reimbursement for travel, meals, or lodging expenses, as well as offers of gifts or prizes valued at more than \$100. We must ensure that Capital Blue Cross' decisions regarding a current vendor or prospective vendor are not influenced by favoritism or inappropriate motives.

I have been offered a free watch from one of our vendors. Can I accept it?

You cannot accept gifts, loans, or other favors from anyone doing business with Capital Blue Cross or who wishes to do business with Capital Blue Cross unless the gifts follow the guidelines listed in the Code. You should discuss all gifts you are offered with your management and the Compliance department because, in some situations, it may never be appropriate to accept a gift of any value. See **Appendix B** for more information on gifts and see **Appendix A** for who to contact.

My wife is a group sales specialist for an insurance agency that does business with Capital Blue Cross. I am a Customer Service representative at Capital Blue Cross. Is this a conflict of interest?

This situation could pose a potential conflict of interest. Report the relationship to your supervisor and Compliance department. To avoid the appearance of a conflict, the Compliance department may ask you to agree to certain "parameters" regarding this situation to assure the relationship does not improperly influence business decisions. See **Appendix A** for contact information.

A company that I use to arrange Capital Blue Cross events offered me a discount on catering services for my family party. May I accept the discount?

You may only accept this discount if it is offered to all Capital Blue Cross employees. Personal discounts that are offered to only you because of your position with Capital Blue Cross are considered gifts and must be refused. Talk to your supervisor and the Compliance department if you need help with a specific situation. See contact information in **Appendix A**.

May I give a vendor a gift basket with fruit and cookies to celebrate the end of a project?

The best approach is to not give a gift at all. If business customs and the circumstances are such that you feel you must give a gift, be sure it is something small. You may give this type of gift so long as doing so does not violate any laws or policies, including the policies of the vendor's company. You are required to obtain approval for this gift from your supervisor and the Compliance department before you purchase it. Be sure that its expense is disclosed accurately and fully in your expense report. See **Appendix B** for guidelines on gifts and entertainment.

A business partner offers you tickets to a golf tournament. Should you accept them?

If the tickets have a value of \$100 or less, you may accept them. If you are unsure what to do in a particular situation, see **Appendix B** for guidelines on gifts and entertainment.

Can I remain anonymous when submitting a compliance concern or asking a compliance inquiry?

Yes, that is an option. Refer to **Appendix A** for various options to make compliance inquiries and raise compliance-related concerns. Multiple anonymous reporting methods are available.

What will happen if I file a report or concern?

Capital Blue Cross encourages you to report suspected violations of the Code or the law and prohibits retaliation against anyone who, in good faith, reports a violation or cooperates in an investigation. If you feel that you have been retaliated against, you can report this to the Compliance department or through other means identified in the Report Suspected Violations section of the Code. See corporate policy **HR-741**, Non-Retaliation.

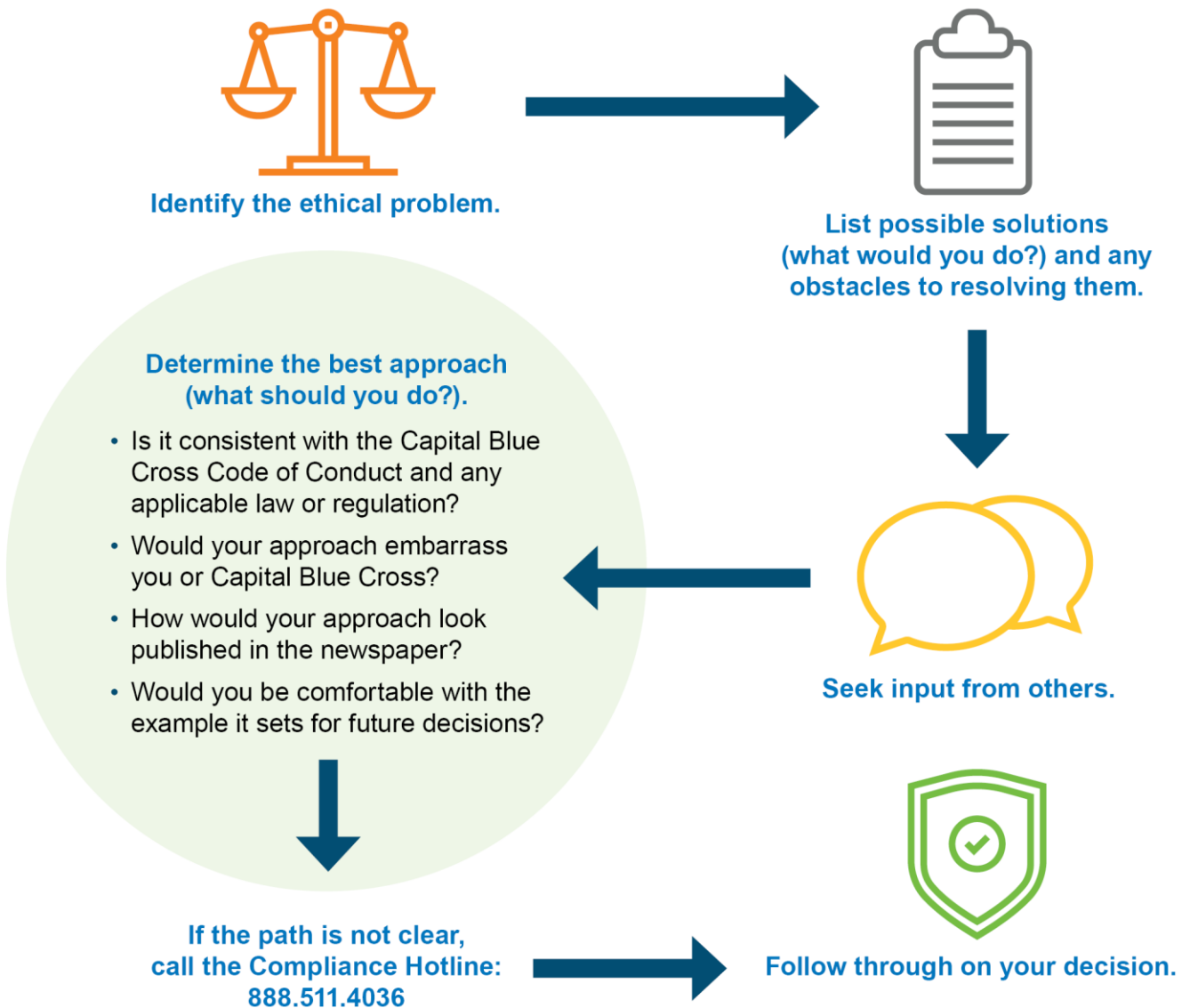
I am working on a project team, and I disagree with the project manager's interpretation of a legal requirement. She told me that it's not my role to raise these issues. What should I do?

If you are unable to resolve the issue through conversations with the project manager, and you believe in good faith that she is acting on an incorrect interpretation of a legal requirement, you should speak with your manager or see **Appendix A** on who to contact for additional assistance.

I have seen some conduct at the office that I think is illegal, but it is not addressed in the Code. What should I do?

If you suspect illegal behavior, you need to talk with your supervisor or manager about it or contact the Compliance or Legal areas. See **Appendix A** for contact information. The bottom line is that you have to exercise good judgment and high ethical standards at all times, regardless of whether an issue is specifically addressed in the Code. All of us have a responsibility to raise concerns.

Ethical decision-making framework



You are empowered.

Capital Blue Cross supports you in doing the right thing so you can deliver great service to our members and providers.

You have responsibility.

You play a critical role in ensuring Capital Blue Cross is a great work environment and in protecting our culture, reputation, and brand.

You have help.

The Code of Conduct lists contacts that provide support for various situations. As always, you can contact the Compliance Hotline to report an incident.

You have a voice.

Capital Blue Cross wants to hear your concerns and does not tolerate any form of retaliation. If you believe something is not right, you can speak up knowing you have the support of management, the Compliance department, and the board.

Compliance Hotline

888.511.4036

[CapitalBlueCross.com](https://www.CapitalBlueCross.com)



Healthcare benefit programs issued or administered by Capital Blue Cross and/or its subsidiaries, Capital Advantage Insurance Company®, Capital Advantage Assurance Company®, and Keystone Health Plan® Central. Independent licensees of the Blue Cross Blue Shield Association. Communications issued by Capital Blue Cross in its capacity as administrator of programs and provider relations for all companies.