



EmblemHealth®

WHAT CARE FEELS LIKE.

# 2014 STANDARDS OF CONDUCT





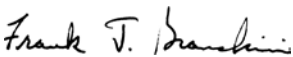
Dear EmblemHealth Employees,

I am pleased to provide you with the enclosed EmblemHealth Standards of Conduct. These standards are intended to ensure that everyone at EmblemHealth understands what is expected of them in terms of business, professional, legal and personal ethics. Each of us plays a vital role in maintaining them.

The standards are a key element of our Corporate Compliance Program, which is designed to identify and remedy problems. The program encourages anyone who is aware of a potential compliance issue to use the resources available at EmblemHealth to address it.

It is the responsibility of each of us to be familiar with EmblemHealth's policies and guidelines and put them into practice every day. If you have a compliance concern, I encourage you to contact your supervisor. You also have other options, as described within the enclosed standards, including a confidential hotline for you to use when a problem can't be addressed through the normal resolution process. Callers to the hotline are assured anonymity up to the limits of the law. There will be no retaliation against anyone for reporting problems in good faith.

The success of the Corporate Compliance Program depends on our commitment to them. Only by upholding the standards will we ensure that our organization continues to be a strong and valuable provider of health care coverage and services to its members and community.



Frank J. Branchini  
Chairman and Chief Executive Officer



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# I. MISSION AND VALUES

Our mission is our promise to those we serve. Our values guide how we act. They are our code of civility — how we are expected to behave and interact with one another, our members, our providers and our other partners. They provide a framework for how we work together.

It is essential to maintain an environment that is performance-oriented and collaborative with employees who embody the values of EmblemHealth and can help us realize our mission.

## **Our Mission:**

To provide access to affordable, quality health coverage, in ways that respect and respond to people's fundamental needs.

## **We do this by:**

- Providing members with a broad range of benefits and conscientious service;
- Striving to simplify the provider experience;
- Offering our purchasers high value;
- Working with government to increase access to coverage; and
- Partnering with the communities in which we live and work to improve their overall health.

## **Our Values:**

- **Show Respect:** We need to be straightforward in our dealings with people. Listen and communicate thoughtfully and clearly. Treat others as you want to be treated.
- **Demonstrate Integrity:** We must hold ourselves to high ethical standards.  
Do what is right, not just what is easy.
- **Practice Collaboration:** We need to work together if we are going to succeed. Be transparent in your dealings with others by sharing information, knowledge and expertise.
- **Take the Initiative:** On our own, and as teams, we must develop and follow through on ideas that will have a positive impact on our business. Recognize that taking measured risks is essential to our success.
- **Embrace Accountability:** We have to take responsibility for our actions and the effect they have on others. Have the courage to own the results of your work.

## II. COMMITMENT TO ETHICAL BUSINESS CONDUCT

EmblemHealth values its reputation for integrity and its adherence to the highest ethical business practices. To ensure that we continue to operate our business in a fair and ethical way, EmblemHealth has adopted corporate policies that set the standards of conduct for all employees. The policies also include appropriate sanctions for violations by employees. An employee who does not comply with applicable rules, laws and regulations, or with EmblemHealth's business conduct policies, may be subject to disciplinary action, up to and including immediate termination of employment. EmblemHealth's business conduct policies set the standards for legal and ethical practices, conflicts of interest, appropriate behavior in the workplace, proper use of Company funds and property, safeguarding of confidential and proprietary information, accounting and financial reporting and other areas of business activities. Together, these policies make up the Standards of Conduct for the Company and its employees.

### A. Role of Employees in Business Conduct

All employees are responsible for complying with the Standards of Conduct and other Company policies and applicable rules, laws and regulations. Every employee plays an important role in ensuring that EmblemHealth carries out its business according to the highest principles of fair and ethical practices. Employees must demonstrate their commitment to these practices in their business dealings with clients, account administrators, regulators, vendors, fellow employees and all third parties conducting business with EmblemHealth. EmblemHealth management is responsible for ensuring compliance within their respective areas of responsibility.

### B. Purpose of Standards of Conduct

This Standards of Conduct handbook explains how employees should carry out their business activities each day. This Standards of Conduct handbook provides guidelines for what employees should do and what they are prohibited from doing in their jobs. For further detail or for answers to questions, employees should refer to the individual policies and related business guidelines and procedures available online at [enet.emblemhealth.com/compliance/policies.html](https://enet.emblemhealth.com/compliance/policies.html), on ConnectiCare's CareNet, from the Human Resources department or from their department supervisor. Employees are also encouraged to speak to their supervisors if they have questions about the policies or what is expected of them. Questions concerning policy interpretation should be referred to the Human Resources or the Compliance departments.



This Standards of Conduct handbook should be used as a resource guide for employees in connection with performing their daily responsibilities at EmblemHealth. Neither this handbook, nor any policy in it, constitutes an employment or other agreement between any employee and EmblemHealth. Neither this handbook, nor any policy in it, creates or implies any term of employment.

EmblemHealth is committed to regularly reviewing and updating its policies and procedures and, accordingly, this Standards of Conduct handbook may be modified by EmblemHealth at any time.

### **C. Treatment of Fellow Employees**

It is the Company's policy to maintain a work environment that is free of harassment and that promotes mutual respect and cooperation among EmblemHealth employees. All employees are expected to exhibit courteous, professional behavior in all of their interactions with co-workers, supervisors and fellow EmblemHealth employees.

### **D. Sanctions and Duty to Report Violations**

An employee who does not comply with applicable rules, laws and regulations, or with the policies, guidelines and procedures in this Standards of Conduct handbook, or with other EmblemHealth policies, is subject to disciplinary action, up to and including immediate termination of employment.

Although each situation is considered on a case-by-case basis, the Company consistently undertakes appropriate disciplinary action to address misconduct and deter future violations. Disciplinary actions are enforced through the appropriate established internal and/or external entity.

Where practicable, department management will work with the Human Resources department to determine an appropriate disciplinary measure. Disciplinary measures include: verbal warning, written warning, suspension (with or without pay), termination of employment and immediate termination of employment. The Company has no obligation to utilize any particular disciplinary sanction, any particular sequence of disciplinary sanctions or any particular combination of disciplinary sanctions. The determination of the appropriate disciplinary sanction for an employee in a given situation is at the full discretion of the Human Resources department with the Compliance and Legal departments, as appropriate.

Employees also have a duty to report actual, suspected or potential violations of applicable rules, laws, regulations and policies of EmblemHealth.

EmblemHealth provides employees with a mechanism for anonymous reporting of actual, suspected or potential violations. Even if complaints are made outside the anonymous reporting process, EmblemHealth will maintain the confidentiality of the employee's identity during the investigation process to the extent possible under the law and in light of the practicalities of any particular situation. Retaliation against an employee who reports in good faith an actual, suspected or potential violation is strictly prohibited.

You may report any actual, suspected or potential violation of an applicable rule, law, regulation, EmblemHealth policy or these Standards of Conduct to your supervisor, Human Resources, the Legal department, and/or the Compliance department. You may also call the anonymous Compliance and Ethics Hotline at **1-844-I-COMPLY** (1-844-426-6759) or submit an online report through the Compliance and Ethics Hotline website: **[emblemhealth.alertline.com](https://emblemhealth.alertline.com)**.

### III. LEGAL AND ETHICAL PRACTICES

All employees are expected to carry out their responsibilities in a legal and ethical manner.

In carrying out our business operations, EmblemHealth is committed to complying with all applicable rules, laws and regulations and to maintaining the highest possible ethical standards.

These standards for legal and ethical practices provide guidance for employees to follow in carrying out their day-to-day activities. Fraudulent activities and illegal actions, such as unfair competitive practices and unauthorized use of licensed or copyrighted material, are strictly prohibited.

- **Fraud:** Employees shall not engage in any fraudulent or deceptive activity, either alone or with others. This includes the use of deception or misrepresentations in any business activities or business dealings.
- **Ethical Practices:** Each employee shall — in carrying out his or her duties — observe the highest ethical standards of business and personal conduct. Employees shall be honest and ethical in their dealings with government officials, the public, fellow employees, members, vendors and competitors.
- **Legal Compliance:** Employees shall not engage in any activity that involves themselves or EmblemHealth in violation of any applicable rule, law or regulation. All employees are required to become familiar with the legal requirements applicable to their assigned duties and to comply fully with such requirements. Where deemed appropriate, EmblemHealth shall conduct periodic training sessions to ensure that all employees comply with applicable rules, laws and regulations associated with their employment.

- **Competitive and Commercial Practices:** EmblemHealth shall compete fairly in the marketplace, without engaging in unfair practices on its own or with other parties. All employees are required to deal fairly with vendors, clients and competitors. EmblemHealth shall advertise and sell its products and services fairly and honestly. EmblemHealth shall comply with applicable regulations and shall avoid untruths and any form of deceptive or unfair practices in the advertisement and sale of its products and services. Acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained or causing improper disclosure of confidential information from past or present employees of other companies, for any reason, is prohibited. Making false or misleading remarks regarding a competitor may be illegal and is considered by EmblemHealth to be inappropriate and unethical. Employees are also prohibited from involving the Company in arrangements with its competitors that provide for the setting or controlling of rates, prices or marketing policies.
- **Compliance with Licensing, Copyright and Authorization Requirements:** The use of software or shareware without a valid license or in breach of the applicable license is illegal and prohibited. This includes installing and operating media sharing applications or using the Internet or email in any way that may infringe upon any party's copyright or intellectual property or contract rights.

## IV. CONFLICTS OF INTEREST

All employees must conduct themselves in a way that avoids conflicts of interest and protects EmblemHealth's reputation for fair and ethical business conduct.

EmblemHealth employees should avoid situations where their personal or outside interests could conflict or reasonably appear to conflict with the interests of EmblemHealth. A conflict occurs whenever an employee permits the prospect of direct or indirect personal gain to improperly influence his or her judgment or actions in the conduct of Company business.

EmblemHealth conducts its business dealings impartially, fairly and without favoritism, basing its decisions and actions on competition, quality, performance, market conditions and other appropriate business and economic factors. Employees have a responsibility to act in accordance with the best interests of EmblemHealth and to avoid conflicts of interest. No dealings between EmblemHealth and any vendor, subcontractor, client or competitor shall be influenced or appear to be influenced by an employee's personal interests or relationships.

In order for EmblemHealth to monitor potential conflicts of interest, all employees shall promptly submit any reportable activities in writing to the Compliance department. Periodically, the Company may request certain employees to complete questionnaires in order to determine if any actual or potential conflict of interest exists, or if there is the appearance of a conflict. Employees shall provide responses to such questionnaires in a truthful, complete and timely manner.

Employees are not permitted to engage in a number of activities that could represent a conflict of interest, including, but not limited to, the following:

- Employees shall not use their positions with EmblemHealth to profit directly or indirectly in any business transaction or private dealings. Employees are prohibited from buying property from, or having an interest in, any company or business venture in which EmblemHealth has an existing interest or a material business relationship. These dealings are also prohibited if an employee has reason to believe EmblemHealth will acquire or develop an interest or a business relationship with the company or business venture in the future.

- Employees shall not take part in outside employment, self-employment or volunteer work that interferes with their work performance, impairs their prudent and independent business judgment, or is inconsistent or conflicts with their obligations to EmblemHealth.
- Employees shall not work for, or be affiliated with, an existing or prospective vendor or competitor. Prohibited employment or affiliation includes being a director, officer, employee, agent, broker, representative or consultant of a vendor or competitor of EmblemHealth.
- Employees are prohibited from taking part on behalf of EmblemHealth in any of the following activities when the employee or a member of his/her immediate family has dealings with the person, business or firm involved in the transaction: negotiation of or decision to award leases, contracts or purchase agreements; settlement of any claims or charges in any leases, contracts or purchase agreements; negotiation, award of or setting of premiums for insurance contracts; and any other business transactions with any such person or entity.
- Employees shall not use any information obtained as a result of their EmblemHealth employment and not generally available to the public, or any EmblemHealth property or position, for personal gain or for the gain of others.
- No employee may engage in a conflict of interest transaction as described above, unless the employee signs and executes a waiver, and that waiver is approved by EmblemHealth in accordance with the Company's Conflicts of Interest policy.
- All employees have an ongoing affirmative duty to bring to the attention of their supervisor, the Human Resources department, Legal department or Compliance department any situation that creates or may create an actual or potential conflict of interest. Any employee who is in doubt regarding whether a situation creates an actual or potential conflict of interest is required to bring the situation to the attention of his or her supervisor, the Human Resources, Legal or Compliance departments.

## V. GIFTS, PAYMENTS AND ENTERTAINMENT

Employees may not accept or offer gifts, payments or entertainment in a manner that would interfere with proper use of business judgment.

Improper acceptance or giving of gifts, payments or entertainment by EmblemHealth employees creates an appearance of impropriety and is prohibited.

**Receipt of payment or gift:** Except as noted below, employees or members of their immediate family shall not directly or indirectly ask for or accept anything of personal benefit, including, but not limited to: cash or other payments, bribes, commissions, kickbacks, loans, discounts, gratuities, gifts, goods, services, promises of employment or any other item that has monetary value from vendors, members, competitors, or any other individual or organization doing or seeking to do business with EmblemHealth.

- Employees may accept gifts of nominal (no greater than \$100) monetary value.
- Employees may accept business entertainment such as meals or attendance at sporting or cultural events only if the entertainment is connected to an EmblemHealth business purpose and attended by someone from the offering business entity.
- Employees may accept gifts based upon kinship, marriage or social relationships entirely beyond and apart from any business relationship.

**Offering of payment or gift:** Except as noted below, employees shall not directly or indirectly offer, pay, or give to vendors, customers, competitors, or their representatives or members of their immediate families, payments or gifts other than payment for goods or services in the normal course of EmblemHealth's business.

Employees may offer business entertainment, such as meals or attendance at sporting or cultural events, if there is a legitimate EmblemHealth business purpose.

- It is prohibited to give a gift, or anything of value, to a public official. "Public official" includes elected officials and government employees at the federal, state or local level.
- EmblemHealth tickets to sporting events, theater and other entertainment activities are to be used solely for business entertainment purposes. Entertainment tickets may be used by EmblemHealth employees when entertaining business partners, vendors and potential clients.
- It is a violation of the federal and/or state Anti-Kickback Statute to knowingly or willfully offer, pay, solicit or receive anything of value in return for the referral of business reimbursed by Medicare, Medicaid or any other state or federal health care program. Employees may not provide or accept gifts or business entertainment — even if otherwise permitted by this section — if the gift or entertainment is intended to induce the referral of such business.

## VI. LOBBYING AND GOVERNMENT PROCUREMENT LAWS

All employees are required to strictly abide by EmblemHealth's lobbying and procurement rules described below, which are based on New York and Connecticut state laws and rules, as well as federal laws and rules.

EmblemHealth's lobbying efforts to influence legislation and government operations that affect the health insurance industry and EmblemHealth's business activities are done either directly or through its lobbyists, in accordance with all laws, rules and regulations, and are reported to the appropriate parties.

- Only individuals designated by EmblemHealth are authorized to engage in lobbying on behalf of EmblemHealth.
- Lobbying means any attempt to influence, on a local, state or federal level:
  - (i) any legislation;
  - (ii) executive order;
  - (iii) rule, regulation, ordinance or government policy;
  - (iv) the administration or execution of a federal program or policy;
  - (v) the nomination or confirmation of a person for a position subject to confirmation by the U.S. Senate or a state legislature;
  - (vi) a state rate making proceeding;
  - (vii) any determination relating to a government procurement;
  - (viii) a public official regarding the solicitation, award or administration of a grant, loan or agreement involving the disbursement of public funds in an amount in excess of \$15,000.
- "Government procurement" is the process of awarding a government contract. Under New York State law, certain government procurement initiates a restricted period which restricts contact with the procuring entity. During this restricted period it is prohibited to contact any person within the procuring entity except for the person or persons designated to receive such contacts. Furthermore, such contact must be for officially sanctioned activities, such as submitting an RFP, submitting written questions, and participating in a bidders' conference. Contact with any person in another government entity about a procurement is also prohibited. This applies to all EmblemHealth employees, regardless of position, as well as our outside attorneys, lobbyists or any other party engaged to work for EmblemHealth.
- All lobbying, whether authorized or not, including unintentional or incidental conduct, must be reported to the Government Relations department and the Legal department. EmblemHealth is subject to fines and sanctions for failure to report properly all lobbying.



The U.S. Procurement Integrity Act prohibits EmblemHealth, as a federal contractor, from receiving information that would give the company a competitive advantage; giving anything of value to a procurement official or discussing or offering employment to a procurement official or family member. EmblemHealth also may not use any federally appropriated funds to lobby government entities with respect to federal contracts, grants or loans, or cooperative agreements.

Penalties for violating these prohibitions are severe, including fines, imprisonment, loss of the contracting opportunity, and for repeated offenses, debarment of the Company and lobbyist.

## VII. TREATMENT OF CONFIDENTIAL AND PROPRIETARY INFORMATION

Employees are strictly prohibited from using, publishing or otherwise disclosing confidential and proprietary information for purposes other than conducting authorized business.

Confidential information is valuable and sensitive to EmblemHealth and, in certain cases, is protected by law. All employees are responsible for safeguarding all confidential information and ensuring that it is used only to carry out legitimate business activities on behalf of EmblemHealth.

As part of their job-related responsibilities, employees may have access to confidential information, which must be properly safeguarded and used only for appropriate business purposes. Such information may be available in a range of formats and media, including but not limited to: paper, computer-based, emails and in oral communication.

At EmblemHealth, protecting the privacy of our members is critical. Federal and state privacy rules have increased the focus on confidentiality in the health care industry, and added specific privacy and security protection requirements with which all health insurers must comply. These standards were put in place under the authority of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009. Every EmblemHealth employee is responsible for complying with such standards and helping to protect the confidentiality of member information in his/her daily activities.

In handling confidential information, employees must comply with the following standards:

- Employees may access and use confidential information only as authorized, and only to the extent minimally necessary to do their specific jobs. No employee shall in any way access, copy, retain, review, divulge, release, sell, loan, alter or destroy confidential information except as properly authorized within the scope of his or her duties as an employee of EmblemHealth. EmblemHealth may periodically review, revise and/or revoke an employee's access to confidential information.
- Employees may not disclose confidential information outside of EmblemHealth without first determining the authority of the person or entity to receive the information. For example, this may include ensuring that the person or entity has entered into a business associate or confidentiality agreement with EmblemHealth or making sure the Company has received the member's written authorization to allow sharing or disclosing of his/her protected health information with the individual or entity requesting the information.

- Employees have no right to ownership or interest in any confidential information. Employees have a continuing obligation not to use, publish or otherwise disclose confidential information both during and after their employment with EmblemHealth.
- Employees are responsible for the proper handling, storage and disposal of all confidential information.
- Employees must make all reasonable efforts to safeguard confidential information at all times, including ensuring that such information is safely secured in the workplace and not accessible to view or access by unauthorized persons. Paper files must be kept in secured cabinets. Computerized records must have limited access. Externally distributed emails that contain confidential information must be sent using approved encryption technology and computer terminals must not be accessible to anyone other than authorized users.
- Each employee is responsible for all activities undertaken using his or her computer password or other authorizations. Employees may not share their passwords or other authorization codes or devices with others, including fellow employees, except as permitted by EmblemHealth's information management policies.
- The Company and all employees must cooperate with government inquiries and investigations. In complying with any government request for information, it is important to protect the legal rights of the Company with respect to confidential information. All governmental requests for information, documents or investigative interviews are to be referred to the Legal department.
- Confidential information may not be used, directly or indirectly, in connection with trading in or recommending the purchase or sale of any securities unless such confidential information has been publicly disseminated.
- All news media inquiries and other, similar third-party inquiries regarding the Company must be referred to the Chief Marketing Officer.

## VIII. DISCRIMINATION AND HARASSMENT

Employees are prohibited from harassing or discriminating against any employee on the basis of race, color, creed/religion, sex, national origin, ancestry, citizenship, age, disability, genetic predisposition or carrier status, marital status, sexual orientation, gender identity and expression, status as a victim of domestic violence or any other characteristic protected by applicable law (“Protected Characteristic”).

It is the Company’s policy to maintain a work environment that promotes mutual respect and dignity and that recognizes the various cultural, ethnic and religious backgrounds of our employees. Our work environment must remain free of all forms of discrimination.

At EmblemHealth, employment decisions must be based on objective factors, such as an employee’s qualifications, demonstrated skills and accomplishments. In no case shall EmblemHealth or its employees or managers engage in, support or condone discriminatory conduct in the workplace, during work-related activities or in a work-related setting.

EmblemHealth prohibits sexual harassment or any other type of harassment prohibited under federal or state law. This prohibition applies to employees, co-workers, customers, clients, vendors, contractors and visitors. This prohibition applies to the workplace and to work-related settings such as business trips or manager-hosted entertainment.

Employees are prohibited from sexually harassing any other employee by:

- Engaging in unwelcome conduct, including but not limited to: sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that has the purpose or effect of unreasonably interfering with an individual’s performance, or of creating an intimidating, hostile, or otherwise offensive work environment.
- Making submission to such conduct an explicit or implicit term or condition of the individual’s employment.
- Making submission to or rejection of such conduct the basis for employment decisions affecting the individual.

For purposes of this policy, “sexual harassment” means any unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual or (3) such conduct has the purpose or effect of substantially interfering with an individual’s work performance or creating an intimidating, hostile or offensive work environment.

An employer is responsible under the law for sexual or other forms of harassment if the employer knew or should have known of the harassing, intimidating, hostile or offensive behavior. Employees, therefore, must be alert and attentive to what is going on in the workplace and during work-related activities and report any inappropriate conduct.

## **IX. DRUGS, ALCOHOL AND SMOKE-FREE WORKPLACE**

Employees are required to maintain a workplace free of the health, safety and security risks associated with alcohol, drug abuse and smoking.

Alcohol, drug abuse and smoking pose potential health, safety and security risks in the workplace and are prohibited.

All employees are expected to assist in maintaining a work environment free from alcohol, illegal drugs, illegal or abusive use of prescription drugs or other intoxicating substances. Employees are required to report to work free of the effects of such substances and to maintain a substance-free condition during working hours, unless authorized by law. Employees are prohibited from making, possessing, using, distributing, transferring, selling, or buying controlled substances or intoxicants on EmblemHealth premises, including in EmblemHealth parking lots and in vehicles in EmblemHealth parking areas, unless authorized by law.

Employees on EmblemHealth business are also prohibited from operating a vehicle while under the influence of alcohol or illegal or controlled substances, or any prescription or over-the-counter drug that causes drowsiness or affects the employee's alertness. Compliance with the Drugs and Alcohol policy and the Smoke-Free Workplace policy is a condition of employment with EmblemHealth. Violation of the Drugs and Alcohol policy or the Smoke-Free Workplace policy will not be tolerated and will be grounds for disciplinary action, up to and including immediate termination from employment.

Any employee who believes that a co-worker is in violation of this policy should notify his or her supervisor or the Human Resources department or Compliance department.

Smoking is prohibited in public areas at all EmblemHealth facilities and in the workplace, including employee work areas not open to the public. Although smoking is not permitted on EmblemHealth premises, individuals who desire to smoke may do so off EmblemHealth premises during scheduled breaks.

## X. PERSONAL USE OF EMAIL AND THE INTERNET

Employees may use email and the Internet for appropriate business uses.

EmblemHealth provides the use of an email system and access to the Internet to certain employees to assist in the conduct of EmblemHealth business.

All communications, messages and related data created, sent, or received by email or through the Internet are and remain the property of EmblemHealth. These communications may be accessed, audited or monitored by EmblemHealth at any time, for any reason, with or without notice. Such communications, messages or related data are not private, and employees have no expectation of privacy in either the existence of, or the contents of, the email message or the Internet transmission.

Employees may use email and the Internet for appropriate personal matters provided that such use does not rise above the level of incidental use and does not violate any EmblemHealth policy. The following uses of email and the Internet are prohibited:

- Do not create or send offensive, disparaging, threatening or harassing messages, including but not limited to messages that contain sexual innuendo or racial slurs, or any other matter that addresses gender, race, marital status, religion or other characteristics protected by law.
- Do not solicit for personal, commercial or business ventures, or religious, charitable or social causes, for the benefit of outside organizations, or for other non-job-related purposes.
- Do not access or attempt to access a website or other remote system without permission (“hacking”).
- Do not visit or download material from websites or other remote systems known or suspected to contain inappropriate or objectionable matter, such as profanity or pornography.
- Do not install or use media sharing applications.
- Do not communicate anonymously or under an assumed name.
- Do not conduct any personal business, engage in any gambling, wagering or betting activities, sell chances or send chain letters, play games, express political or religious views, or engage in any activities in violation of the law.
- Do not violate or infringe upon any party’s copyright or other intellectual property rights.

## **XI. USE OF MOTOR VEHICLES**

While on Company business and/or while operating a Company vehicle, employees must not operate motor vehicles while in an impaired state or while distracted by the use of electronic or other devices.

EmblemHealth is committed to the safe operation of all motor vehicles used by its employees while on Company business. With the exception of hands free devices (e.g., blue tooth), employees are prohibited from: (a) using any EmblemHealth owned or assigned wireless communications device while operating any motor vehicle while on Company business; (b) using any wireless communication device — whether assigned by EmblemHealth or owned by the employee — while operating any motor vehicle for Company business.

Employees are also prohibited from using or operating any vehicle for company-related business while their abilities may be impaired by drugs, including prescription medication or alcohol.

No person, other than an employee, may operate a Company vehicle.

## **XII. SOLICITATION**

It is EmblemHealth's policy to maintain a workplace free of inappropriate solicitations by employees and non-employees.

- EmblemHealth does not allow employees to solicit or distribute non-EmblemHealth material during work time or in work areas as it interferes with the normal operations of EmblemHealth and the employee's work responsibilities.
- Activities such as selling or collecting money, gambling, wagering or office pool betting associated with sports events, or soliciting or distributing literature for any non-business purpose, including for religious and political causes, are not permitted. Such solicitations are prohibited whether they are made in person, by interoffice mail or by electronic means.
- EmblemHealth-sponsored charitable activities are permitted.



## **XIII. COMPANY PROPERTY, RECORDS AND FACILITIES**

Employees must use EmblemHealth property and resources for authorized Company purposes only. Illegal or improper use or destruction of EmblemHealth property, records or facilities is prohibited.

### **A. Company Property**

Company property can be physical, electronic, financial or intellectual and includes: computer software, computer programs, networks, services, trade names, telephone and mail systems (including email and voice mail), connections to the Internet and intranet, corporate data, concepts, business strategies and plans, money, checks, equipment, furniture, facilities, office supplies, documents, forms, procedures, work products produced by employees or consultants and the paid hours of each employee's work day. All of these are to be used for EmblemHealth purposes and you should apply the following standards:

- All equipment, furniture and other material provided by EmblemHealth to employees shall remain the property of the company.
- Employees shall use such property only for appropriate business purposes, in a manner consistent with all other EmblemHealth policies and procedures, and shall take reasonable steps to safeguard and protect it from loss, damage, misuse or theft.
- Employees shall return all assigned property upon EmblemHealth's request or upon termination of employment with the Company.

### **B. Company Records**

Records and information maintained by EmblemHealth are an important resource.

All Company records must be completed accurately and truthfully, with appropriate supporting documentation and in compliance with the Company's system of internal controls.

The maintenance of an effective program for managing records is essential to ensure that the Company continues to operate efficiently. The Company recognizes that it is good business practice to retain records in a consistent, systematic, and reliable manner so that they can be retrieved promptly when required for legal, regulatory, or operational reasons. Failure to keep records in good order can result in serious consequences for the Company, including enforcement action being taken by a regulator, reputation damage, or an inability to defend or pursue litigation.

Records may be (a) paper documents, forms, reports, manuals, correspondence, and files; (b) electronic records, such as computer based spreadsheets, data

bases, word-processed documents, and email messages; or (c) information in other formats such as video tape, audio tape, and photographs.

All EmblemHealth records are retained in accordance with the Company's Records Retention Policy and the Document Classification and Retention Schedule. These documents were developed to ensure compliance with applicable laws while meeting the business needs of the Company.

Employees must comply with the Company's Records Retention Policy for the records used in carrying out their jobs.

### **C. Company Facilities**

Employees are expected to use EmblemHealth facilities in an appropriate manner for business purposes only and to comply fully with the security procedures designed to safeguard EmblemHealth property and information.

## **XIV. PARTICIPATION IN POLITICAL AND CIVIC ACTIVITIES**

EmblemHealth supports local communities through activities such as contributions to charitable organizations, sponsorship of health-related programs and efforts to expand health insurance options for low-income individuals. In addition, EmblemHealth maintains federal and state Political Action Committees to support candidates in favor of programs to promote accessible and affordable health insurance coverage.

EmblemHealth encourages its employees to be active members of their communities through such activities as volunteering with civic, charitable and political organizations.

While encouraging employee participation in civic and political activities, EmblemHealth must also ensure that Company operations are not adversely affected by such employee participation and that Company support is not improperly extended to such employee activities. Employees' political efforts must be conducted on a purely personal basis and may not imply in any way that the activities have the concurrence or endorsement of EmblemHealth. These activities must also not present an actual or potential conflict of interest— or the appearance of such a conflict of interest — to EmblemHealth without the prior approval of the Legal department. Federal law and Company policy also provide that the Company may not reimburse anyone for personal political contributions. The Company will not alter personal compensation in any way under any circumstances to reflect personal political contributions.

## **XV. PROHIBITION ON KICKBACKS**

All employees are prohibited from engaging in any conduct that violates the federal Anti-Kickback Statute.

The federal Anti-Kickback Statute makes it illegal to knowingly or willfully offer, pay, solicit or receive anything of value in return for the referral of business reimbursed by Medicare, Medicaid or any other federal health care program. A violation of the Anti-Kickback Statute is a felony punishable by up to five years of imprisonment. The federal government may also impose civil penalties and exclude culpable individuals or entities from participating in federal health care programs.

EmblemHealth participates in a number of federal health care programs, including but not limited to Medicare Advantage, Medicare Part D, Medicaid managed care, Family Health Plus, Child Health Plus, the Federal Employees Health Benefits Program (FEHBP) and Health Insurance Exchanges. The Anti-Kickback Statute applies to all transactions relating to or involving these lines of business.

Examples of the types of activity that might violate the Anti-Kickback Statute include, but are not limited to, the following:

- Compensating agents or brokers based on the claims experience of the individuals they enroll.
- Receiving “rebates” from vendors in advance of the implementation of a contract that are not reflected as rebates or discounts on identifiable items or services (sometimes referred to as “prebates”) as an inducement for doing business with the vendor.
- Accepting payments (other than legitimate discounts or rebates) from pharmaceutical manufacturers as an inducement for including the manufacturer’s drugs on EmblemHealth’s formulary.
- Accepting payments (other than legitimate discounts) from health care providers as an inducement for including the provider in EmblemHealth’s network.

## XVI. FALSE CLAIMS ACT

EmblemHealth employees or agents may not submit false or fraudulent claims to any governmental payor.

The federal False Claims Act makes it illegal to knowingly present — or cause to be presented — a false or fraudulent claim for payment to the federal government. “Knowingly” includes acting not only with actual knowledge, but also with deliberate ignorance or reckless disregard of the facts.

The federal government may impose fines of up to \$11,000 per claim and treble damages (i.e., three times the amount of actual damages) for False Claims Act violations.

EmblemHealth submits claims, as well as data and reports that are used for payment purposes, to the federal government under several health benefit programs, including but not limited to Medicare Advantage, Medicare Part D, FEHBP and Health Insurance Exchanges. To avoid liability under the False Claims Act, it is critical that all employees ensure that these submissions are complete and accurate.

The False Claims Act might be violated, for example, if an employee knowingly submits to the Centers for Medicare and Medicaid Services (CMS):

- Erroneous encounter data.
- Cost reports reflecting non-covered services or misallocated administrative expenses.
- Inaccurate or incomplete discount or rebate information.
- False enrollment reports.
- Misleading bid information.

## **XVII. GOVERNMENT HEALTH INSURANCE PROGRAM REQUIREMENTS**

All benefits provided by EmblemHealth under government managed care programs must comply with applicable legal and contractual requirements.

EmblemHealth operates health benefit programs under which coverage is provided to beneficiaries of government programs pursuant to contracts with government agencies. These programs include Medicare Advantage, Medicare Part D, Medicaid managed care, Family Health Plus, Child Health Plus, FEHBP and Health Insurance Exchanges. Even where EmblemHealth contracts out administration of these programs to another company, EmblemHealth is ultimately responsible for ensuring that all legal and contractual requirements are satisfied.

In addition to the Anti-Kickback Statute and False Claims Act, state and federal regulations and terms of government contracts govern the provision of benefits under these programs. EmblemHealth has adopted a number of operational policies and procedures to assure compliance with these requirements. Among the key issues addressed by these policies and procedures are the following:

- All marketing must be conducted in accordance with all rules, regulations and guidelines of CMS, the New York State Department of Health (DOH), the Connecticut Insurance Department, the Massachusetts Division of Insurance and all other applicable federal and state agencies. Neither EmblemHealth nor its agents may “cherry pick” enrollees (i.e., target for enrollment healthier individuals). No false or misleading information about EmblemHealth benefits may be provided to enrollees or potential enrollees.
- Enrollment applications must be processed consistent with applicable program rules. Employees may not knowingly assist an ineligible person in obtaining government benefits.
- Coverage must be provided for all medically necessary services in accordance with the EmblemHealth benefit plan. All clinical decisions about medical benefits must be made by licensed physicians subject to applicable rule, law or regulation. All clinical decisions about Medicare Part D benefits must be made by the EmblemHealth Pharmacy and Therapeutics Committee, on which sits ConnectiCare’s Pharmacy Director, pursuant to CMS standards.
- EmblemHealth must ensure appropriate access to care, including preventive services. Services must be provided in a timely manner through qualified and geographically accessible health care providers. To the extent required by the particular government program, each member must be assigned a geographically accessible primary care provider in a prompt manner.

- Under the Medicare Part D program, each enrollee's true out-of-pocket (TrOOP) costs must be accurately calculated. Costs may not be improperly shifted to enrollees or CMS.
- All cost reports, encounter data, rebate calculations, bids and other information submitted to CMS, DOH or health insurance exchanges must be complete and accurate.
- Any suspected or actual fraud and abuse discovered by employees must be promptly reported. The Compliance Officer and Legal department will determine whether any such matter should be disclosed to a government agency or law enforcement official. Any overpayments made by government agencies must be promptly returned.
- Employees are required to fully cooperate and be truthful in any audits or investigations of EmblemHealth carried out by CMS, DOH, the New York State Department of Financial Services (DFS), the New York State Attorney General's Medicaid Fraud Control Unit, the Connecticut Insurance Department, the Massachusetts Division of Insurance or other state or federal government agencies. Any employee who refuses to cooperate in a government audit or investigation will be subject to disciplinary action, up to and including termination.
- EmblemHealth may not employ, contract with or reimburse any individual or entity to provide services under one of these programs if the individual or entity has been excluded from a state and/or federal health care program. No employee or contractor may be retained by EmblemHealth to provide such services unless the individual or entity is first screened against the U.S. Department of Health and Human Services Office of Inspector General List of Excluded Individuals/Entities, the U.S. General Services Administration Excluded Parties List System, and the New York State Office of the Medicaid Inspector General (OMIG) exclusion list.

EmblemHealth monitors the activities of its employees and contractors to ensure compliance with all requirements established by CMS, DOH, Connecticut/Massachusetts DOI, New York DFS, health insurance exchanges and other regulatory agencies.

## **XVIII. COMPLIANCE PROGRAM AND REPORTING**

EmblemHealth has a designated Corporate Compliance Officer who has the responsibility of ensuring that the Standards of Conduct is followed by all employees. The Corporate Compliance Officer reports to the Compliance Committee for all activities related to the Compliance Program. The Committee reviews and approves all corporate policies and also the Standards of Conduct.

It is the Company's practice to comply with all applicable laws, rules and regulations. Each employee is responsible for complying with all standards and restrictions imposed by those laws, rules and regulations. To help ensure that the Company complies with these requirements, employees should identify and raise potential issues before they lead to problems, referring to the Standards of Conduct and policies when in doubt.

If you become aware of any actual, suspected or potential violation of the Company's Standards of Conduct, you should promptly notify your supervisor or someone in your senior management chain. If you are not comfortable with that approach for any reason, or if no action is taken, you may contact the Human Resources department, Legal department, Compliance department, call the Compliance and Ethics Hotline at **1-844-I-COMPLY** (1-844-426-6759) or submit an online report through the Compliance and Ethics Hotline website: [emblemhealth.alertline.com](http://emblemhealth.alertline.com). The Compliance and Ethics Hotline and website are available 24 hours a day, 7 days a week, 365 days a year, and are operated by a third party. Callers to the hotline may choose to remain anonymous if they wish and calls received will be forwarded to Compliance for appropriate action. All reports will be handled in the most confidential manner possible and as law permits.

Violations or suspected violations may be reported anonymously. In all cases, EmblemHealth will maintain the confidentiality of the reporting employee's identity to the extent possible during the investigation. All employees are required to cooperate in any internal or external investigations of possible violations. It is a violation for any employee to retaliate against or threaten in any manner, directly or indirectly, another employee who reports an actual, suspected or potential violation in good faith. For reporting concerns regarding health-insurance-related fraudulent activity, you may also call the Fraud Hotline at **1-888-4KO-FRAUD**.

### **Sanctions**

An employee who violates EmblemHealth's policies or Standards of Conduct may be subject to disciplinary action, up to and including termination of employment. Certain violations of the Standards of Conduct may subject you to civil and criminal charges and penalties, in addition to EmblemHealth disciplinary actions.

Everyone who works with EmblemHealth is accountable for doing the right thing and to speak up when something is not right.



**EmblemHealth**<sup>®</sup>  
WHAT CARE FEELS LIKE.