Independence Blue Cross

Code of Conduct

Updated: October 26, 2017

This Code of Conduct applies to all Officers, Directors and Workforce Members of Independence Blue Cross, LLC, its parents, subsidiaries and affiliates (“Independence”). This Code of Conduct does not apply to the Officers, Directors and Employees of the AmeriHealth Caritas Family of Companies or Tandigm Health, who are bound by separate Codes of Conduct.
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A Message to the Independence Workforce

At Independence, we are fully committed to our mission of enhancing the health and well-being of the people and communities we serve. Our vision is to become one of the most admired and innovative companies leading the transformation of health care. We believe that our work makes a meaningful difference in people’s lives, and we pride ourselves in serving our customers with integrity and respect.

As a company, we are excited about renewing and reimagining our business and shaping the future of health care. To support the work, we strive to maintain an ethical and compliant workplace, acting with integrity and respect in all that we do, and complying with the laws that govern our industry.

Every day, our company’s reputation for integrity is in your hands. It is up to each of you to support and promote an ethical culture, to use good judgment, and to do the right thing. As a representative of Independence, you are responsible for upholding our standards and for complying with the Independence Code of Conduct (Code) at all times. Please read and become familiar with this information.

Our Code sets the bar for behavior that is expected of everyone at Independence and is designed to help you understand the laws and company policies that you must follow on the job. It also provides information on available resources, so you will know where to turn if you have a compliance-related question or concern or need to report a potential compliance issue.

In addition to our Code, we require every workforce member to complete a certification, which verifies that you understand and agree to abide by our Code. Every associate is also required to report potential conflicts of interest as a condition of employment.

Thank you for doing your part, each and every day, to help Independence maintain this culture of compliance, integrity, and respect.

Daniel J. Hilferty
President and Chief Executive Officer

Efram Silberstein
VP Audit and Compliance & Privacy Officer
Our Compliance Program

Independence Blue Cross, LLC and its parents, affiliates, and subsidiaries ("Independence") are strongly committed to compliance with all applicable federal, state, and local laws and regulations, contractual commitments, and company policies.

Independence’s Compliance Program is designed to ensure that the company not only achieves compliance with all applicable laws, regulations, policies, and procedures, but also establishes a culture that promotes the prevention, detection, and resolution of instances of conduct that do not conform to federal, state, and local law, to federally funded program requirements, or to our company policies.

The Compliance Program promotes the standards to which the workforce must adhere and establishes a process to report possible violations of law or standards of conduct without the fear of intimidation or retaliation. It also includes the structure and organizational commitment to help ensure ethical practices.

Our policies, procedures, and Code document important aspects of compliance with legal and regulatory requirements. They are key elements of our Compliance Program and are the tools necessary to live the mission as People with Purpose.

Every member of the Independence workforce is expected to conduct the business of the company with integrity and in accordance with Independence’s Mission, Vision, and Values. The Code is the core of the Compliance Program and represents an important part of the company’s commitment to ensuring that we conduct our business in accordance with applicable laws and the highest ethical standards. Each workforce member is responsible for upholding those standards and complying with the Code at all times.

Our Core Values

Our core values are Integrity, Customer Commitment, Excellence, Accountability, Courage, Teamwork, Empowerment, and Innovation. Exercising these values in our work will foster a healthy culture, instill pride among associates, strengthen our reputation, and will help us achieve our mission.
The Work Environment at Independence

The continued professional and personal development of the people who work for Independence is critical to our success as an industry leader. The reputation we enjoy for employing great people who achieve great results is one we are dedicated to maintaining. Independence is committed to compliance with all applicable federal, state, and local laws, regulatory requirements, and contractual obligations for the federally funded programs in which we participate, including but not limited to the Medicare Advantage and Medicare Part D Prescription Drug (Medicare Part D) Programs and our Qualified Health Plans offered on the Federally-facilitated Marketplace. In addition, all workforce members are expected to conduct themselves according to this Code and our corporate policies.

The company is committed to ensuring that all applicants and workforce members\(^1\) receive equal employment opportunities. We are also committed to a safe work environment for our workforce, and a drug, alcohol and tobacco-free workplace.

If you experience or are aware of any ethical or compliance concern, you have a personal obligation to report it. Knowledge of a possible violation of a law that is not reported may result in disciplinary action. Failure to comply with the Code of Conduct and Independence’s policies could result in disciplinary action, up to and including termination of employment. The severity of the discipline depends on the nature of the violation.

Because the Code cannot address every situation you might encounter, Independence relies on your good judgment and values to uphold both the letter and the spirit of our Code. If you are ever unsure about what to do in a particular situation, discuss the issue with your manager and ask questions. We have many resources available to help you. If you are uncertain as to how this Code or any policies apply to you and your function, or if you have questions, you may also contact the Corporate Compliance or Legal Departments. Decision making can be hard when confronted with issues not directly addressed in the Code. As People with Purpose, it is integral for each of us to Act with Integrity and Respect in all we do.

To ensure you always act with integrity, use the following four-step decision-making process to deal with issues appropriately and in compliance with the law, our Code, and company policies:

- Identify the facts and review all of the relevant information;
- Ask questions; consult the Code and review our corporate policies; and talk with your supervisor, HR Business Partner, Employee Relations Partner, Corporate Compliance, or the Legal Department;
- Think it through — consider the options and consequences; and
- Make your decision, determine your responsibility, and act on it.

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1. The term "Workforce Members" includes:
   All Independence associates, Independence exceptional temps, and any non-associates performing staff augmentation or supplementary staff support for an Independence associate or Independence management, either on-site or off-site, including but not limited to: temporary workers, such as those provided through an agency; and contract workers engaged through a vendor, agency, or individual contract arrangement.
Diversity and Inclusion

Independence has established a policy to ensure that all individuals are able to work in an environment that is respectful of individual differences and inclusive of the varying perspectives and capabilities.

Independence values the individual differences of our associates, including such dimensions as age, education, ethnicity, gender, disability, family status, sexual orientation, gender identity, socioeconomic status, veteran status, and political and religious beliefs. The Company demonstrates its commitment to that principle through our words and our actions.

Our culture is one of openness, integrity, and respect where we value the contributions of our talented people and support their varied backgrounds and viewpoints.

Personal Conduct

In addition to compliance with this Code, it is your responsibility to read, understand, and follow all of the corporate policies applicable to you. Both the Code and our policies contain specific guidance on the behavior expected of every Independence workforce member. Disciplinary action, up to and including termination of employment, can occur as a result of any violations of the law, the Code, and/or its related policies.

If you have been charged with a felony offense and/or are found guilty or plead guilty or nolo contendere (no contest), you are required to immediately report that information to your HR Business Partner.

Equal Employment Opportunity

Independence recruits, hires, trains, compensates, terminates, and treats individuals without regard to race, sex, religion, color, age, national origin, disability, genetic information, veteran status, sexual orientation, gender identity, ancestry, creed, or any other status or condition protected by law. We make reasonable accommodations for the known physical or mental limitations of an otherwise qualified applicant or workforce member as required by law. We act diligently to recruit, select, and place qualified minority group members, women, veterans, and people with physical and mental disabilities in our workforce.

As a condition of your employment or your performing services for Independence, you are expected to comply with Independence’s Equal Employment Opportunity Policy. When on the job or acting as a representative of Independence, you may not express views that do not support the Equal Employment Opportunity policy.

If you believe that any person connected to your employment at Independence (another workforce member, manager, visitor, contractor, customer, or other) has subjected you to discrimination, you should bring the matter to the immediate attention of company management. If for any reason, you are uncomfortable discussing the matter with management, or if you are not satisfied after bringing the matter to a member of management, you may discuss it with your HR Business Partner, Employee Relations Partner, the Corporate Compliance or Legal Departments, or report the matter through the confidential Associate Compliance Line by calling (877) 247-0718.

Q: When managers in my group were discussing the decision to promote one of my direct reports, another manager made comments that inappropriately referenced the associate’s gender in relation to the qualifications for the position. Should I report it?

A: Yes, you have a responsibility to report this discriminatory behavior. You can express your concerns to your manager, contact your HR Business Partner, Employee Relations Partner, the Corporate Compliance or Legal Departments, or report it on the confidential Associate Compliance Line by calling (877) 247-0718.
Harassment-Free Workplace

Independence is committed to a Harassment Free Workplace. Harassment includes any activity that is based on an individual’s race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, genetic information, veteran status, ancestry, creed, or other legally protected characteristic, where the conduct has the effect of creating an intimidating, hostile, or offensive work environment. Examples of harassing conduct may include, but are not limited to:

- Derogatory epithets or slurs about an individual
- “Kidding,” “teasing,” or “joking” based on race, sex, religion, color, age, national origin, disability, genetic information, gender identity, veteran status, sexual orientation, ancestry, creed, or any other status or condition protected by law that a reasonable person could consider derogatory
- Leering or obscene gestures
- Displaying inappropriate, suggestive, or obscene objects or pictures
- Sending suggestive or obscene jokes, messages, or pictures via email, voicemail, or inter-office mail

As an Independence workforce member, you are responsible for ensuring that the workplace is free from harassment. Any form of harassment is unacceptable and will not be tolerated. If you violate the company’s Harassment Free Workplace Policy, you will be subject to disciplinary action, up to and including termination of employment for associates and removal from a project or a prohibition from performing services for Independence for a contractor.

If you believe that any person connected to your employment at Independence (another workforce member, manager, visitor, contractor, customer, or other) has subjected you to harassment, you should bring the matter to the immediate attention of company management. If for any reason you are uncomfortable discussing the matter with management, or if you are not satisfied after bringing the matter to a member of management, you may discuss it with your HR Business Partner, Employee Relations Partner, or the Corporate Compliance or Legal Departments, or report it on the confidential Associate Compliance Line at (877) 247-0718.

Non-Retaliation

The term “retaliation,” as used in this policy, refers to any form of discriminatory, intimidating, or harassing treatment that is directed toward an individual because the individual has reported, in good faith, an alleged violation of the Code, any federal, state, or local law or the individual has filed a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing concerning any violations of the Code or the law.

Any individual who objects to, or refuses to participate in any activity, policy, practice, or assigned task that the individual (or other such person) reasonably believes to be in violation of any provision, order, rule, regulation, or law is protected under our Non-Retaliation policy.

Q: A coworker in my department often makes “jokes” about certain ethnic groups. I find these “jokes” insulting and demeaning, but I am afraid to confront the person. What should I do?

A: Jokes or slurs directed against certain groups of people because of such characteristics as the color of their skin, their country of birth, or even their accents are not acceptable in our workplace. These remarks may also be interpreted as discriminatory or harassing conduct. If you feel comfortable, tell your coworker that you find the jokes offensive and if the jokes continue, you have a responsibility to report this behavior. You can also express your concerns to your manager, contact your HR Business Partner, your Employee Relations Partner, or the Corporate Compliance or Legal Departments, or report it on the confidential Associate Compliance Line, 24 hours a day, 7 days a week, at (877) 247-0718.

Related Policies

- Non-Retaliation Policy
- Harassment-Free Workplace Policy
If you believe that any person connected to your employment at Independence (another workforce member, manager, visitor, contractor, customer, or other) is retaliating against you, you should bring the matter to the immediate attention of company management. Alternatively, if you are uncomfortable discussing the matter with management, or if you are not satisfied after bringing the matter to a member of management, you can discuss the matter with your HR Business Partner, Employee Relations Partner, or the Corporate Compliance or Legal Departments, or report it using the confidential Associate Compliance Line by calling (877)247-0718.

Tobacco-Free Workplace

Independence seeks to provide workforce members with a healthy work environment, free from the effects of smoking, passive smoke, and tobacco product use. In accordance with state and local laws, smoking including, but not limited to, the lighted use of cigarettes, cigars, e-cigarettes, and pipes and the use of all tobacco products is prohibited:

• In any company-owned building
• In any leased space where workforce members work or congregate
• Outside of any company-owned or leased space, such as sidewalks, parking lots, in any vehicles, and in all areas within 25 feet of building entrances
• In any company-owned or leased vehicles regardless of their location

Drug- and Alcohol-Free Workplace

Independence is committed to a drug- and alcohol-free workplace. Consequently, you may not use, sell, purchase, possess, or distribute illegal drugs, abuse legal drugs, use marijuana (even when use is authorized for the treatment of a medical condition), or use or sell alcohol while on company property, including within vehicles in company parking lots, while conducting company business, or while attending a company-sponsored event. In addition, reporting to work, conducting company business, or attending a company-sponsored event under the influence of alcohol, illegal drugs, or marijuana (even when use is authorized for the treatment of a medical condition) is prohibited.

For certain events sponsored by the company or held on company property, the Chief Executive Officer, Executive Vice President & Chief Operating Officer, or the Senior Vice President and Chief HR Officer may waive the prohibition against the use of alcohol. Prior notification and approval are required for such a waiver.

If you have been charged with drug-related offenses in a court of law and are found guilty or plead guilty or nolo contendere (no contest), you are required to report that information to your HR Business Partner within five (5) workdays of the event.

Q: I believe that a coworker is violating a provision of the Code but I don’t want to get her in trouble and I am concerned about how she will act if she finds out. What should I do?

A: All workforce members are obligated to report violations of the Code, Independence policies, or the law. Retaliation, intimidation, or any other form of reprisal against anyone who makes a good-faith report of an actual or potential violation of the Code or the law is strictly prohibited.

Q: During a working lunch at a nearby restaurant, two of my colleagues consumed several cocktails and returned to work while appearing intoxicated. What are my responsibilities as a workforce member?

A: Independence is committed to providing a workplace free of illegal drugs and alcohol or drug misuse. Workforce members may not report for work or be on company premises if they are under the influence of alcohol, illegal drugs, or marijuana (even when use is authorized for the treatment of a medical condition). In this example, you would be required to report the individuals to their supervisor, HR Business Partner, Employee Relations Partner, a member of the Corporate Compliance or Legal Departments, or report it using the confidential Associate Compliance Line at (877) 247-0718.
Solicitation and Distribution of Literature

In the interest of maintaining a proper business environment, Independence prohibits associates from soliciting financial contributions, selling merchandise, printing or distributing non-work related literature, or making any other solicitation or distribution of other material in working areas during work time. Solicitation of this nature is also prohibited in non-working areas during an associate’s work time. This includes the work time of an associate doing the soliciting or being solicited.

This prohibition against soliciting other associates and distributing non-work related literature or other material also includes use of any company equipment. Associates may not use the company e-mail, Internet access, voicemail, telephones, computers, photocopiers, facsimile machines, bulletin boards, tables, physical equipment, or any other related equipment for the purpose of soliciting others or for preparing, duplicating, or distributing non-work related literature or other material to other associates or non-associates during work time.

Safety in the Workplace

The security of our workplace and the safety of our workforce are very important to the company. Therefore, Independence prohibits its workforce members from possessing firearms, other weapons, explosive devices, stun guns, tasers, or other dangerous materials while on company premises, while on company business, or while attending any company-sponsored event.

Conduct that creates a threatening work environment including, but not limited to, fighting, stalking, terrorism, hate crimes, threats of violence of any kind, disorderly conduct, and any threatening behavior or language expressed in any form including, but not limited to, writing, speech, or electronic media is not tolerated anywhere within Independence, while on company business, or while attending any company-sponsored event.

If you are found in possession of a weapon or if you engage in conduct that creates a threatening work environment on the job, on company property, while you are on company business, or at a company-sponsored event, you will be subject to disciplinary action up to and including termination of employment.
Independence’s Ethical Standards

Integrity, professionalism, and ethical behavior are all qualities that are important to Independence. We expect you to work within the limits of federal, state, and local law and have high ethical standards of behavior when dealing with providers, members, vendors, and others with whom the company does business. If you know of any situation, activity, practice, or action that may or does conflict with the interests of the company, it’s your duty to disclose it.

Conflicts of Interest

Any activity, practice, or act, including outside activities or personal interests that could influence — or even appear to influence — your ability to make objective business decisions, distract or hinder you from the performance of your job, or cause you to use Independence resources for purposes other than company business is considered a conflict of interest. You should avoid any actions or activities that may present a conflict of interest, or promptly disclose those actions or activities and seek guidance and resolution from company management.

The actions, activities, or interests of someone in your immediate family (spouse, children, parents, siblings, grandparents, in-laws, or other individuals residing in your household) could also be considered a conflict of interest for you. For example, conflicts can arise if you or your immediate family members:

- Have a material financial interest, excluding mutual fund accounts, in any company that does business with or competes with Independence, or which could affect your personal judgment on related business matters
- Engage in any transaction with Independence (other than those associated with your employment) in which you/they have financial interest
- Gain personal enrichment through access or use of confidential information
- Misuse your position in a way which results in personal gain
- Are employed by or serve as a director, advisor, consultant, etc., of any customer, vendor, supplier, health care provider, or competitor
- Are involved in any outside activity that may interfere with job responsibilities
- Have direct supervision of, or responsibility for, the performance evaluations, pay, or benefits of any close relative

Gifts, Entertainment, and Honorarium

As an Independence workforce member, you should not accept or solicit any items (other than those which have nominal or insignificant value) on behalf of yourself or the company that may or can appear to influence the performance of your official duties or your conduct on the job. Neither you nor any member of your immediate family (spouse, children, parents, siblings, grandparents, in-laws, or other individuals residing in your household) should accept or solicit gifts (including cash or cash equivalents such as gift cards), entertainment, honorarium, favors, loans, or services from providers, customers, vendors, or others with whom the company does business.

Related Policies

- Gifts, Entertainment, Honoraria, and Outside Activities Related to Pharmaceutical Companies Policy
You are permitted to accept or provide entertainment such as meals, refreshments, or invitations to sporting events, concerts, shows, or other social events which are in the ordinary course of business.

Individual business units and/or specific circumstances may require guidelines that are more restrictive than those contained in this Code. For example, the company’s Gifts, Entertainment, Honoraria, and Outside Activities Related to Pharmaceutical Companies Policy is more restrictive than the Code.

All gifts, gratuities, and entertainment provided to any labor organization, officer, employee, agent, shop steward, or other representative of a labor organization (even if the person is a relative or friend) must be reported through the appropriate internal reporting process so that the required LM-10 reports may be filed with the Department of Labor.

If you have any questions regarding the acceptance or provision of a gift, honorarium, favor, entertainment, or service, you should discuss it with your immediate supervisor or manager, who in turn may wish to review it with the Corporate Compliance Officer.

### Relationships with Government Employees

Federal, state, and municipal laws impose significant criminal penalties for bribing any public official, governmental employee, or candidate for public office. Specifically, these laws may prohibit you from offering or giving anything of monetary value (such as a gift, loan, contribution, reward, or promise of employment) to any public official, public employee, or candidate for public office, or any member of their immediate family, based on your understanding that his or her vote, official action, or judgment would be influenced as a result.

In addition, federal, state, and municipal governments may also restrict you from providing gifts, tickets to events, meal costs, or other business courtesies to public employees or members of their family. You should consult with the Corporate Compliance Officer or the Legal Department on any question concerning the application of federal, state, or municipal laws to a particular circumstance.

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Q: I have been asked to speak at a work-related conference. May I accept an honorarium or other fee for my participation?

A: Maybe. Certain travel expenses, entertainment, and honoraria related to bona fide educational or other business activities may be authorized. You will need to review the request to speak at the conference with your management and will need to obtain written approval from an officer to whom you report and Corporate Compliance prior to participating in the event.
Political Activity

Independence encourages its workforce to vote and to be personally active in the political process. However, it is important for all associates to understand that there are laws and regulations that govern the conduct of the Company and its associates with regard to certain political activities.

A number of federal, state, and local laws prohibit or restrict corporations from making contributions in connection with an election. Accordingly, you may not make such a contribution on behalf of Independence.

Associates may make private, personal contributions directly to a political candidate or party through political action committees consistent with applicable laws and company policies. However, some laws provide that if officers or directors of the company (or certain of its subsidiaries and affiliates), their spouses, domestic partners, or children who live with them make political contributions that exceed a specified amount, then the company or its affiliates could be banned from doing business with the state or municipality. Accordingly, officers of Independence as well as directors of its for-profit subsidiaries must obtain clearance from Public Affairs and/or the Legal Department in advance of making any political contribution.

It is against the Independence Code for you to directly or indirectly include any political contribution on a company expense account. Likewise, both Independence policies and the law prohibit the company from reimbursing you for any expense connected with political fundraising. In general, the cost of fundraising tickets for political functions is considered a political contribution; therefore, including the cost of any such function on an expense account is prohibited, even if business is discussed at that function. Using your work time in a formal campaign may be considered the equivalent of a contribution by the company, and therefore is strictly prohibited.

If you choose to seek an elective office or work on a campaign, you must use your own time, whether it is vacation, unpaid leave, outside business hours, or weekends, for campaigning or performing the duties of your elective office. You may not use the influence of your position to coerce a fellow workforce member to work for a candidate or political organization, or to make private, personal contributions to a party or candidate. You may not use corporate assets to support your participation in election campaigns. Workforce members will be neither favored nor penalized for their participation in, or abstention from, legal political activities.

The political process has become highly regulated. If you have questions about proper political conduct, you should consult with the Legal Department before agreeing to do anything that might involve or appear to involve the company in political activity at the federal, state, or local level.
Conducting Business at Independence

Independence takes its responsibility to comply with the laws and regulations that govern our business very seriously. It is our policy to maintain truthful and accurate records and documents, cooperate with government investigations and audits, and comply fully with the letter and spirit of federal and state antitrust laws. In addition, Independence prohibits any behavior that violates fraud and abuse laws, conducts all investigations in a timely and complete manner, and will review all potential incidents of noncompliance or fraud, waste, and abuse (FWA) promptly to determine the investigative priority. Independence will initiate a reasonable inquiry based on the investigative priority. Cases involving fraud, waste, and abuse against the government are given high investigative priority.

The Corporate Compliance Department, the Privacy Office, and the Corporate Financial and Investigation Department maintain policies and procedures that govern the conduct of investigations, including a procedure to report evidence of misconduct or noncompliance to the Centers for Medicare and Medicaid Services (CMS), the Medicare Drug Integrity Contractors (MEDIC), and other government agencies, such as the Office of Personnel Management, the Pennsylvania Insurance Department, the New Jersey Department of Banking and Insurance (DOBI) and the Department of Health and Human Services (HHS), when appropriate.

Accuracy of Records and Documents

Good business practice, various laws, and our obligations as a government contractor require us to take the utmost care to ensure that our records reflect the true nature of the transactions represented in them. Our records or documents may be in written or electronic form and may contain financial, operational, or statistical data, or other information. Additionally, some records and documents must be submitted to the government in the regular course of business or upon request.

You are responsible for the integrity and accuracy of documents and records that you contribute to or manage in relation to your job duties. You must keep all company records and documents in accordance with applicable laws, contracts, and company policies, including all accepted accounting standards, practices, rules, regulations, and controls. Your responsibility includes protecting company records and documents from accidental destruction and maintaining them in accordance with Independence’s Records Retention Policy.

You are also obligated to document your work truthfully. You may not make false entries in any internal or external record or document including, but not limited to, memorandum, correspondence, or other communication, such as telephone, electronic, or wire communications. You may not establish funds or assets for any undisclosed and/or unrecorded purpose. Falsification of company records or reports including, but not limited to, time reporting, expense reports, 401(k) documentation, tuition reimbursement documents, benefit eligibility forms, or any other documentation related to your employment with Independence is prohibited.

Q: I am concerned about the accuracy of the reports we are providing to some of our large groups. What should I do?
A: Discuss your concerns with your supervisor to make sure you understand the reporting requirements. You may also contact your HR Business Partner, Employee Relations Partner, the Corporate Compliance or Legal Departments, or report it using the confidential Associate Compliance Line by calling (877) 247-0718.

Related Policies

- Records Retention Policy
- Use of Computing Devices
Misstating data could damage our reputation and relationship with groups. You may discuss any concerns with your supervisor, Human Resources Business Partner, Employee Relations Partner, the Corporate Compliance or Legal Departments, or report it using the Associate Compliance Line by calling 1-877-247-0718.

Government Investigations

Appropriate handling of government investigations is very important, both for the company and for you. Virtually all the laws regulating our business, including antitrust, insurance, government procurement, and financial laws contain criminal and civil penalties. If you take an action or fail to take an action that results in obstructing an audit or investigation, criminal penalties can apply not only to the company but also to you as an individual.

In some government investigations, company attorneys can protect the interests of both the company and individual workforce members. In other cases, however, there may be potential conflicts of interest between the company and the individual(s). If you are involved in such a case, you may need your own legal counsel. You may consult with Independence’s Legal Department as to whether the company will provide legal representation for you.

During a government investigation, both you and the company have the right to be represented by legal counsel at all times. Whether during or outside business hours or on or off company property (such as in your home), you may ask government investigators for time to consult with legal counsel before answering any questions.

If government investigators or auditors contact you, or if you receive a subpoena, you should immediately notify the Legal Department so that both you and Independence can be protected. You should never mislead or provide false or inaccurate information to government investigators, nor should you alter or destroy company documents in anticipation of a request by the investigator, government agency, auditor, or court. Failure to cooperate with, or obstruction of, an internal or government investigation related to the business of Independence is prohibited.
Compliance with Federally Funded Program Requirements

Independence is committed to compliance with all applicable federal, state, and local laws, regulatory requirements, and contractual obligations for the federally funded programs in which we participate including, but not limited to, the Medicare Advantage and Medicare Part D Prescription Drug (Medicare Part D) Programs and our Qualified Health Plans offered on the Federally-facilitated Marketplace.

Independence and its workforce members have the responsibility for ensuring that Independence and the entities that Independence delegates certain functions related to Medicare and our Qualified Health Plans comply with all regulatory and contractual requirements related to the administration of these products.

Concerns regarding compliance with any federally funded program requirements should be brought to the attention of the Corporate Compliance Officer, the Medicare Compliance Officer, or the Legal Department. You can also address concerns through the Associate Compliance Line by calling (877) 247-0718.

Fraud, Waste, and Abuse

Independence is committed to detecting, correcting, and preventing fraud, waste, and abuse. The efforts undertaken as part of these processes include training and education, monitoring, and audits. All activities are consistent with applicable laws, regulations, and government healthcare program requirements. It is the responsibility of all employees to immediately report suspected or actual fraud, waste, and abuse.

What Is Health Insurance Fraud?

Fraud is knowingly and willfully executing, or attempting to execute, a scheme or dishonest behavior 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. Use of deception for unlawful gain in the health care arena most often involves an intentional misrepresentation and/or false statement regarding a claim for payment. (Example: A provider billing for services that were not rendered.)

What Is Health Insurance Waste?

Health care waste is the overuse of services or other practices that, directly or indirectly, result in unnecessary costs to a healthcare benefit program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

What Is Health Insurance Abuse?

Abuse of health care includes actions that may, directly or indirectly, result in unnecessary costs to a healthcare benefit program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to get paid.
The following federal laws are in place to combat health care fraud, waste, and abuse in federally funded programs including, but not limited to, Medicare, Medicaid, and Qualified Health Plan (QHP) programs and state and local contracts. These regulations include:

**False Claims Act**

The **False Claims Act (FCA)** is a federal law that prohibits knowingly presenting (or causing to be presented) a false or fraudulent claim to the federal government for payment or approval. The False Claims Act also prohibits knowingly making or using (or causing to be made or used) a false record or statement to get a false or fraudulent claim paid or approved. When Independence submits claims data to the government for payment (for example, submitting Medicare claims data to CMS), we must certify that the data is accurate to the best of our knowledge. We are also responsible for claims data submitted on our behalf from our subcontractors, and we monitor their work to ensure compliance.

Independence has implemented applicable provisions of the Deficit Reduction Act of 2005, requiring written policies and education for employees, contractors, and agents on the False Claims Act, federal administrative remedies, applicable state laws pertaining to criminal and civil penalties for false claims, and whistleblower protections.

**Fraud Enforcement and Recovery Act of 2009 (FERA)**

The **Fraud Enforcement and Recovery Act of 2009 (FERA)** was passed by Congress to enhance the criminal enforcement of federal fraud laws, including the False Claims Act. Penalties for violations of FERA are comparable to penalties for violation of the False Claims Act. FERA:

- Expands potential liability under the False Claims Act for government contractors; and
- Expands the definition of false/fraudulent claim to include claims presented not only to the government itself, but also to a government contractor.

**Anti-Kickback Statute**

The **Anti-Kickback Statute** establishes criminal penalties for individuals or entities that knowingly and willfully offer, pay, solicit, or receive remuneration (includes the transfer of anything of value, directly or indirectly, overtly or covertly, in cash or in kind) to induce or reward business that is payable or reimbursable by Medicare or any other federally funded health care program.

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**Q:** I work in claims processing, and I have received several Medicare claims from a provider that have discrepancies in the information provided for the same patient. Should I tell someone?

**A:** Yes. If you know or suspect that claims are being submitted that are potentially fraudulent, you are required to report it to your supervisor. You may also make a report to the Fraud and Abuse Hotline (866) 282-2707 to report any potentially fraudulent activity.
Beneficiary Inducement Statute

The **Beneficiary Inducement Statute** prohibits certain inducements (an inducement is an incentive, something that helps bring about a desired action or result) to Medicare and Medicaid beneficiaries that may be likely to influence the selection of a particular provider, practitioner, or supplier of Medicare/Medicaid-payable items or services. Prohibited inducements include:

- Waiving the coinsurance and deductible amounts
- Transfers of items or services for free or for other than fair market value
- Providing anything of value to induce a beneficiary to purchase or use a service or product

Stark Law

Also, known as the **Physician Self-Referral Law**, the **Stark Law** prohibits a physician from making a referral for certain designated health services to an entity in which he or she (or a member of his or her family) has an ownership, investment interest, or a compensation arrangement. Violators are subject to fines for each service provided and for entry into an arrangement or scheme.

Penalties for violating these laws could include fines, imprisonment, or both and possible exclusion from participation in federally funded programs including, but not limited to, Medicare. Therefore, under no circumstance may you engage in any conduct that violates state or federal fraud and abuse laws.

All officers, directors, agents, and associates are required to disclose if they have been convicted of a crime punishable by mandatory exclusion from the business of insurance or Medicare and Medicaid, have received a civil fine or penalty, or have been excluded from participation in federally funded programs.

Included in our commitment to all statutory, regulatory, and other requirements, sub-regulatory guidance, and contractual commitments to the federally funded programs in which we participate is our commitment to meeting the requirements and standards related to the delivery of the Medicare Advantage, Medicare Part D, Federal Employee Health Benefits Program, and programs administered as part of the Affordable Care Act.

Cooperation with Internal, External, and Government Audits

No Independence officer, director, workforce member, or any other person acting under the direction thereof should take any action to fraudulently influence, coerce, manipulate, mislead, or obstruct any auditor engaged in the performance of any program audits for the purpose of rendering the financial statements misleading. All workforce members are expected to cooperate with all internal, external, or government audits related to the business of Independence.

Related Policies

- Compliance with Federally Funded Program Requirements
Antitrust

U.S. antitrust laws are designed to promote fair competition by prohibiting agreements that restrain trade (such as agreements by competitors on the price they will charge for a given product or service). Other practices that limit competition (such as fixing bids for contracts and carving up markets) may also violate antitrust laws.

Agreements with Competitors

Under antitrust laws, competitors may not make agreements on the prices they will charge for products or services, the territories in which each company will sell products, customers to whom each company will offer its products, types of products, or the amount of any product each company will produce or offer for sale in the marketplace. In addition, competitors may not agree on the use or non-use of certain customers or vendors or on any contract terms and conditions. If you have any business dealings with Independence’s competitors, you should seek guidance from the Legal Department.

Tying Arrangements

Tying arrangements exist when one company conditions the sale of goods or services on the purchase of some other, unrelated good or service. Antitrust laws prohibit these arrangements.

Selection of Customers and Vendors

Generally, Independence is free to select its own customers and vendors. However, there may be situations when the selection of a customer or a vendor in conjunction with another company (particularly a competitor) is prohibited by antitrust laws. In addition, agreements between two or more companies not to do business with a third company may be a violation of the antitrust laws.

Fairness in the Marketplace

Antitrust laws also protect fair competition in the marketplace. If a business unfairly takes advantage of its position in the marketplace and uses unlawful means to protect its position by hindering its competitors’ ability to compete fairly, it may be violating antitrust laws.

Fair Dealing

Each workforce member, officer, and director should endeavor to deal fairly with Independence’s customers, suppliers, competitors, and employees. You should not seek to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material factors, or any other unfair-dealing practice.

Antitrust laws are extremely complex. Contact the Legal Department whenever there is a question about antitrust issues.
Independence Information and Resources

Safeguarding information is every workforce member’s responsibility. Given the highly personal and sensitive nature of protected health information (PHI) and personally identifiable information (PII), our members expect the company’s workforce members to treat their PHI and PII with respect and in accordance with all applicable privacy laws. We must ensure that all electronic systems, including business operating systems, software, and corporate email, are utilized in accordance with corporate standards and for the purposes of conducting the business of Independence. Our corporate policies and procedures reflect the expectations of our members and the needs of our company to keep confidential and proprietary information including, but not limited to, PHI and PII, and company property secure.

Confidential and Proprietary Information

Independence’s information as defined in the policy, Protecting Confidential and Proprietary Information, is a valuable asset, owned by Independence that all workforce members must handle with great care. Examples of confidential and proprietary information may include: personnel data, member data, provider data, corporate policies and procedures, intellectual property such as trademarks, copyrights, and patents (including inventions), financial information, strategic plans and/or marketing strategies, vendor information, customer information, or other internal communications which may be considered part of an internal business decision. Nothing in this Code or in the Protecting Confidential and Proprietary Information policy is intended to interfere or restrict an associate’s rights to discuss the terms and conditions of his / her employment.

Workforce members must agree that Independence is the exclusive owner of all work product (including inventions) and that work product constitutes “work made for hire” as defined under applicable laws. All workforce members must assign to Independence all rights, title, and interest (including all intellectual property and other proprietary rights) in and to such work product. In addition, workforce members agree to assist Independence as necessary to obtain and maintain Independence’s ownership of such intellectual property and other proprietary rights in the work product.
During the course of business, Independence’s workforce members may have access to Independence trade secrets. A trade secret is any information (including a formula, pattern, compilation, program, device, method, technique, or process) that derives independent economic value, actual or potential, from not being generally known to or readily ascertainable through appropriate means by other persons who might obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. A trade secret is information that is not generally known, whose owner has taken reasonable steps to protect as a secret, and which could only have been disclosed by wrongful means.

All workforce members are required to safeguard all trade secrets in accordance with the Protecting Trade Secrets policy. It is Independence’s policy to not actively seek or passively receive another company’s trade secrets.

It is your obligation to exercise all due care to ensure that information considered confidential or proprietary is protected. While you may use this information inside Independence to perform your job, you may not share it with any other individuals, either inside or outside Independence, unless they have a legitimate need to access the information. When that is the case, you must share the information in accordance with all state and federal laws and regulations and corporate policies.

You are responsible for compliance with all laws, regulations, and corporate policies related to confidential and proprietary information including specific laws related to PHI or PII. No personal use or review of PHI or PII is permitted, even if you have legitimate access to the information in your role at Independence.

In certain cases, some information can be released if the appropriate authorization is received. To best understand what can and cannot be released, review our corporate policies related to privacy and proprietary information, which are located on the Corporate Administrative Policies page of the Iway. If you have any questions you can contact a member of the Privacy, Corporate Compliance, or Legal Departments.

Unauthorized use or disclosure of confidential and/or proprietary information including, but not limited to, protected health information (PHI), electronic protected health information (ePHI), and personally identifiable information (PII) is prohibited.

Q: Your sister asks you to research her claim, which she believes has not yet been paid. Although you are not in customer service or claims, you do have access to that claim system to perform your job responsibilities. Should you access the system to obtain the information for your sister since she has given you her permission?

A: No, you should direct your sister to use the established methods to obtain her information. You are responsible for compliance with all laws, regulations, and corporate policies related to confidential and proprietary information including specific laws related to protected health information (PHI) or personally identifiable information (PII). No personal use or review of PHI or PII is permitted, even if you have legitimate access to the information in your role at Independence.

Related Policies

- Protecting Trade Secrets Policy
- Corporate Privacy Policy
- Protecting Confidential and Proprietary Information Policy
Software Licensing, Data Security and Control, and Corporate Email

Information and information systems are critical assets of Independence. Our clinical and business decisions rely heavily on timely access to accurate information in our systems.

Because computer passwords are the key to accessing company systems and information, you must keep your passwords confidential.

All communication systems, including corporate email, the Iway, Internet access, and voicemail, are the property of Independence and are to be used primarily for business purposes. Highly limited, reasonable personal use of these communication systems is permitted provided that such use is appropriate, does not result in additional cost to the company, and complies with Independence policies. Workforce members may not use Company communication systems to conduct outside commercial business. Also, workforce members may not use Company communications systems to represent, comment, or provide a statement on behalf of the Company without prior authorization. Sending Company information to a personal email account or posting Company information to cloud storage providers is strictly prohibited. Communications delivered via corporate systems are not private and are monitored.

All workforce members are expected to secure corporate assets (including but not limited to workstations, computer devices, systems, and information) against damage, theft, loss, or use by others. If you have a company issued computer, laptop, phone, or iPad, you are the only individual permitted to use it.

All workforce members must comply with Independence’s corporate policies on these subjects. Corporate policies relating to information security, software licensing, and email can be found on the Iway.

Use of Corporate Assets

Independence’s property includes time, supplies, and information as well as all physical items and electronic systems in the workplace such as computers, software, email, work stations, phones, copier machines, and filing cabinets.

Personal use of Independence property is prohibited. However, incidental personal use of items such as email, the Internet, and telephones is permissible provided it is appropriate, does not result in additional cost to Independence, and complies with Independence policies, such as the policies on cell phones and email. Independence reserves the right to open, inspect, and access all electronic and physical property and to monitor your use of email and the internet, including personal email activity and sites accessed through Independence equipment.

Theft, fraud, or misappropriation of property or money belonging to the company, a co-worker, vendor, or visitor is prohibited. Deliberate damage to, or misuse of, property owned, leased, or used by the company is also prohibited.
Recording Meetings and Conversations

Without the prior written authorization of Independence’s Senior Vice President and Chief Human Resource Officer, as well as written authorization of meeting participants, no workforce member may openly or secretly record by any means, any conversation, communication, activity, or event which in any way involves Independence or Independence workforce members or any of our subsidiaries or affiliate companies, or any other individual with whom Independence is doing business or intending to do business in any capacity (visitors, vendors, consultants, independent contractors). This also applies to conversations and communications with any other third parties unrelated to Independence including, but not limited to, outside legal counsel, auditors, and regulatory officials.

“Recording” under this policy includes the audio or video recording of any conversation or communication related to the company, regardless of whether the conversation is taking place in person, over the telephone, or via any other communications device or equipment and regardless of the method used to record (e.g., tape recorder, video recorder, mechanical recording, cell phone, mp3 player, etc.), and regardless of where the conversation or communication takes place, i.e. on or off the company’s premises.

Loans

Loans to officers and directors are prohibited. Loans shall not include borrowing from an individual’s 401(k) account established under the company’s benefit plan documents.
Violations of the Code and Company Policies

As an Independence workforce member, you have an obligation to report any improper conduct, including violations of law, this Code, or any Independence policy so that the company can investigate and, where appropriate, report the matter to local, state, or federal agencies such as CMS, its designee, and/or the appropriate law enforcement entity.

If you have knowledge of any illegal, unethical, or fraudulent activity, or any activity that is inconsistent with this Code or Independence policies, you are encouraged to discuss the matter with your supervisor. If you are uncomfortable doing so, you should contact your next level of management, your HR Business Partner, Employee Relations Partner, Corporate Compliance, or the Legal Department. You may also contact the Compliance Officers directly. You can also report matters of concern by using the confidential Associate Compliance Line at (877) 247-0718.

Failure to cooperate with internal investigations, audits or inquiries, or failure to comply with laws (including Medicare requirements), this Code, or any company policy may constitute grounds for disciplinary action, up to and including, termination of employment and potential reporting of the conduct to law enforcement.

The Independence Corporate Compliance Department, Corporate Financial Investigations Department, the Legal Department, and/or the Human Resources Department (with business unit management, as applicable) review reports of noncompliance with our Code, corporate policies, or applicable laws. As necessary, Human Resources will also consult with Corporate Compliance to determine appropriate action. When reports of noncompliance relate to our Medicare business, the Medicare Compliance Officer participates in the review. In order to ensure that discipline is proportionate and is administered fairly and consistently, the Corporate Compliance and Human Resources Departments work together to record and report on disciplinary actions imposed for compliance violations.

Attorney Conduct

Attorneys should report evidence of a material violation of law or breach of fiduciary duty or similar violation by Independence or any subsidiary or affiliate, or any agent thereof, to the General Counsel or the President and CEO. If the General Counsel or President and CEO does not appropriately respond to the evidence (adopting, as necessary, appropriate remedial measures or sanctions with respect to the violation), the Independence attorney should report the evidence to the Audit and Risk Management Committee of the Board of Directors or to another committee of the Board of Directors comprised solely of directors not employed directly or indirectly by the Company, or to the Board of Directors.
Getting Help

Your immediate supervisor is often the best person to initially talk to when you suspect possible compliance violations or need to ask a compliance-related question. There are several other resources you can consult as well, including your HR Business Partner, your Employee Relations Partner, the Legal Department, or the Corporate Compliance Department.

The confidential Associate Compliance Line is managed by Navex Global, a third-party vendor. Any time you become aware of or suspect any illegal, unethical, or fraudulent activity, or any activity that is inconsistent with Independence’s Code or our company policies, you are obligated to report it.

The confidential Associate Compliance Line is accessible toll-free at (877) 247-0718 or via the web at https://ibc.alertline.com. It is available to you 24 hours a day, 7 days a week, 365 days a year and remains convenient and anonymous! However, you are encouraged to identify yourself if possible so that adequate investigations can be performed. This line is for associates only and not for our customers or members.

When you call, a trained professional will note your concern and forward it to Independence for investigation. Your report will be assigned an ID number, should you wish to remain anonymous. With this ID number you will be able to check the status of your report or provide additional information, if it is necessary to complete the investigation.

Members, providers, or contractors can report suspected illegal, unethical, or fraudulent activity through the Fraud Hotline at (866) 282-2707. Reports to this hotline can also be made anonymously.

Retaliation, intimidation, or any other form of reprisal against anyone who makes a good-faith report of an actual or potential violation of law or this Code, or of issues that may have been identified during assessments, investigations, or during other evaluations is strictly prohibited.

This policy is not intended to create amnesty for anyone directly involved in fraud or misconduct; however, a good-faith, truthful, prompt report will be taken into consideration in connection with any disciplinary action.

Q: What happens when I call the Associate Compliance Line?
A: The Associate Compliance Line is managed by Navex Global, a third-party vendor that does not use “caller ID,” and does not employ anyone from Independence. A trained professional at Navex Global documents your concern and forwards a summary of the information to the Corporate Compliance Department for investigation. At the end of the call, a report number will be generated and a follow-up date identified so that you can contact Navex Global to check on the status of your report. You can choose to remain anonymous, if you like.

Related Policies

• Non-Retaliation Policy
Independence Blue Cross offers products through its subsidiaries Independence Hospital Indemnity Plan, Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield — independent licensees of the Blue Cross and Blue Shield Association.