



**THE THIRD PARTY CODE  
OF ETHICAL BUSINESS  
CONDUCT AND COMPLIANCE**



## DEAR COLLEAGUE,

Thank you for choosing to work with CareFirst and embracing—as our partner—the core values that drive our success and culture. We know you will respect the following tenets that are central to how we conduct ourselves, and everything we do:

- Customer First
- Integrity
- Personal Accountability for Excellence
- One Company, One Team
- Leadership

We prepared this Third Party Code of Ethical Business Conduct to clarify our expectations of our many business partners, to highlight the standards by which we do business in our community, and to emphasize the extent to which our values and culture impact every decision both we and our partners make.



At CareFirst, we steadfastly pursue our mission to provide affordable and accessible health insurance to our plan's insured, assist and support public and private healthcare initiatives for individuals without insurance, and promote the integration of a healthcare system that meets the needs of all residents in our jurisdictions. Our mission is not easily achieved, particularly in a challenging and constantly changing environment. It requires us to be ever vigilant about how we deliver the best products and services to our customers.

In addition, we do not care solely about what we do: We place equal emphasis on how we go about doing it, fully committed to conducting ourselves with the utmost integrity. This means that we are always thinking about how we manage our internal business and how we interact with customers, partners, governments, vendors and our local community. We go beyond simple compliance with federal, state, and local laws and regulations. Instead, driven by our mission and core values, we actively demonstrate that we care about the means, not just the ends of doing business.

If you see behaviors or practices that fall short of CareFirst's mission or values, I urge you to speak up. Open communication and trust are essential to strengthening our culture of compliance, one that tolerates no form of retaliation for raising concerns. This is a promise I make to you, and in this spirit, I encourage you to initiate these conversations with us candidly and without fear.

We have chosen to do business with you because we believe that you share our commitment to ethical conduct and our values. Our reputation and continued success depend on everyone—both employees and business partners alike—living by those values and acting in accordance with our culture. We appreciate that you, as a valued partner, recognize your key role in promoting our mission, goals and operations in a manner consistent with that culture.

Thank you for making compliance and ethics a top priority of the work we do together, in and for our community.

Brian D. Pieninck  
*President and Chief Executive Officer*

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# CHAPTER 1: ABOUT THE THIRD PARTY CODE OF ETHICAL BUSINESS CONDUCT AND COMPLIANCE

## **The Third Party Code of Ethical Business Conduct applies to all Third Parties and contingent workers**

CareFirst is committed to conducting business with integrity and in full compliance with the laws and regulations that govern our business activities. Our external business partners play an integral role in helping to meet these commitments.

CareFirst has adopted this Third Party *Code of Ethical Business Conduct and Compliance* (the “Code”) to which all our external business partners must adhere while they are conducting business with and/or on behalf of CareFirst.

The term “Third Parties” refers to external companies with which we conduct business and that may or may not employ or contract with individual Contingent Workers to perform services for CareFirst. References to Third Parties throughout this document include both corporate entities and individuals performing services on behalf of those entities. Third Parties are responsible for ensuring that their employees and subcontractors, including any Contingent Workers they send us to perform services, understand and adhere to our Code.

The term “Contingent Worker” as used throughout this document refers to any individual contractors, contractor’s employees or subcontractors, consultants, contingent workforce members or unpaid interns, any of whom perform a service on behalf of CareFirst and any of its affiliated, related, or subsidiary companies.

The term “you” as used throughout this document refers to all Third Parties with whom we do business, including individual Contingent Workers.

The terms “Company” and “CareFirst,” as used throughout the Code, include CareFirst, Inc., and all affiliated, subsidiary, and related companies, including but not limited to: CareFirst of Maryland, Inc.; Group Hospitalization and Medical Services, Inc.; CF Risk PCC, LCC; CareFirst Holdings, LLC; Service Benefit

Plan Administrative Services Corporation; CareFirst Consolidated, Inc.; CareFirst Management Company, LLC; Capital Area Services Company, LLC; CFA, LLC; First Care, Inc.; National Capital Insurance Agency, LLC; CareFirst BlueChoice, Inc.; CareFirst Community Partners, Inc.; CareCo, LLC; The Dental Network, Inc.; Trusted Health Plans, Inc.; Trusted Health Plan (District of Columbia), Inc.; CareFirst Advantage, Inc.; CareFirst Advantage DSNP, Inc.; CareFirst Advantage, PPO, Inc.; Atlas Health, LLC and Healthworx, LLC.

## **Our expectations of Third Parties**

We expect our Third Parties to remain up to date and aware of CareFirst’s business practices and guiding standards, such as:

- effectively communicating the Code’s standards and training requirements to their employees and subcontractors, as applicable,
- exercise appropriate supervision and oversight of their employees and subcontractors to make sure that any work performed for CareFirst is consistent with our Code’s standards, and
- ensure that their employees and subcontractors adhere to all laws, rules, and government regulations applicable to the Third Party’s business and the products or services it provides to CareFirst.

Examples of key legal, regulatory, and other requirements applicable to CareFirst are described in the Code. CareFirst may require Third Parties to demonstrate that they comply with the Code.

The Code establishes minimum standards for conducting business with CareFirst. A Third Party and CareFirst may agree in writing to specific additional or different requirements other than those identified in this Code. If this is the case and there is a conflict between the terms of this Code and your written contract, the terms of your contract will control.

## Acknowledging and complying with CareFirst policies

You are required to acknowledge that you have received a copy of this Code. You must certify that you have read and understand its purpose and agree to comply with its standards whenever you are providing services to or acting on behalf of CareFirst.

Violations of this Code can put you and CareFirst at risk for fines and civil and/or criminal liabilities or penalties. Violations will result in a review of your business relationship or engagement with CareFirst up to, and including, termination of that relationship or engagement.

You must also adhere to all applicable CareFirst policies and CareFirst Contingent Labor Policies. These policies will guide you through relevant issues such as performance feedback, conversion to an employed position, immigration documentation, termination, rates, minimum qualifications, referrals, role changes, and tenure. These policies are available on CareFirst's intranet site under the **Code of Conduct and Policies tab** at the top of each page. Please consult with the External Labor Management Office or the Compliance & Ethics Office if you have any questions about these policies or would like to receive a copy.

## Reporting violations

You should ask questions if you have doubts about whether an action or situation may be improper or inappropriate or if you believe there may be other requirements applicable to your situation.

You have an obligation to report all suspected violations involving CareFirst business, this Code, or any law or regulation, whether such violations involve your employees or subcontractors or CareFirst employees or other Third Parties. You can make a report by taking any of the following actions:

- Talk to your CareFirst business contact
- Call the CareFirst Compliance & Ethics Office at **410-528-7193**
- Send an internal email to **[complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com)**

Failure to promptly report a suspected violation may result in action up to, and including, termination of your relationship. Questions or concerns can be directed to the CareFirst Compliance & Ethics Office.

## How to make anonymous reports— Compliance & Ethics Hotline

You can make an anonymous report by phone or by filing a confidential report online by accessing the Compliance & Ethics Office webpage on the CareFirst intranet.

- Compliance & Ethics Hotline: **410-528-7800**
- **<http://insidecarefirst.com/hotline.htm>**—form is only accessible for individuals with access to the CareFirst intranet

The Compliance & Ethics Hotline is available 24 hours a day, seven days a week. Hotline calls are truly anonymous. Calls are not traced. There is no caller ID. The Hotline number is a voicemail number only. You will not speak to a person.

If you choose to make an anonymous report, be prepared to provide enough information about the situation to allow for a proper investigation.



### Think About It

*As a Third Party, if I observe misconduct in a department other than my assigned department, am I still required to report the issue?*

Yes. All CareFirst employees and Third Parties who become aware of any misconduct are required to report it.

The best approach is to talk first with your CareFirst people leader or CareFirst business contact. But if that doesn't work or is not feasible, you can contact the Compliance & Ethics Office at **410-528-7193** or email: **[complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com)**. If you wish to remain anonymous, you can call the Compliance & Ethics Hotline at **410-528-7800** or file a confidential report online by going to the Compliance & Ethics webpage on the CareFirst intranet. **<http://insidecarefirst.com/hotline.htm>**

### Non-retaliation policy

CareFirst prohibits any form of retaliation or attempted retaliation against an individual who:

- reports in good faith a known or suspected ethics or compliance concern, or
- participates in an investigation.

Retaliation is any action that might discourage a reasonable employee from making or supporting a charge of wrongdoing or misconduct in the workplace. Examples of retaliation include a change in responsibilities, a job transfer, or exclusion from activities or decisions. Retaliation is a separate violation of the Code and should be reported immediately.

Anyone who—honestly and in good faith—reports a potential violation or cooperates with an investigation is protected from retaliation.

### Your obligation to cooperate in investigations

CareFirst promptly investigates all reported or suspected violations of the Code and maintains confidentiality to the greatest extent possible.

You must cooperate fully and honestly in any Company investigation or inquiry by Company management, outside auditors, or government officials. You must provide all applicable documents when responding to an investigation or audit and must not destroy or alter any records.

Keep in mind that CareFirst does not tolerate discrimination or retaliation against anyone who in good faith makes a report or participates in an investigation.

### Disclosure of non-compliance

CareFirst is committed to appropriately disclosing violations of laws, regulations, and requirements under government and other business contracts to the applicable governing entities.



### Think About It

*Why am I expected to cooperate with CareFirst investigations and inquiries? I would rather not get involved.*

When CareFirst conducts an investigation, it is because there is a possibility of a violation of our Code, standards of ethical business conduct, or a legal requirement. The investigation is necessary to protect individuals, CareFirst, CareFirst members and employees, and possibly you and your own employer or company. If CareFirst employees and Third Parties do not cooperate, it may be impossible to get all the facts needed to take appropriate action. Withholding information or knowingly giving false or misleading information is a serious violation of our Code and could result in a termination of your business relationship.

### Compliance, Ethics & Privacy Office oversight

CareFirst is committed to the oversight and support of the Compliance & Ethics Program. The Vice President of Corporate Compliance acts as the Company's Chief Compliance, Ethics & Privacy Officer. The CareFirst Audit and Compliance Committee of the Board of Directors has governing authority and oversight of the Compliance & Ethics Office and Program.



### What are some examples of misconduct that must be reported?

- Submitting a false timesheet or expense report
- Inappropriately accessing a CareFirst employee's or member's confidential information
- Not reporting a known or suspected violation of the Code
- Lying or not cooperating during an investigation
- Charging an expense to an account or project other than the one for which it is incurred
- Altering final entries on Company records
- Inappropriate use of internet, instant messaging, and/or email
- Failing to disclose that your spouse or relative is also a CareFirst employee or CareFirst Contingent Worker
- Failing to disclose ownership in other businesses or performance of services for other companies during the term of the engagement with CareFirst



# CHAPTER 2: GUIDING BEHAVIORS TOWARDS OUR PEOPLE AND COMMUNITY HEALTH & SOCIAL IMPACT

## CareFirst’s commitment to diversity, equity, and inclusion

To fulfill CareFirst’s mission, we rely on our talented workforce and their different experiences and backgrounds.

Our culture embodies a sense of belonging which is reflected in our policies and practices. We embrace and encourage our differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. When our workforce is valued equally, it makes us stronger.

The five core themes we stand for are:

- Practicing Empathy
- Seeking to Understand
- Fostering a Culture of Inclusion
- Demanding Equity
- Nurturing a Sense of Belonging

CareFirst is committed to fostering, cultivating, and celebrating a culture of diversity, equity, and inclusion. The collective sum of our individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talents significantly contributes to our Company’s culture and our ability to make a difference in the communities we serve. We are all responsible for building and supporting a community of inclusion and belonging.

## Workplace discrimination and illegal harassment

CareFirst does not tolerate illegal harassment on the basis of race, color, religion, disability, national origin, sex (including pregnancy), age, sexual orientation, gender identity, veteran status, genetic information, or for any

### Some examples of discriminatory harassment are:

- Derogatory nicknames, comments or slurs
- Derogatory posters, screen savers, cartoons, or gestures
- Assault, intentional blocking, or interfering with normal conduct
- Inappropriate words, labels, or symbols used as IDs, passwords, computer signoffs, or greetings

### Some examples of sexual harassment are:

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



other legally protected classification, in the workplace, at any work-related function, or in connection with work for CareFirst. You should understand that you may be held personally liable for illegal harassment.

Retaliation against anyone who has reported illegal harassment of any kind, or who has participated in the investigation of an allegation of illegal harassment, is forbidden and may result in action up to, and including, termination.

### Equal employment opportunity and affirmative action

CareFirst fosters a positive work environment that promotes equal employment opportunity in accordance with all applicable equal employment/anti-harassment laws, directives, and regulations of federal, state, and local governing bodies.

Third Parties will cooperate with CareFirst's commitment to a workforce free of unlawful discrimination by providing equal opportunity to all individuals who are qualified to perform CareFirst job requirements regardless of race, color, religion, disability or record of disability, national origin, sex (including pregnancy), age, sexual orientation, gender identity, veteran status, genetic information, or for any other legally protected classification.

### Labor and human rights

CareFirst expects you to know and uphold the human rights of their employees and treat their employees with dignity and respect. You must abide by the labor laws and regulations where they and CareFirst conduct business, including those laws that address child labor, forced labor, equal pay, unsafe work conditions, and nondiscrimination in the workforce.

### Combatting trafficking of persons

CareFirst has a zero-tolerance policy regarding the trafficking of persons. We are committed to the United Nations Guiding Principles on Business and Human Rights in that it is our corporate responsibility to respect and protect business-related human rights.

In the performance of any CareFirst contract with the federal government, you must not:

- engage in any forms of trafficking of persons
- procure commercial sex acts, or
- use forced labor.

If you are aware of any such prohibited activity, you are required to contact the Compliance & Ethics Office, the Compliance & Ethics Hotline, or law enforcement authorities immediately.

### Corporate Governance Policy, CE 100.10 Conducting Business with the Government

### Corporate Governance Policy, CE 100.09 Fair Business Practices



# CHAPTER 3: COMMUNITY HEALTH & SOCIAL IMPACT

## Our commitment to access, affordability, quality, and equity of care

CareFirst is leading a bold shift in the healthcare landscape. We are emphasizing population health outcomes, value-based care, and addressing social determinants of health (SDOH) to achieve health equity. Historically, health systems, CareFirst included, have focused on healthcare access and quality to improve health status. However, in addition to clinical care, health status is impacted by our social, economic, and physical environments. It is widely known that our ZIP code is a better predictor of health than our genetic code. In fact, the conditions in which we live, learn, work, worship, play, and seek care contribute to our health in greater proportions than clinical care. These social, economic, and physical factors cut across a wide range of inter-related, upstream issues: economic stability, education, food security, feelings of isolation and discrimination, and neighborhood and built environment.<sup>1</sup>

To ensure CareFirst meets the upstream needs of our employees, members, and the communities we serve, CareFirst has developed a five-year community vision.

CareFirst partners and collaborates with community leaders, grassroots coalitions, nonprofit organizations, municipalities, and health systems to proactively identify and address SDOH impacting our communities. And we seek to influence our region's policy dialogue to best support the health of our members, the underinsured, and the uninsured.

## Community Health & Social Impact Five-year Vision

- **Expand access to economic development and educational opportunities** that improve social support, decrease barriers to care, and address environmental conditions that shape health
- **Strengthen the relationship with community-based health partners** so that both are better aligned to meet the **continuum of social needs**, including support to change unhealthy habits and encourage healthy behaviors to lower risk factors
- **Increase access to high-quality and affordable healthcare** ensuring populations are treated with dignity, respect, and cultural competency as they access evidence-based care
- **Achieve policy, systems, and environmental change through advocacy** efforts to create conditions that support the health of vulnerable people and their communities
- **Improve how we collect and use demographic data in healthcare** because consistent, correct data will help provide the right services to the right community at the right time

<sup>1</sup> (Healthy People 2020, 2014)

In order to propel our community vision forward, CareFirst focuses on the following key areas for its charitable giving, as well as associate, donor, and partner engagement:



As we drive toward health equity, expectations of our grantees, partners, and other Third Parties will evolve. CareFirst is accountable to our employees, members, community, and Board that our charitable giving and partnerships are intentional and equitable. To reflect our values, CareFirst employs a rigorous scoring method that includes health equity and SDOH impact measurement. Current and prospective grantees, partners, and other Third Parties are subject to the evaluation process.

By linking our core giving, relationship building, and employee engagement functions to upstream factors and measurable impact, we enhance our ability to drive equitable outcomes. Third Parties should expect CareFirst to be intentional in placing volunteers. And not only are we pushing for volunteerism focused on social determinants, but we are moving toward skill-based volunteering, including board service, to strengthen nonprofit capacity and deepen our investments.



### Think About It

*Our organization has received funding for the same event year after year. Why is CareFirst declining our request for funds now?*

CareFirst is intentional with its dollars and applies a rigorous scoring method to ensure that our giving addresses the root causes of health disparities and contributions are distributed equitably throughout the region we serve. Your request may no longer satisfy our health equity focus. CareFirst also seeks to avoid conflict of interest or appearance of preferences. If an applicant believes they have received a decline in error, please reach out to [community@carefirst.com](mailto:community@carefirst.com).

CareFirst's commitment to community through a social determinants and equity lens also means we are focused on long-term, sustainable impact. We make strategic and operational decisions that result in long-term benefits to our employees, members, and the community we serve. We expect that our grantees, partners, and other Third Parties operate responsibly and sustainably. As CareFirst shifts the healthcare landscape from transactional to transformational, our Third Parties can expect:

**We occupy a variety of roles with clear intention**—funder, advocate, partner, and more—to pursue health equity.

**We amplify our share of voice** to influence healthcare, drive positive change, shift social norms, and celebrate our and our partners' work.



We know the importance of **funding the frontlines** and are working to create a more equitable giving portfolio, and enthusiastically advocate for our partners to do the same.

**We curate excellent employee, member, and grantee experiences** that catalyze ideas and novel interventions.

We rely on authentic, deep engagement of multi-sector stakeholders, including youth, to ensure that our strategies are rooted in local assets, ground-level wisdom, and health needs prioritized by community members.

(Institute for Health Improvement, 2020) (Healthy People 2020, 2014)

Together, with our grantees, partners, and Third Parties, we will make intentional and impactful differences.

### **Our commitment to the environment**

We care about sustainability and our impact on the environment.

CareFirst is committed to conducting business in an environmentally sound and resourceful manner. CareFirst strives to minimize its environmental footprint by identifying and managing environmental impacts across the organization. This includes reduction in physical office space via an ongoing workplace strategy, to pursuing opportunities for renewable energy sources, reducing printing and paper consumption, and prioritizing materials that meet stringent guidelines. In addition, we ensure pollutant source controls during construction and divert waste from landfills through recovering, reusing, and recycling materials from our office operations and new builds.

We strive to partner with those who value sustainability and its human, social, economic, and environmental components. We hope our Third Parties support sustainability practices and value environmental stewardship.

# CHAPTER 4: CAREFIRST'S WORKPLACE STANDARDS AND PRACTICES

## Drug-free workplace

CareFirst complies with the Drug-Free Workplace Act of 1988.

CareFirst expects its workforce to report to work free from the influence of illegal drugs and alcohol. CareFirst strictly prohibits the use, abuse, sale, purchase, possession, manufacture, or distribution of any intoxicating or illicit substances in the CareFirst workplace or on Company-owned or leased premises. The use of alcohol while representing the Company is only permitted at certain Company-sponsored, off-site functions, and it is your responsibility to act professionally at events where alcohol is served.

## Smoke-free workplace

Smoking is prohibited throughout all CareFirst locations.

This includes all buildings, entrances, walkways, and sidewalks as well as parking lots, parking structures, and Company-owned vehicles.

## Workplace violence

CareFirst does not tolerate any form of violence, threats, harassment, intimidation, bullying, or other disruptive behavior in the workplace. This includes verbal or written threats of violence.

This policy applies while you are at a Company location or while conducting Company business.

## Weapons

CareFirst is a weapons-free workplace. Bringing weapons into the office, even if you have a permit to carry a concealed weapon, may be considered grounds for immediate termination. The weapons prohibition does not apply to authorized law enforcement officials or duly licensed and authorized security staff who are employed by one of CareFirst's designated security vendors.



### Think About It

*I have a permit to carry a concealed weapon. Can I bring my weapon into a CareFirst office?*

No. Weapons of any sort are not permitted in any CareFirst offices, regardless of your license to carry. Bringing weapons into the workplace may be considered grounds for termination of your business relationship.

## Health, safety, and environment

You must obey safety rules and regulations when on-site and notify your CareFirst business contact of any circumstances that may be potentially harmful to the health and safety of any individual on CareFirst premises or to the environment.

When on-site, you must work in conformance with all applicable safety rules, laws, standards, and procedures, including Occupational Safety and Health Administration (OSHA) rules and regulations and any additional requirements of CareFirst.

## Solicitation, distribution of materials, and bulletin boards

Posting or promotions on CareFirst bulletin boards and other CareFirst owned means of communication, such as Company intranet, voicemail, instant messaging, and email, should be limited to Company sponsored or generated material and Company business-related material. Postings of communications in common areas, such as near elevators or in hallways, is prohibited.

### Qualification of individuals engaging in the business of insurance

It is CareFirst's policy to ensure that all claims and appeals received from our members and providers are reviewed and processed in an independent and impartial manner. Accordingly, CareFirst does not contract with any Third Party based on the likelihood, or perceived likelihood, that such entity or individual will support or tend to support the denial of benefits.

Federal law prohibits individuals and entities with certain criminal convictions, government debarments, or professional disqualifications from engaging in the business of insurance. CareFirst does not contract with, employ, or bill for services rendered by an individual or entity that is excluded from or ineligible to participate in federal healthcare programs; suspended or debarred from federal government contracts; or convicted of a felony involving fraud, embezzlement, forgery, bribery, theft, dishonesty, or breach of trust.

### Compliance certification

CareFirst expects Third Parties to ensure that their employees and subcontractors providing goods or services to CareFirst have not been, and are not, excluded from participation in any federal program.

In addition, anyone who has access to CareFirst's systems, servers, and/or Personal Health Information (PHI)/Personally Identifiable Information (PII) is required to complete a Compliance Certification within 14 calendar days of enrollment and annually thereafter. The purpose of the Compliance Certification is to identify any individual who may not be eligible to participate in federal healthcare programs or otherwise hold a position of trust with respect to CareFirst's members and other stakeholders. If this eligibility review indicates that any individual or entity has been excluded from federal healthcare programs, the individual or entity cannot be employed by or conduct business with CareFirst.

The Compliance & Ethics Office must be contacted if changes occur during the year that would require a Certification to be updated.

### Employment verification letter

Third Parties are not employees of CareFirst. Accordingly, CareFirst does not provide employment verification letters to any Third Parties for any purpose, including but not limited to, obtaining a loan or in connection with immigration applications or work authorizations. End client letters for contingent engagements are coordinated through the Contingent Labor Program and Third Parties as required.

### References or letters of recommendation

CareFirst does not provide references or letters of recommendation for any purpose outside of the Company, whether verbally, in writing or electronically, including in any form of social media, for current or former employees or Third Parties.





# CHAPTER 5: USE OF CAREFIRST'S ASSETS

CareFirst has a variety of tangible and intangible assets that are of great value to our success. They include not only valuable confidential and proprietary information but also physical assets.

## Confidential and proprietary information

You must safeguard CareFirst's confidential and proprietary information both during and after the term of a contract or engagement. You must ensure that such information is used only for valid business purposes and not to provide personal gain for yourself or others. Any documentation, PowerPoint presentations, or other materials you may use or encounter at CareFirst may not be taken and/or used outside of CareFirst for any purpose.

When using social media, or in other communications with parties outside of CareFirst, you may not discuss or disclose confidential or proprietary and/or financial information about the Company, employees, members, providers, partners, clients, vendors, or suppliers.

## Physical assets

You may only use CareFirst's property and other physical assets to provide services in fulfillment of contractual obligations to CareFirst. Company assets may not be used for:

- Any illegal activity
- Personal gain
- Solicitation of personal business
- Public advancement of individual views
- Harassment of any type
- Creating, viewing, receiving, sending, or downloading chain emails, including jokes
- Sexually explicit materials

- Communications that are inappropriate, inflammatory, or derogatory

Additionally, CareFirst assets must not be taken outside the continental United States.

## Electronic assets

Email, internet, intranet, telephone, voicemail system, instant messaging, fax equipment, and other electronic means supplied by CareFirst are CareFirst assets to be used for legitimate business purposes or for purposes authorized by management. You must follow the policies, procedures, standards, and guidelines that relate to CareFirst's electronic assets at all times and at all work sites. This includes while working remotely from non-CareFirst sites.

You do not have an expectation of privacy when using CareFirst's electronic communication systems. CareFirst has the right to review, copy, audit, investigate, intercept, access, and disclose any use of the computer, email, instant messaging, telephone, and internet systems, including all messages created, received, or sent for any purpose.

The contents of electronic storage (e.g., email, instant messaging) may be disclosed within CareFirst and to government agencies without your knowledge or permission. Access by management is permitted without your consent and without giving prior notice.

When your engagement or relationship with CareFirst ends, or upon CareFirst's request, you must return any and all CareFirst assets in your possession.

## Password and access codes

You may not share your CareFirst's system passwords or access codes with anyone.

### Software

You may not copy or use any software on CareFirst's electronic assets or computer networks unless authorized by CareFirst.

### Company records, record retention, and destruction

You must ensure that facts are never misstated or material information omitted. All records, disclosures, and communications to CareFirst are full, fair, accurate, timely, and understandable.

You must not destroy or dispose of CareFirst records without CareFirst's authorization. Destruction, alteration, or falsification of records to avoid disclosure in a legal proceeding, government investigation, or audit may constitute a criminal offense.



#### Think About It

*It is easier for me to use my personal email account and calendar rather than the email account and calendar issued by CareFirst. Can I conduct CareFirst business using my personal email account and calendar?*

No. Personal email accounts cannot be used to conduct any CareFirst business. Use your CareFirst email account to conduct all CareFirst business.



#### Think About It

*My employer wants my CareFirst ID and password to give to a temporary Third Party while I'm out of the office. Can I share this with my employer or my fellow Third Party?*

No. **Never** share your CareFirst ID and password. The ID and password are issued to you for your use only.

# CHAPTER 6: PROTECTED HEALTH INFORMATION

## Privacy

CareFirst has a responsibility to protect the confidentiality of the Protected Health Information (PHI) it collects, uses, and discloses about its members, applicants, or others as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This law requires any PHI to be collected and used only as permitted under HIPAA, and maintained, stored, and processed in a secure and appropriate manner.

You must maintain the confidentiality, integrity, and security of the PHI you access, use, maintain, store, process, or disclose when providing services to or on behalf of CareFirst.

The Health Information Technology for Economics and Clinical Health Act (HITECH) requires CareFirst to notify an individual whose PHI was compromised through an unpermitted acquisition, access, use, or disclosure. If you become aware of any unauthorized acquisition, access, use, or disclosure of PHI that CareFirst collects, uses, discloses, or otherwise provides, you must notify the CareFirst Privacy Office without delay, but in no event any later than ten (10) days following discovery. Notify the Privacy Office in writing at [privacy.office@carefirst.com](mailto:privacy.office@carefirst.com) or by phone at **800-853-9236**.

Third Parties that provide a service to or on behalf of CareFirst which requires the use or disclosure of PHI are considered Business Associates and must enter into a Business Associate Agreement with CareFirst in accordance with HIPAA.

## Confidential and proprietary information: Personally Identifiable Information (PII)

Confidential and proprietary information includes any information that is generally not disclosed to individuals outside CareFirst or any information that could be useful to our competitors.

PII is information that can be used to distinguish or trace an individual's identity. You may have access to PII and other sensitive data concerning our members, employees, providers, brokers, agents, and other individuals with whom CareFirst does business. Examples include name, social security number, credit card number, bank account number, or—when used in combination with other PII—date and place of birth, mother's maiden name, etc.

You must ensure that confidential and proprietary CareFirst information, and any PII gained from CareFirst, is used only in connection with legitimate business purposes and protected against inappropriate access, use, or disclosure. In addition, during and after the term of a contract or engagement, you must not disclose any confidential or proprietary information to any entity, individual, or person, except as expressly required to provide services to or on behalf of CareFirst.

Misappropriation of CareFirst confidential and proprietary information may constitute theft of CareFirst trade secrets and/or violation of unfair competition laws.

# CHAPTER 7: CAREFIRST SECURITY REQUIREMENTS

## Security

You must adhere to CareFirst security requirements, practices, and procedures. You must promptly report any activities that may compromise the security and confidentiality of CareFirst's data to your CareFirst business contact or the Chief Compliance, Ethics & Privacy Officer.

Your contract with CareFirst may require additional security measures. If this is the case, Third Parties are responsible for communicating the additional security requirements to their employees and subcontractors as applicable.

In the event that a security incident occurs, you must timely notify and work with CareFirst to mitigate the issue, implement corrective action moving forward, and understand the impact of the security incident.

Cyber threats are a critical concern. As such, CareFirst expects Third Parties to:

- continuously analyze cyber threats and vulnerabilities,
- exercise due diligence to monitor their environments for any impacts,
- educate their workforce so everyone understands the importance of security controls and notifications, and
- implement effective administrative, technical, and physical controls and continuously assess the effectiveness of those controls.

Compliance with CareFirst security requirements includes, but is not limited to, the following:

- **Connectivity:** Non-CareFirst equipment may not be directly connected to the CareFirst infrastructure without prior approval. At certain CareFirst locations, access for computers supplied by Third Parties may be available via segregated wireless connectivity.
- **User ID and accounts:** On an as-needed basis, CareFirst provides a login ID and password for Third Party personnel, subject to all applicable CareFirst policies and procedures regarding usage and

password strength. IDs and passwords are unique to each individual and must not be shared with others. All accounts will be disabled promptly upon the completion of the contract or engagement. IDs are configured to expire on a particular date depending on the business contract or assignment. Any extension request must be submitted in writing and approved by the CareFirst Business Owner.

- **CareFirst confidential information, including PHI and PII:** Any CareFirst Confidential Information acquired or accessed during the course of a contract or engagement must be used and safeguarded in accordance with the strictest application of the minimum necessary standard (the minimum amount necessary to accomplish the intended purpose of the use or disclosure of or request for the Confidential Information) as required by regulation and Company policy.
- **CareFirst assets:** The use of CareFirst assets, including desktop, laptop, email, etc. are for business use only.
- **Securing email:** Appropriate CareFirst processes must be used to protect any email containing CareFirst Confidential Information. Always use the secure email procedures that are available on the CareFirst intranet when sending any Confidential Information in outgoing email. You may be personally liable for failure to protect CareFirst Confidential Information.
- **Phishing attempts:** Identifying and preventing Phishing attacks is a priority for CareFirst. Phishing is a cybercrime where a target is contacted by email, telephone, or text message by someone posing as a legitimate institution or person to trick individuals into providing sensitive data such as PII, banking and credit card details, and passwords. The information is then used to access important accounts and can result in identity theft and financial loss. If you receive a suspicious email, use the 'Report Phish' button on the Outlook toolbar which will route it to the appropriate team for investigation.

- **Laptops:** CareFirst requires encryption of all laptops in order to render the information unusable and unreadable in the event of an inadvertent loss or disclosure.
- **Removable media:** The use of removable media is discouraged. CareFirst requires encryption of all removable media in order to render the information unusable and unreadable in the event of inadvertent loss or disclosure. Authorization to write data to removable media requires completion and approval of a OneStop Request.
- **Risk assessment:** CareFirst may ask for verification or qualification of the security process of any Third Party in order to safeguard both CareFirst Confidential Information and assets and any Third Party software and to better understand the potential risks associated with the contracted services.



### Contractor facility access and security procedures

You must adhere to CareFirst's standard facility access policies and procedures and all CareFirst security and safety standards, practices, and procedures. Third Parties who have access to our facilities or our systems must obtain a CareFirst ID badge and complete our mandatory compliance training courses and our Conflict of Interest Disclosure and Compliance Certification Form.

**CareFirst ID badges:** CareFirst ID badges must be worn at all times within a CareFirst facility and must be visibly displayed. A valid, government issued photo ID is required before an ID badge will be issued.

ID badges issued to Third Parties are configured to expire on a particular date depending on the business contract or assignment. A OneStop ticket for badge extension must be completed and approved by the CareFirst Business Owner.

Additionally, all of the following requirements must be adhered to:

- The ID badge must be protected from theft, loss, or damage. The loss of any ID badge must be immediately reported so that it can be deactivated and a new ID badge issued.
- The ID badge must not be loaned to anyone, including another Third Party.
- The ID badge must never be used to provide someone else access to a secured area without an escort.
- The ID badge must be presented upon request of a uniformed member of CareFirst Security.
- The ID badge must be surrendered upon termination of the contractual obligation or upon the termination of engagement of a particular individual.

# CHAPTER 8: INTELLECTUAL PROPERTY

## CareFirst's rights

CareFirst acts to ensure that the intellectual property produced by CareFirst will be adequately protected for the benefit of CareFirst. This includes, but is not limited to, all written material, inventions, discoveries, ideas, improvements, software programs, computer code, artwork, and works of authorship.

CareFirst owns all intellectual property that you make, create, develop, write, or conceive either on your own or with another person, while contracted with us whether developed during working hours or not and that:

- is related in any way to actual or anticipated business, research, or development of CareFirst,
- results from new work product or revisions or enhancements to existing work product assigned to or performed by you for CareFirst, and/or
- is conceived or made with the use of CareFirst systems, equipment, materials, facilities, computer programs, or confidential or proprietary business information.

When you no longer provide services or supplies to CareFirst, for whatever reason, you must return any and all of CareFirst's intellectual property and other work products that are in your possession, including any copies.

If you have access to CareFirst's systems, servers, and/or PHI/PII, you must complete an annual Compliance Certification within 14 calendar days of enrollment and annually thereafter. The Certification includes a Confidentiality, Proprietary, and Intellectual Property Statement.

CareFirst may modify the terms of this intellectual property section by contract, but any such modification shall only be effective if set out in written contract provisions that have been mutually agreed upon between CareFirst and the Third Party that specifically reference intellectual property rights.

If you and CareFirst separately agree in writing to different intellectual property rights and obligations than identified in this Code, the intellectual property terms of that written agreement will apply to you in place of the intellectual property rights and obligations of this Code.

## Third Party intellectual property

You may not take any actions that may impair the intellectual property rights of Third Parties with whom CareFirst has contracted to use their software and/or intellectual property. All copies of software products are licensed for the equipment on which the products are installed.

The CareFirst Information Security Division is responsible for the installation and configuration of all CareFirst desktop software.



# CHAPTER 9: PUBLIC AFFAIRS AND COMMUNICATIONS

## Communications with media

While we respect your right to discuss your products or services with the media, you are not authorized to speak about or on behalf of CareFirst without our prior approval.

In the event that you receive an inquiry regarding any facet of CareFirst's business, please contact our Public Relations Department to let us know of the inquiry.

## Representation with CareFirst

As a Third Party, you must not act or speak on behalf of CareFirst, represent yourself as a CareFirst employee, or publicly express any views attributable to CareFirst in any manner. This includes, but is not limited to, representations made at conferences, meetings, presentations, public forums or any social media platforms, and external communication avenues.

## Publicity

Third Parties are not permitted to distribute advertising, press releases, or any other general public announcement or external communication regarding the services you provide to CareFirst unless you have obtained prior written authorization from CareFirst.



# CHAPTER 10: CONFLICTS OF INTEREST

Conflicts of interests are common and cannot always be avoided, but they need to be disclosed, documented, and effectively managed. Most conflicts are managed simply through your disclosure.

Third Parties who have access to CareFirst's systems, servers, and/or PHI/PII must complete a Conflict of Interest Disclosure Statement within 14 calendar days of enrollment and annually thereafter. You also must report new potential conflicts of interest whenever they occur. A conflict of interest exists when your private interests potentially conflict with CareFirst's interests. You must disclose personal, familial, or financial relationships with CareFirst employees or with anyone that does business with, seeks to do business with, or competes against CareFirst.

Conflicts of interest commonly arise when:

- you use CareFirst resources, such as equipment, office supplies, information, or other assets for personal gain,
- you take personal advantage of a business or investment opportunity made available as a result of your relationship with CareFirst, or
- you conduct business with CareFirst in any capacity while working as a Third Party for CareFirst.

During the course of your contract or engagement with CareFirst, you must not conduct CareFirst business with any CareFirst employee who holds—or whose spouse, family member, or anyone living in the employee's household holds—a significant financial interest in your business.

In general, it is not possible to list every type of conflict of interest that may occur. When in doubt, you should notify your CareFirst business contact or the CareFirst Compliance & Ethics Office in a timely manner with the facts of the situation so that CareFirst can review the circumstances and determine if a conflict exists.

## Employment of relatives and members of your household

During the course of your contractual engagement with CareFirst, you must disclose any relative or member of your household who is currently employed at CareFirst whether as a Third Party or an employee so that a determination can be made, based upon your management and reporting relations, that there is no conflict of interest. Send an email to [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com) for information on how to make or update a report.

To avoid conflicts of interest, your relatives or members of your household may not work with you during your contractual engagement with CareFirst:

- under the same immediate supervisor/manager,
- in a manager/subordinate or other close reporting relationship, or
- in a position where either party could affect the work, salary progress, performance, and/or promotion of the other party.

**“Relative” includes (but is not limited to):** Spouse, parent, child, grandparent, grandparent-in-law, grandchild, sibling, aunt, uncle, niece, nephew, cousin (first), sister-in-law, brother-in-law, daughter-in-law, step-parents, father-in-law, son-in-law, step-child, step-sibling, mother-in-law, and any members of the Third Party's household.

You must also disclose any situation where you may be conducting CareFirst business with a relative, friend, or other person with whom you have a close personal relationship. If you own a staffing agency or company outside of CareFirst, your employees may not work at CareFirst while you are personally employed as a Third Party.

# CHAPTER 11: CONDUCTING CAREFIRST'S BUSINESS

The manner in which we deal with customers and other business relationships affects CareFirst's reputation, builds long-term trust, and contributes to CareFirst's success. When conducting CareFirst's business, you must always conform to the highest standards of ethical conduct.

## Gifts, special courtesies, and entertainment

When doing business with or seeking to do business with CareFirst or on behalf of CareFirst, you may not exchange gifts of cash or cash equivalents with CareFirst employees, Board members, or any others under any circumstance. Cash equivalents include gift certificates and gift cards. Exchanges of non-monetary gifts, gratuities, discounts, or any other personal benefits or favors are also prohibited.

Gifts provided as an expression of normal business courtesies or occasional holiday gifts are acceptable (excluding gifts of cash or cash equivalents) as long as such gifts are:

- unsolicited,
- of nominal value and of an advertising or promotional nature (mugs, hats, or similar inexpensive items),
- offered or received with no intent or prospect of influencing business decision-making,
- given openly and transparently,
- provided in a manner that would not result in embarrassment to CareFirst if publicly disclosed, and
- permissible under all applicable laws, regulations, and rules.

You may not accept any gift that is more than nominal in value. Gifts that exceed this nominal threshold must be returned to the giver.

CareFirst does not provide, nor should a Third Party accept, any gratuity, including cash incentives, gift certificates, or gift cards, in connection with the performance of work under your contract.

Business entertainment must be conducted without any appearance of a conflict of interest. Any entertainment that is offered or accepted should be:

- reasonable,
- consistent with local business practices,
- a legitimate extension of business, and
- infrequent (that is, it should not occur on a regular basis regardless of the amount).

CareFirst employees may only accept business entertainment (tickets to a game, show, etc.) if you or your external business representative are also attending the event or activity. If that is not the case, the entertainment will be considered a gift, which is subject to the above prohibitions and restrictions.

## Conference, seminar, travel, meals, lodging, and other expenses

Third Parties, prospective Third Parties, or any outside entity or individual must not pay a CareFirst employee's expenses to attend a conference or seminar. This includes any offers of discounted conference fees, gifts or prizes, reimbursement for travel, meals, or lodging expenses in connection with a conference, seminar, or any other event sponsored by an existing or prospective Third Party. If an employee is speaking at the conference, the registration fee can be waived if the fee is also being waived for other speakers at the conference.

Third Parties doing business on behalf of CareFirst will not be reimbursed for expenses to attend conferences or seminars.

### Kickbacks and rebates

Under no circumstances is a Third Party allowed to offer or accept kickbacks or rebates for the purpose of wrongfully obtaining, retaining, or directing CareFirst business.

Kickbacks or rebates are not limited to cash or credit but can take many forms such as gifts, entertainment, services, special favors or benefits under a contract, or anything else that would be attractive to the recipient. In general, if you stand to gain personally from the transaction, it is prohibited. Such practices are not only unethical but are in many cases illegal.

**Kickback:** A kickback means to willingly offer, receive, request, or pay anything of value in order to induce or reward referrals of business including goods and services.

### Reciprocity

Third Parties are not required and should never be requested to buy CareFirst products or services in order to initiate or continue a contractual relationship or engagement with CareFirst.

### Procurement and purchasing

CareFirst purchasing decisions must be based solely on quality, performance, price, and your ability to meet our Company's needs. CareFirst purchasing decisions must not be made on the basis of personal relationships and friendships, gifts, or favors.

### Vendor/supplier relationships with CareFirst employees

Offers to employees from vendors or suppliers have the potential to be perceived as bribes, kickbacks, or unfair sales practices and could violate CareFirst policies and laws.

Accordingly, you should be aware that CareFirst employees are not allowed to participate in the following activities:

- Receiving cash directly or indirectly from an external source without any services of comparable value
- Receiving anything from an external source whose value is more than nominal and for which no payment or payment of less than fair market value is made

- Receiving products or services for free or at less than fair market value from any outside source, including but not limited to:
  - Materials and/or products to be distributed internally or externally
  - Waiver of seminar fees with the exception noted in this section\*
  - Offers to provide research and data results at no cost to CareFirst
  - Offers to develop and/or provide prototypes at no cost to CareFirst
  - Offers to conduct mailings on CareFirst's behalf at no cost to CareFirst
  - Offers to perform free seminars for employees or customers
  - Participation in joint activities, such as health fairs or other marketing activities
  - Offers to participate, without cost to CareFirst, in industry-related meetings which involve travel, meals, or entertainment

CareFirst employees may not accept offers from a vendor or supplier to pay the employee's travel and lodging expenses to attend a conference sponsored by the vendor or supplier. Third Parties doing business on behalf of CareFirst will not be reimbursed for expenses relating to travel, lodging, and training.

**\*Waiver of seminar fees:** If the employee is speaking at the conference, meeting, or seminar, the registration fee typically can be waived if the fee is also being waived for other speakers.

# CHAPTER 12: FIRST-TIER, DOWNSTREAM, AND RELATED ENTITIES (FDRs)

## FDR overview

CareFirst classifies vendors providing service to CareFirst as a First-Tier, Downstream, or Related Entity in accordance with the Centers for Medicare & Medicaid Services' (CMS) definition. CMS defines First-Tier, Downstream, and Related Entities as such:

- **First-Tier Entity** is any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization (MAO) or Medicare Prescription Drug Coverage (Part D) plan sponsor or applicant to provide administrative services or healthcare services to a Medicare eligible individual under the Medicare Advantage (MA) or Part D program.
- **Downstream Entity** is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between a MAO or applicant or a Part D plan sponsor or applicant and a first-tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.
- **Related Entity** means any entity that is related to a MAO or Part D sponsor by common ownership or control and
  - performs some of the MAO or Part D plan sponsor's management functions under contract or delegation,
  - furnishes services to Medicare enrollees under an oral or written agreement, or I
  - leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

FDRs are subject to additional requirements and government regulations, in addition to all other guidance in this Code. This section outlines CareFirst's expectations of FDRs to maintain compliance with CMS rules and regulations.

## Compliance and attestation requirements

CareFirst requires that its FDRs maintain compliance with CMS guidance and all applicable federal, state, and local laws and regulations.

Furthermore, it is necessary for CareFirst to receive and retain documented proof of each FDR's compliance with all guidance, laws, and regulations. CareFirst requires attestations from each FDR that confirms CMS' definition. CMS defines First-Tier, Downstream, and Related Entities as such:

- Medicare Parts C and D Fraud, Waste, and Abuse (FWA) training
- General Medicare Parts C and D compliance training
- Code of Conduct receipt from all applicable employees
- Exclusion and preclusion list screenings
- Reporting of FWA and other instances of noncompliance to CareFirst
- Offshore operations
- FDR auditing and monitoring
- Other applicable federal and state requirements

Each year a senior-level representative from the FDR must attest to compliance with the above requirements for all employees, contracted personnel, providers/practitioners, and vendors who are involved in providing services related to CareFirst's Medicare Advantage program.

In addition to the attestations required, CareFirst or CMS may request that FDRs provide proof of compliance for auditing or monitoring purposes.

FDRs must maintain a record of all evidence supporting their attestation for a minimum of 10 years.

## FDR training

FDRs are required to provide Medicare Parts C and D FWA and general Medicare Parts C and D compliance training to all employees and downstream entities involved in providing services to CareFirst's Medicare Advantage program. FDRs can utilize CMS-provided trainings or existing trainings as long as they are reviewed and approved by CareFirst.

Training must be completed within 90 days of initial contracting or date of hire and annually thereafter for all applicable employees and downstream entities. Training logs must be maintained that document the date, attendee list, topics covered, certificates of completion, and test scores as applicable.

FDRs are exempt from Medicare Parts C and D FWA training if they meet this training requirement through enrollment into Medicare Parts A or B or through accreditation as a supplier of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies. Medicare Parts C and D compliance training is still required for parties that may have been exempt from Medicare Parts C and D FWA training.

## Distribution of Code of Conduct

FDRs must distribute this Third Party *Code of Ethical Business Conduct and Compliance* or a comparable version to all employees and downstream entities involved in servicing CareFirst's Medicare Advantage program within 90 days of contracting or date of hire and annually thereafter. The Code must be redistributed to all applicable employees and downstream entities when updates are made.

## Exclusion and preclusion list screening

Federal law prohibits federal healthcare programs from contracting with any person or entity that is excluded or precluded from participation in these federal programs. FDRs are required to screen employees and downstream entities using the Office of the Inspector General and General Services Administration exclusion lists and the CMS preclusion list prior to contracting and monthly thereafter. FDRs are required to retain logs of exclusion and preclusion screening results.

FDRs are required to immediately remove any excluded or precluded employees or downstream entities servicing CareFirst's Medicare Advantage program in a manner least disruptive to CareFirst members.

## Reporting noncompliance

FDRs are required to self-report noncompliance and instances of FWA involving employees or downstream entities within 24 hours of noncompliance or FWA.

Employees and downstream entities of FDRs should also report suspected noncompliance or FWA directly to CareFirst. All reports are confidential and can be made through any of the following channels:

- Talk to your CareFirst business contact
- Call the CareFirst Compliance & Ethics Office at **410-528-7193**
- Send an email to [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com)

Employees and downstream entities of FDRs can also make an anonymous report calling the CareFirst Compliance Hotline at 410-528-7800. The CareFirst Compliance Hotline is completely anonymous and available 24 hours a day, seven days a week. This line is voicemail only and no call tracing or identification is utilized. When making an anonymous report, be prepared to provide sufficient information for CareFirst to investigate the matter.

FDRs must widely publicize and enforce a zero-tolerance policy for retaliation or intimidation against anyone who reports noncompliance or instance of FWA.

## Offshore

An offshore subcontractor is defined by CMS as an FDR located outside of one of the fifty U.S. states, the District of Columbia, or one of the United States territories (American Samoa, Guam, Northern Marianas, Puerto Rico, and U.S. Virgin Islands). Subcontractors that are considered offshore can be either American-owned companies with certain portions of their operations performed outside the United States or foreign-owned companies with their operations performed outside of the United States. Offshore subcontractors provide services that are performed by workers located in offshore countries, regardless of whether the workers are employees of American or foreign companies. Generally, CareFirst prohibits FDRs from being entirely or partially offshore. Exceptions to this can be approved through working with CareFirst in advance of contracting.

FDRs must immediately notify CareFirst if services related to the CareFirst Medicare Advantage program



are being moved offshore. If any part of the FDR's activities utilizes offshore entities in handling Protected Health Information (PHI), they are considered an offshore entity and must declare this status to CareFirst. CareFirst must approve any modifications in offshore status before contracting can continue.

FDRs that have been approved to provide entire or partial services offshore to the CareFirst Medicare Advantage program must provide attestations at the time of contracting and annually thereafter. Furthermore, FDRs must maintain documentation of offshore status for a minimum of 10 years.

### **Specific federal and state compliance obligations**

FDRs are required to comply with additional federal and state compliance laws and regulations pertaining to the specific services performed for CareFirst. These specific requirements, laws, and regulations may not be described in this Code. Please reach out to the CareFirst Compliance & Ethics Office if there are any questions regarding additional laws and regulations pertaining to specific services provided.

### **Monitoring and auditing of FDRs**

CMS requires CareFirst to develop and execute a strategy to audit and monitor FDRs. For this reason, FDRs are required to have sufficient oversight of all employees and downstream entities to ensure compliance with all applicable laws and regulations, proper storage of evidence proving compliance activity completion, sufficient root cause analysis, effective implementation of corrective actions, and disciplinary actions.

FDRs must fully participate in all CareFirst monitoring and auditing activities related to the FDR. FDRs are also expected to perform regular monitoring and auditing of the operations supporting CareFirst, including all downstream entities. If FDRs perform their own monitoring and/or audits, CareFirst may request monitoring and auditing reports related to the FDRs' service of CareFirst's Medicare Advantage program.

If CareFirst determines at any time through the course of routine monitoring, auditing, or otherwise that an FDR is not compliant, the FDR will be required to develop and submit a Corrective Action Plan (CAP). Failure by the FDR to resolve CAPs will result in contract termination with CareFirst.

FDRs must also establish and implement policies and procedures that reflect clear and specific disciplinary standards.

### **Medicare compliance**

CareFirst participates in Medicare programs and is committed to operating an effective Medicare Compliance Program based on guidance provided by CMS. The Medicare Compliance Program is dedicated to ensuring that CareFirst and its Third Parties abide by all applicable local, state, and federal laws and regulations. The Medicare Compliance Program is described in policies and procedures which are available to all employees and Third Parties, as applicable.

CareFirst will employ a dedicated Medicare Compliance Officer and will operate a Medicare Compliance Committee to oversee the operation of the Medicare Compliance Program. CareFirst expects all employees and Third Parties to participate in and support the Medicare Compliance Program, as necessary. As part of the Medicare program, CareFirst will operate a comprehensive FWA program to prevent, detect, and mitigate instances of misconduct related to CareFirst's Medicare program. CareFirst, and when applicable, its Third Parties will develop, implement, and track identified issues with corrective actions. Corrective actions will be resolved in a timely manner in order to protect Medicare members, CareFirst employees, Third Parties, and government resources. Employees and Third Parties with unresolved corrective actions may be subject to disciplinary action up to, and including, termination.

Additional resources delineating the structure and operations of CareFirst's Medicare program can be requested from the Medicare Compliance Officer.

# CHAPTER 13: GOVERNMENT CONTRACTS

There are additional and stricter requirements when CareFirst does business with federal, state, and local government entities.

If you work directly or indirectly on government contracts (e.g., Medicare, Federal Employees Program), you have a special obligation to know and comply with the terms of the government contract as well as the laws, regulations, and CareFirst policies that apply to the activities involved.

## Doing business with ineligible persons

CareFirst will not employ or contract with Third Parties who are:

- excluded from or ineligible to participate in federal healthcare programs,
- suspended or debarred from participating in federal government contracts, or
- convicted of a felony involving fraud, embezzlement, theft, dishonesty, or breach of trust.

When in doubt, please disclose any potential issues that may disqualify either an individual or an entity from working with us.

## Gifts, gratuities, and payments

No payments of money, gifts, services, entertainment, or anything of value may be offered or made available to any federal, state, or local government official or employee. This includes payments to federal or state regulators, legislators, and lobbyists.

## Federal and state anti-kickback statutes

Federal and state anti-kickback statutes impose severe criminal, civil, and monetary penalties on individuals who offer or accept a kickback and on any company that solicits or accepts a kickback. A “kickback” is giving or offering anything of value to a government contractor or subcontractor or their employees to improperly obtain or reward favorable treatment in connection with a government contract or subcontract.

To avoid potential violations of federal or state anti-kickback statutes, you must never offer, request, or receive anything of value from anyone in return for payment under a government program or preferred treatment by the government. Consult with the Chief Compliance, Ethics & Privacy Officer if you have a question about these standards.

## Patient Protection and Affordable Care Act

CareFirst participates in the federal/state health insurance marketplaces/exchanges, established under the Patient Protection and Affordable Care Act (ACA), in Maryland, Virginia, and Washington, D.C. You must comply with applicable terms of the ACA when doing business with CareFirst.

## False Claims Act

The Federal False Claims Act (FCA) forbids knowingly and willfully making false statements or representations in connection with a claim submitted for reimbursement to a federal healthcare program. The FCA allows the federal government to recover money stolen through fraud or otherwise inappropriately claimed by government contractors. CareFirst is a government contractor because it participates in federal and state health insurance exchanges and the Federal Employee Health Benefits Program.

To ensure compliance with the FCA:

- All government contracts/grant claims must be charged to the correct accounts.
- Unallowable costs may not be included in claims presented to the government.
- Overpayments from the government must be properly reported and timely returned.

The FCA prohibits employers from retaliating against their employees who report fraud, waste, and abuse to the government, or who file a lawsuit on behalf of the government.

Additionally, CareFirst's non-retaliation policy protects CareFirst employees and Third Parties from retaliation for making or supporting a charge of wrongdoing or misconduct in the workplace. Third Parties also must protect their employees and subcontractors from any retaliation.

### Other key laws that impact CareFirst business

Although not every law is specified in this Code, you should be aware of the following laws that are critical to our business.

#### Procurement Integrity Act

CareFirst is subject to the Procurement Integrity Act and Federal Acquisition Regulations when bidding on federal contracts. During the bidding process, you are not allowed to:

- Offer gifts to government officials or competing contractors
- Solicit favors, gifts, or other incentives from government officials or competing contractors
- Discuss future employment possibilities with government officials or competing contractors
- Solicit or obtain any proprietary information about competitors or source selection information from government officials. Such information includes, but is not limited to:
  - Proposed prices
  - Source selection plans
  - Technical evaluation plans
  - CareFirst or competitors' proposed prices or costs
  - CareFirst or competitors' approaches, processes, operations, or techniques
  - CareFirst or competitors' information identified as contractor bids, proposal information, or restricted data

#### Foreign Corrupt Practices Act

Bribes of all forms are prohibited. The Foreign Corrupt Practices Act makes it illegal for companies doing business outside the United States to influence a foreign government official with any personal payments or rewards.

You must not, directly or indirectly, offer, pay, promise, or authorize bribes, kickbacks, or other payments of money or anything of value to any government official, including any employee or agent of a government-owned or government-controlled business, or any Third Party, for the purpose of:

- influencing any act or decision of such government official, in their official capacity,
- inducing such government official to perform or omit any act in violation of the lawful duty of such official,
- securing improper advantage, or
- inducing such government official to use their influence in order to assist in obtaining, retaining, or directing CareFirst business.

This includes giving money or anything of value to any Third Party where there is reason to believe it will be passed on to anyone involved in the business decision process for the purpose of influencing the decision.

All expenses that you incur in connection with doing business with CareFirst must be recorded fully and accurately in your books and records, and shall be made available, upon request, to CareFirst, or any accounting firm we may designate, in order that CareFirst may verify compliance with this policy.

# CHAPTER 14: MANDATORY TRAINING AND CERTIFICATION

Mandatory training is one of the many ways CareFirst communicates business requirements and expectations relating to key areas, including but not limited to: our Compliance and Ethics Program; the CareFirst Code of Ethical Business Conduct & Compliance (the "Code"); Privacy and Security Awareness; Emergency Preparedness; Prevention of Fraud, Waste, and Abuse; Prevention of Harassment; and applicable statutory, regulatory, and contractual obligations.

In addition to these trainings, Third Parties with access to CareFirst's systems, servers, and/or PHI/PII are required to complete within 14 calendar days of enrollment and annually thereafter:

- Conflict of Interest Disclosure Statement
- Compliance Certification/Intellectual Property Statement

Third Parties must agree to abide by the Compliance Certification/Intellectual Property Statement or a modified version of that certification as approved by CareFirst's Legal Department through their contractual agreement with CareFirst.

Waiver of training requirements for Third Parties without access to CareFirst's systems, servers, and/or PHI/PII are reviewed by the Chief Compliance, Ethics & Privacy Officer or designee and handled on an individual basis.

Failure to complete these trainings puts CareFirst at risk for fines or other penalties and will result in a review of your business relationship or engagement with CareFirst up to, and including, termination of that relationship or engagement.



## Think About It

*I completed all of the Mandatory Training courses when I started my engagement with CareFirst. Do I have to take training again each year?*

Yes, all employees and Third Parties must take Mandatory Training upon hire or engagement, and annually thereafter.

# RESOURCES

[CareFirst Corporate Policies](#)

[CareFirst Compliance & Ethics Website](#)

[CareFirst's Corporate Compliance & Ethics Program \(pdf\)](#)

[Guide to Compliance at CareFirst \(pdf\)](#)

[FAQ for Gifts, Entertainment, Travel, Prize Items, Raffles, Honorariums, and Relationships with Pharmaceutical Manufacturers \(pdf\)](#)

[Conflict of Interest Disclosure Statement and Compliance Certification Process FAQs \(pdf\)](#)

[Online Learning Job Aids \(Annual Training\)](#)

[IT Information Security FAQs](#)

[CareFirst Branding Guidelines](#)

[CareFirst Privacy Office Guide](#)

[Guidelines for Raising Concerns](#)

[Report a Violation of the Code of Conduct](#)

[Report a Privacy Violation](#)

[CareFirst Values](#)

[CareFirst Business Continuity & Disaster Recovery](#)

[CareFirst Speak Up Report](#)

[CareFirst Medicare Advantage Compliance Program](#)

[Diversity, Equity, Inclusion & Belonging](#)

[Contingent Labor Resources on InsideCareFirst.com](#)

[Doing Business with CareFirst \(Supplier Diversity\)](#)



# SPEAK UP

## CareFirst Compliance & Ethics Hotline

To file an anonymous report, call **410-528-7800** or visit [insidecarefirst.com/hotline.htm](https://insidecarefirst.com/hotline.htm).

*All calls to the Compliance & Ethics Hotline are anonymous and the information received is treated in a confidential manner to the greatest extent possible.*

**Questions? Concerns? We have answers.**  
Contact the Compliance & Ethics Office.

Call **410-528-7193** or email [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com).

CareFirst has a policy of non-retaliation against any associate or other individual who makes a good faith report to the Compliance & Ethics Office.



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