

# THE CONTRACTOR CODE OF ETHICAL BUSINESS CONDUCT AND COMPLIANCE





Dear Valued Contractor:

Thank you for your partnership with CareFirst.

CareFirst is dedicated to its mission of maximizing our community's access to high quality, cost effective health care services. Achieving our mission in an environment that is continuously changing and demanding more from us as a company is a challenge. Our mission is not just about delivering the best products and services, it's also about who we are as a company, how we manage our business internally, and how we think about and work with our customers, partners, governments, vendors and communities.

CareFirst is committed to conducting its business operations in compliance with all applicable federal, state, and local laws, the Blue Cross Blue Shield Association licensure standards, and applicable government health care program requirements. But even more importantly we are committed to conducting ourselves at all times with integrity. How we comply with laws, regulations, standard, and requirements must be a genuine reflection of core values.

Our success is built on our commitment to our core values.

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

CareFirst's reputation and success depends not only on our conduct, but also on the conduct and good judgment of the individuals and organizations on whom we rely for products and services that support our mission driven purposes. CareFirst has chosen to do business with you because we believe there is a shared commitment to professional and ethical business conduct and practices.

CareFirst has prepared this Contractor Code of Ethical Business Conduct to highlight areas and standards of particular importance in your relationship with CareFirst.

We regard our Contractors as a critical and necessary extension of our mission, operations, and future success. We appreciate your commitment to making compliance and ethics a top priority as you work with CareFirst.

Thank you for your continued participation as a valued partner of CareFirst.

Sincerely,

A handwritten signature in blue ink that reads "Chet E. Burrell". The signature is written in a cursive, flowing style.

Chet Burrell  
President and Chief Executive Officer

Think**FIRST**

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Photo by Justin Andre, Columbia Data Center

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# ABOUT THE CONTRACTOR CODE OF ETHICAL BUSINESS CONDUCT AND COMPLIANCE

## HOW THE CODE OF ETHICAL BUSINESS CONDUCT APPLIES

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

By “contractor” we mean any company or other entity or individual that provides a product or service for or on behalf of CareFirst and any of its affiliated, related or subsidiary companies.

This Contractor Code of Ethical Business Conduct and Compliance (the “Code”) applies to all CareFirst contractors and their employees and subcontractors (collectively “Contractors”) when doing business with CareFirst.

CareFirst expects that Contractors will:

- Effectively communicate 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 Contractor’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 contractors to demonstrate that they comply with the Code.

The Code establishes minimum standards for conducting business with CareFirst. A Contractor and CareFirst may separately agree in writing to specific additional or different requirements than 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 service 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.

***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.; CareFirst Holdings, LLC; Service Benefit Plan Administrative Services Corporation; Capital Area Services Company, LLC; CFA, LLC; First Care, Inc.; National Capital Insurance Agency, LLC; CareFirst BlueChoice, Inc.; CapitalCare, Inc.; CareCo, LLC; and The Dental Network, Inc.***

By speaking  
up, you  
become a  
partner in  
doing the  
right thing.

## REPORTING VIOLATIONS

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

- Talk to your CareFirst business contact;
- Call the CareFirst Compliance and Ethics Office at 410.528.7193; or
- Send an internal email to [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com).

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. Questions or concerns can be directed to the CareFirst Compliance and Ethics Office.

Failure to promptly report a suspected violation may result in action up to, and including, termination of your relationship.

## HOW TO MAKE ANONYMOUS REPORTS – COMPLIANCE AND ETHICS HOTLINE

Contractors can always anonymously report by phone or by filing a confidential report online by going to the Compliance & Ethics webpage on the CareFirst intranet.

- Compliance & Ethics Hotline 410.528.7800
- <http://insidecarefirst.com/hotline.htm> - this form is only accessible for Contractors 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 do choose to make an anonymous report, be prepared to provide enough information about the situation to allow us to properly investigate it.

## Think About It

**Q:**

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

**A:**

Yes. All CareFirst associates and Contractors that become aware of any misconduct are required to report it.

The best approach is to talk first with your CareFirst business manager. 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.

Any Contractor 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 extent possible.

All Contractors 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 of or retaliation against anyone who in good faith makes a report or participates in an investigation.

## Think About It

**Q:**

Why are Contractors expected to cooperate with investigations and inquiries? I would rather not get involved.

**A:**

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 associates, and possibly you and your own employer or company. If CareFirst associates and Contractors 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.

## DISCLOSURE

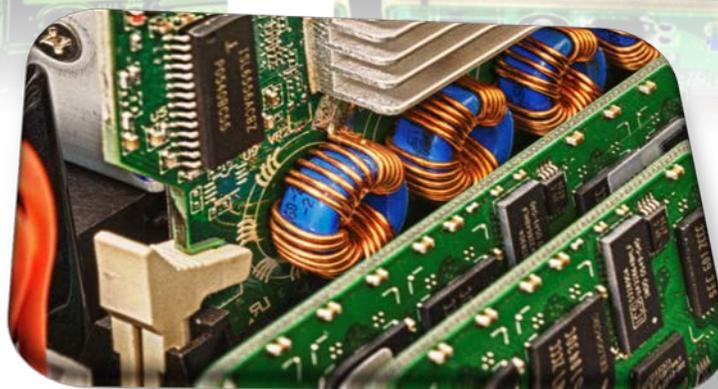
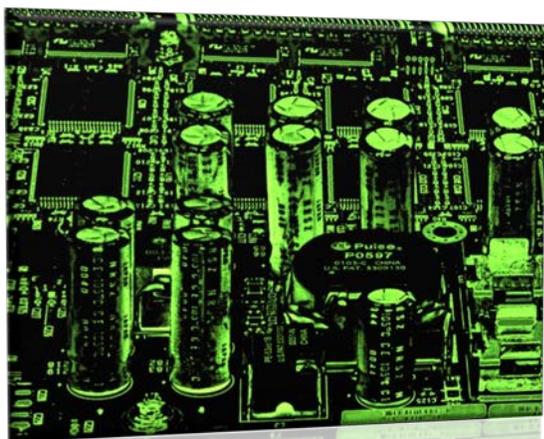
CareFirst is committed to appropriately disclosing violations of laws, regulations, and requirements under government and other business contracts to the applicable governing entities.

## COMPLIANCE OFFICER

The Vice-President of Corporate Compliance acts as the Company's Chief Compliance, Ethics and Privacy Officer.

### WHAT ARE SOME EXAMPLES OF MISCONDUCT THAT MUST BE REPORTED?

- Submitting a false timesheet or expense report
- Inappropriately accessing a CareFirst associate's or member's confidential information
- 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 associate or CareFirst Contractor.



Photos by Justin Andre, Columbia Data Center

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# 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, on Company owned or leased premises, or while representing the Company at any time.

## 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 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

Weapons of any sort are prohibited on Company-owned or leased premises and while conducting Company business. This applies even if you have a permit or license to carry a weapon.

## Think About It

**Q:** I have a permit to carry a concealed weapon. Can I bring my weapon onto CareFirst property?

**A:** No. Weapons of any sort are not permitted on Company owned or leased property 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

Contractors 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, Contractors 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

CareFirst bulletin boards are limited to Company sponsored or generated material and Company business-related material. Postings of any communications in common areas, such as near elevators or in hallways, are prohibited.

Solicitation or distribution of non-job related material must be approved by CareFirst management and is restricted to break times.

## 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.

Contractors will cooperate with CareFirst's commitment to a workforce free of unlawful discrimination by providing equal opportunity to 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.

## SEXUAL AND OTHER FORMS OF 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 other legally protected classification, in the workplace, at any work-related function, or in connection with work for the Company. 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.

### **SOME EXAMPLES OF SEXUAL HARASSMENT ARE:**

- unwelcome sexual advances, propositions, or request for sexual favors;
- unwanted physical contact including touching, rubbing or brushing up against another;
- verbal harassment, such as suggestive comments, sexual innuendo or jokes of a sexual nature;
- non-verbal conduct such as obscene gestures, leering, whistling, displaying or circulation of sexually subjective objects or pictures; and/or
- aggressive, intimidating or "bullying" conduct directed towards someone because of their gender, even if not sexual in nature.

### **OTHER FORMS OF HARASSMENT:**

(Harassment based on other protected classifications is also illegal.)

- derogatory nicknames, comments or slurs;
- derogatory posters, screen savers, cartoons or gestures;
- assault, intentional blocking, or interfering with normal conduct; and/or
- inappropriate words, labels, or symbols used as IDs, passwords, computer sign-offs or greetings.

**Preventing Harassment, Substance Abuse & Violence in the Workplace Training:** Contractors who provide a service to or act on behalf of CareFirst must complete this training at the start of any engagement and as required thereafter. Contractors must complete this training if they work on-site at a CareFirst location or off-site.

## Think About It

**Q:**

I work off-site. Why do I have to complete Preventing Harassment, Substance Abuse & Violence in the Workplace training?

**A:**

Violence or harassment can occur in person or through other media, such as phone, email or text messages. For example, workplace violence includes verbal or written threats of violence. Sexual harassment includes verbal or written harassment such as suggestive comments or unwelcome propositions.

### LABOR AND HUMAN RIGHTS

CareFirst expects Contractors to know and uphold the human rights of their employees and treat their employees with dignity and respect. Contractors 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.

### QUALIFICATION OF INDIVIDUALS ENGAGING IN THE BUSINESS OF INSURANCE

It is CareFirst's policy to ensure that all CareFirst 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 Contractor 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 Contractors 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, Contractors who have access to CareFirst's systems, servers, and/or PHI/PII, are required to complete a Compliance Certification. The purpose of the Compliance Certification is to identify any individual who may not be eligible to participate in federal health care 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 health care programs, the individual or entity cannot be employed by or conduct business with CareFirst.

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

## EMPLOYMENT VERIFICATION LETTER

Contractors are not employees of CareFirst. Accordingly, CareFirst does not provide employment verification letters to its Contractors for any purpose, including but not limited to, obtaining a loan or, in connection with immigration applications or work authorizations.

## 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 associates, contractors, contingent workers, temporary employees or interns.

## Think About It

**Q:**

I am attempting to get a loan and need an employment verification letter. What should I do?

**A:**

CareFirst does not provide employment verification letters for its Contractors for any purpose as you are not employees of CareFirst. You must not use CareFirst letterhead to create the letter on your own. You must go to your employer and ask your employer to provide you with the letter printed on your employer's letterhead.

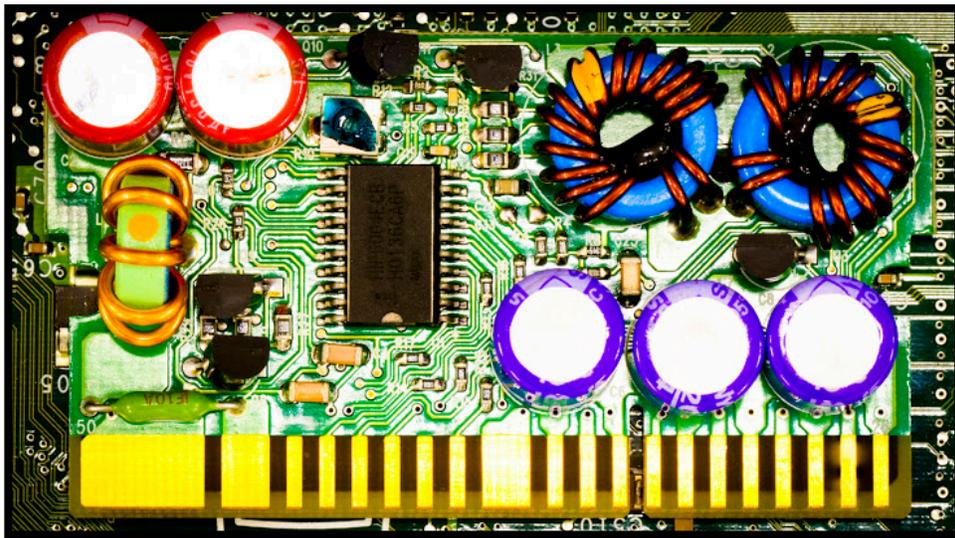


Photo by Justin Andre, Columbia Data Center

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# 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

Contractors must safeguard CareFirst's confidential and proprietary information both during and after the term of a contract or engagement. Contractors must ensure that such information is used only for valid business purposes and not to provide personal gain for yourself or others.

When using social media, you may not discuss or disclose confidential or proprietary and/or financial information about the Company, associates, members, providers, partners, clients, vendors or suppliers.

## PHYSICAL ASSETS

Contractors 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
- the sale of any services or products other than CareFirst's
- the public advancement of individual views
- harassment of any type
- creating, viewing, receiving, sending, or downloading chain e-mails, including jokes
- sexually explicit materials
- communications that are inappropriate, inflammatory, or derogatory

## ELECTRONIC ASSETS

Email, Internet, Intranet, telephone, voice mail system, instant messaging, fax equipment, and other electronic means supplied by CareFirst are Company assets to be used for legitimate business purposes or for purposes authorized by management. Contractors must follow the policies, procedures, standards, and guidelines that relate to our Company's electronic assets at all times and at all work sites. This includes while tele-working from non-CareFirst sites.

Contractors 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, e-mail, instant messaging, telephone, and Internet systems, including all messages created, received, or sent for any purpose.

The contents of electronic storage (e.g. e-mail, instant messaging) may be disclosed within the Company and to government agencies without Contractor's knowledge or permission. Access by management is permitted without your consent and without giving prior notice.

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

### PASSWORD AND ACCESS CODES

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

### SOFTWARE

Contractors 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

Contractors 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.

Contractors must not destroy or dispose of Company records without Company 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

**Q:**

As a Contractor 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?

**A:**

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

**Q:**

As a Contractor, my employer needs my CareFirst ID and password for a temporary Contractor while I am out of the office. Can I share this with my fellow Contractors?

**A:**

NO. *NEVER* share your CareFirst ID and Password. The ID and password are issued to you for your use only.

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# 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.

Contractors 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 Economic and Clinical Act (“HITECH Act”) 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.

Contractors 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.

Personally Identifiable Information (“PII”) is information that can be used to distinguish or trace an individual's identity. Contractors may have access to PII and other sensitive data concerning our members, associates, 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 personally identifiable information, date and place of birth, mother's maiden name, etc.

Contractors must ensure that CareFirst confidential and proprietary 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, Contractors 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.

**Privacy Awareness Training:** Contractors, who have access to CareFirst's systems, servers, and/or PHI/PII, must complete the Company provided Privacy Awareness Training at the start of any engagement and on an annual basis thereafter.

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# CAREFIRST SECURITY REQUIREMENTS

## SECURITY

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

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

In the event that a security incident occurs, Contractors 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 Contractors 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 Contractors may be available via segregated wireless connectivity.

**User ID and Accounts:** On an as-needed basis, CareFirst provides a login ID and password for Contractor 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.

**Company Confidential Information Including Protected Health Information ("PHI") and Personally Identifiable Information ("PII"):** Any Company 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.

**Company Assets:** The use of Company assets, including desktop, laptop, e-mail, etc. are for business use only.

**E-Mail:** Appropriate Company processes must be used to protect any e-mail containing Company Confidential Information. Always assume that the content of outgoing e-mail is Confidential Information and use the secure e-mail procedures that are available on the CareFirst intranet. You may be personally liable for failure to protect Company Confidential Information.

**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. CareFirst issued laptops, when unattended, must be secured with the provided cable locking device. Unsecured, unattended laptops are subject to confiscation and removal by Security. Laptops will only be returned after the completion and approval of a OneStop Request.

**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 OneStop Request.

**Risk Assessment:** CareFirst may ask for verification or qualification of the security process of any Contractor 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.

**Security Awareness Training:** Contractors who have access to CareFirst's systems, servers, and/or PHI/PII must complete the Company provided Security Awareness Training at the start of any engagement and on an annual basis thereafter.

## Think About It

**Q:**

As a Contractor I completed Security Awareness Training when I started my engagement with CareFirst. Do I have to take the training again each year?

**A:**

Yes. All associates, Contractors, contingent workers, temporary workers and interns must take the training annually.

## CONTRACTOR FACILITY ACCESS AND SECURITY PROCEDURES

Contractors must adhere to CareFirst's standard facility access policies and procedures and all CareFirst security and safety standards, practices and procedures.

**CareFirst ID Badges:** CareFirst ID Badges must be worn at all times within a CareFirst facility.

A valid, government issued photo ID is required before an ID badge will be issued.

ID Badges issued to Contractors 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.

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 Contractor or that Contractor's employees or contractors.
- 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.

## Think About It

**Q:** I am a Contractor and left my CareFirst ID badge at home. Should I just use my friend's badge?

**A:** No. An ID badge must not be loaned to anyone, including another Contractor. You should contact building security and follow the procedures for your building to obtain a temporary badge.

**Emergency Preparedness Training:** Contractors, who have access to CareFirst's locations, must complete the Company provided Emergency Preparedness Training at the start of any engagement and on an annual basis thereafter.

## Think About It

**Q:** As a Contractor I prefer to use my own laptop instead of the one issued to me by CareFirst. Can I just copy the programs I need from my CareFirst laptop to my laptop?

**A:** No. All software is licensed for the machine the software is installed. Copying that software would be a violation of our software licensing agreement.

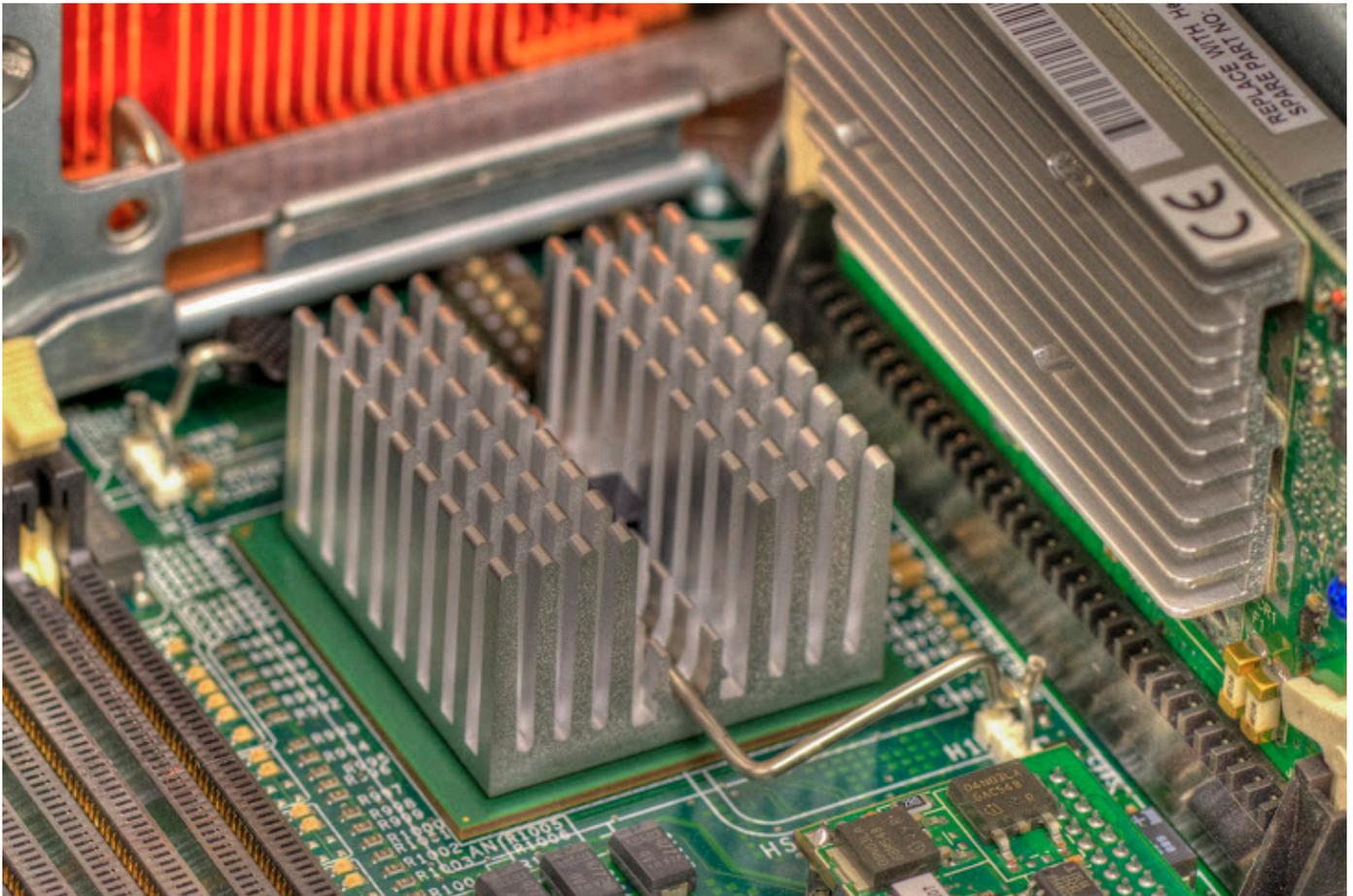


Photo by Justin Andre, Columbia Data Center

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# 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 a Contractor makes, creates, develops, writes, or conceives 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 Company 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.

Contractors who have access to CareFirst's systems, servers, and/or PHI/PII must complete an annual Compliance Certification upon hire 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 between CareFirst and the Contractor that specifically reference intellectual property rights.

If a Contractor 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 the Contractors in place of the intellectual property rights and obligations of this Code.

## THIRD PARTY INTELLECTUAL PROPERTY

Contractors may not take any actions that may impair the intellectual property rights of third parties with whom or which 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 Technical and Operational Support Services Division ("TOS") is responsible for the installation and configuration of all Company desktop software.

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# PUBLIC AFFAIRS AND COMMUNICATIONS

## COMMUNICATIONS WITH THE MEDIA

While we respect our Contractors' right to discuss their products or services with the media, Contractors 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 refer the inquiring individual to our Public Policy and Community Affairs department. Whenever possible, please contact our Public Policy and Community Affairs department to let us know of the inquiry.



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# 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.

Contractors, who have access to CareFirst's systems, servers, and/or PHI/PII, must complete a Conflict of Interest Disclosure Statement annually and must report potential conflicts of interest whenever they occur. A conflict of interest exists when private interests potentially conflict with CareFirst's interests. Contractors must disclose personal, familial or financial relationships with CareFirst associates or with anyone that does business with, seeks to do business with, or competes against CareFirst.

Conflicts of interest commonly arise when:

- a Contractor uses CareFirst resources, such as equipment, office supplies, information or other assets for personal gain;
- a Contractor takes personal advantage of a business or investment opportunity made available as a result of their relationship with CareFirst.

During the course of your contract or engagement with CareFirst, Contractors must not conduct CareFirst business with any CareFirst associate who holds, or whose spouse, family member, or anyone living in the associate'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 timely notify your CareFirst business contact or the CareFirst Compliance and Ethics Office 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 Contractor or an associate so that a determination can be made, based upon your management and reporting relations, that there is no conflict of interest.

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 Contractor'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.

## Think About It

**Q:**

I just completed my Conflict of Interest Disclosure Statement & Compliance Certification form and I don't have any changes to my answers. Do I have to complete the annual form?

**A:**

Yes. Your answers from your most recent Conflict of Interest Disclosure Statement & Compliance Certification form have been pre-populated into the current year's form. Once you have reviewed your answers and completed the Compliance Certification section, you may simply check the box indicating that your answers have not changed.

## Think About It

**Q:**

My spouse has just begun providing services to CareFirst as a Contractor through another vendor. Do I need to update my Conflict of Interest Disclosure Statement & Compliance Certification form to disclose this?

**A:**

Yes. The Compliance and Ethics Office works with Human Resources to make a determination based upon your management and reporting relationships that there is no conflict of interest. Contact the Compliance and Ethics Office at 410-582-7193 or [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com) for assistance.

### LIVING OUR VALUES

**Integrity:** You must avoid even the perception that any of your outside activities may conflict with your ability to do your job or negatively impact CareFirst's reputation in the community.

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# CONDUCTING CAREFIRST'S BUSINESS

The manner in which we deal with customers and other business partners affects our Company's reputation, builds long-term trust, and contributes to our Company's success. When conducting CareFirst's business, Contractors 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, Contractors may not exchange gifts of cash or cash equivalents with CareFirst associates or Board members 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:

- Infrequent,
- Unsolicited,
- Of nominal value and of an advertising or promotional nature (mugs, hats, or similar inexpensive items), and
- Offered or received with no intent or prospect of influencing business decision making.

CareFirst associates 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 Contractor 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 associates 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

Contractors, prospective Contractors, or any outside entity or individual must not pay a CareFirst associate'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 Contractor. If an associate is speaking at the conference, the registration fee can be waived if the fee is also being waived for other speakers at the conference.

## KICKBACKS AND REBATES

Under no circumstances is a Contractor 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.

## RECIPROCITY

Contractors must not agree 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 the Contractor's 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.

### KICKBACKS:

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

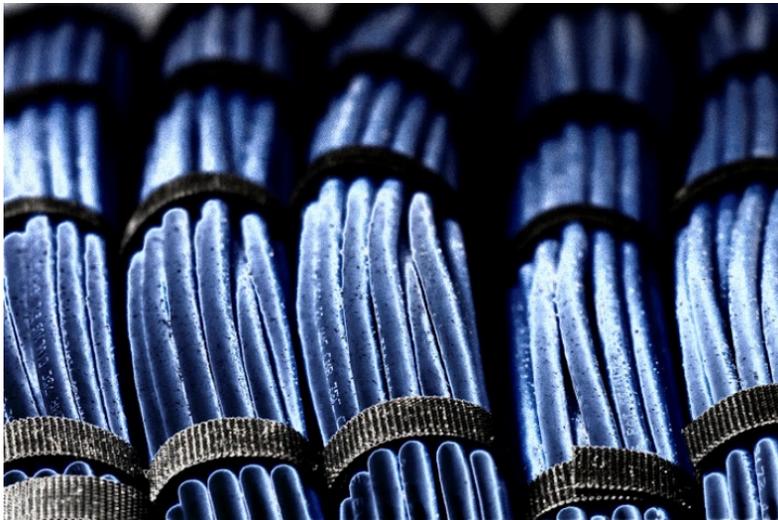


Photo by Justin Andre, Columbia Data Center

## VENDOR/SUPPLIER RELATIONSHIPS WITH CAREFIRST ASSOCIATES

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

Accordingly, Contractors should be aware that CareFirst associates 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 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
  - Offers to provide research and data results at no cost to CareFirst
  - Offers to conduct mailings on CareFirst's behalf at no cost to CareFirst
  - Offers to perform free seminars for associates or customers
  - Participation in joint activities, such as health fairs or other marketing activities
  - Waiver of seminar fees with the exception noted below\*
  - Offers to participate, without cost to CareFirst, in industry-related meetings which involve travel, meals, or entertainment
- 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.

CareFirst associates may not accept offers from a vendor or supplier to pay the associate's travel and lodging expenses to attend a conference sponsored by the vendor or supplier.

*\* If the associate 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.*

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# GOVERNMENT CONTRACTS

There are additional and stricter requirements when CareFirst does business with federal, state, and local government entities. Contractors working directly or indirectly on government contracts (e.g. Medicare, Federal Employees Program) have a special obligation to know and comply with the terms of the government contract as well as the laws, regulations, and Company policies that apply to the activities involved.

## 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 any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind, which is provided to any government contractor or subcontractor or their employees, to improperly obtain or reward favorable treatment in connection with a government contract or subcontract or relating to any circumstance where federal or state health care dollars are involved.

To avoid potential violations of federal or state anti-kickback statutes, you must never request or receive anything of value from a supplier, provider, member, or beneficiary 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. Contractors must comply with applicable terms of the ACA government contract when doing business with CareFirst.

## FALSE CLAIMS ACT

The Federal False Claims Act (“FCA”) allows the federal government to recover money stolen through fraud by government contractors. CareFirst is a government contractor because it participates in federal and state health insurance exchanges and the Federal Employee Program (“FEP”) contract.

Some applicable provisions of the FCA include:

- The FCA forbids knowingly and willfully making false statements or representations in connection with a claim submitted for reimbursement to a federal health care program.
- 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 associates and Contractors from retaliation for making or supporting a charge of wrongdoing or misconduct in the workplace. Contractors must also 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 several laws that are critical to our business. Some of these include the following:

#### PROCUREMENT INTEGRITY ACT

CareFirst is subject to the Procurement Integrity Act when bidding on federal contracts.

#### FEDERAL ACQUISITION REGULATION

The Federal Acquisition Regulation ("FAR") is the principle set of rules governing the "acquisition process" by which the federal government acquires services and goods. As a federal contractor, CareFirst must comply with applicable FAR provisions.

##### **Federal Acquisition Regulation ("FAR") section 52.222-50 - "Combatting Trafficking in Persons"**

The United States Government has adopted the following zero tolerance policy regarding trafficking of persons.

During the performance or in the performance of any CareFirst contract with the federal government, CareFirst, CareFirst associates, as well as CareFirst contractors, subcontractors, and their employees, who are directly engaged in the performance of work under the contract and who have other than a minimal impact or involvement in contract performance, shall not:

- Engage in severe forms of trafficking in persons;
- Procure commercial sex acts; or
- Use forced labor.

[See "Definitions as used in this FAR Section"](#)

CareFirst will take appropriate action against any associate or Contractor who violates any provisions of the above policy. Such actions may include, but are not limited to, removal of a CareFirst associate or a Contractor from the performance of the contract, termination of employment, or termination of a Contractor's business relationship or engagement with CareFirst.

Additional information about Combating Trafficking in Persons and examples of awareness programs can be found at the website for the United States Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/j/tip>.

## FOREIGN CORRUPT PRACTICES ACT

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.

Contractors 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 his official capacity;
- inducing such government official to do or omit any act in violation of the lawful duty of such official;
- securing improper advantage; or
- inducing such government official to use his 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 Contractors incur in connection with doing business with CareFirst must be recorded fully and accurately in the Contractor's 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.



# MANDATORY TRAINING AND CERTIFICATION

The following mandatory training requirements apply to all CareFirst associates and Contractors who have access to CareFirst's systems, servers, and/or PHI/PII:

- Code of Ethical Business Conduct and Compliance Training
- Anti-Fraud and Abuse Training
- Privacy Awareness Training
- Security Awareness Training
- Emergency Preparedness Training
- Harassment / Drug-Free Workplace / Violence in the Workplace

In addition to these trainings, Contractors with access to CareFirst's systems, servers, and/or PHI/PII are required to complete and sign upon contractual engagement and on an annual basis thereafter:

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

Training requirements for Contractors without access to CareFirst's systems, servers, and/or PHI/PII are reviewed by the Chief Compliance, Ethics & Privacy Officer 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.





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[www.carefirst.com](http://www.carefirst.com)

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