

**HEALTH CARE SERVICE CORPORATION  
CORPORATE POLICY**

<b>Title: Compliance with the Law</b>	<b>Policy No.: 5.02</b>
<b>Owner/ Approval by:</b>	<b>Vera Malone, VP, Ethics and Compliance</b>
<b>Date of Last Review:</b>	<b>November 2017</b>
<b>Approved:</b>	<b>Thomas C. Lubben, SVP, Chief Compliance and Privacy Officer</b>
<b>Date of Last Review:</b>	<b>November 2017</b>
<b>New Policy</b> <input type="checkbox"/>	
<b>Revised Policy</b> <input checked="" type="checkbox"/>	<b>Replaces Policy No.:      Policy Title:</b>

**POLICY:**

All employees of the Company and its subsidiaries (full-time, part-time, seasonal and temporary) and contingent workers (staff augmentation/independent contractors) are responsible for ensuring that they comply with laws, regulations, Marketplace Requirements and contractual obligations that are applicable to the Company. Employees and contingent workers must report any activity that they, in good faith, believe may be a violation of applicable laws, regulations, Marketplace Requirements, contractual obligations or the Code of Ethics and Conduct (“the Code”)

**PURPOSE:**

The Company and its subsidiaries are committed to complying with all federal, state, local laws, regulations and Marketplace Requirements and contractual obligations that apply to its business.

**SCOPE:**

This policy applies to all individuals engaged in any HCSC work as employees (full-time, part-time, temporary or seasonal and contingent workers (staff augmentation, independent contractors).

## DEFINITIONS:

Employees and Contingent Workers are defined according to the Workforce Classification Policy B06 in the HCSC Workforce & Employment Policies.

**Marketplace Requirements** are those requirements imposed on HCSC by the Patient Protection and Affordable Care Act (PPACA) – also known as the Affordable Care Act or ACA.

## ROLES AND RESPONSIBILITIES:

All employees and contingent workers with questions or concerns about possible compliance violations are obligated to bring issues to the attention of management or other Corporate resources.

## CONTENT:

While your Supervisor is usually your first and best resource for responding to issues, the options listed below are also available and contingent workers are encouraged to follow the Steps sequentially. Those not comfortable following the Steps outlined below may always report anonymously using the Corporate Integrity HOTLINE or web reporting tool.

### Description:

Step 1: Employees and contingent workers should discuss the issue with first level management.

If first level management cannot provide a sufficient response, or if employees and contingent workers feel uncomfortable discussing the issue with management, they should go to Step 2.

Step 2: Employees and contingent workers should discuss the issue with next higher-level management.

If this level management cannot provide a sufficient response, or if employees and contingent workers feel uncomfortable discussing the issue with management, they should go to Step 3.

Step 3: Employees and contingent workers should discuss the issue with other available Corporate resources, for example Compliance, Audit Services, Special Investigations Department, Corporate Protection and Security, Information Security, Privacy, Performance Audit as well as Human Resources, Legal, Government Programs Compliance, Enterprise Risk Assessment or Governance.

If uncomfortable discussing the issue with any of these resources, they should go to Step 4.

Step 4: Employees and contingent workers should report their concerns using the **Corporate Integrity HOTLINE** at 1-800-838-2552 or web reporting tool at <https://hcsc.alertline.com>

Note: All contacts will be treated confidentially. When calling the HOTLINE or using the web reporting tool the person who is reporting (“Reporter”) may remain anonymous. The Company will reserve the anonymity of Reporters subject to the limits imposed by law and the specific circumstances surrounding the complaint.

Any violation of this policy and procedure may result in appropriate corrective action, up to and including termination of employment.

**ADDITIONAL RESOURCES:**

Workforce Classifications Policy  
Confidential Information, 5.03  
Conflict of Interest, 5.04  
Fair Competition, 5.05  
Non-Retaliation Policy, 5.06  
Internal Controls, Corporate Policy 3.03