

HEALTH CARE SERVICE CORPORATION

CORPORATE POLICY

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|--|---|
| DEPARTMENT: Ethics and Compliance | |
| POLICY NUMBER: 5.02 | POLICY TITLE: Compliance with the Law |
| EXECUTIVE OWNER: EVP, Chief Administrative Officer & Chief Ethics, Compliance and Privacy Officer | BUSINESS OWNER: Executive Director, Corporate Compliance |
| ORIGINAL EFFECTIVE DATE (IF KNOWN): 09/01/1999 | COMMITTEE APPROVAL DATE: 05/02/2024 |

I. SCOPE

This policy applies to all employees and contingent workers as defined in the HR Workforce Classifications Policy (“Workers”) of Health Care Service Corporation, a Mutual Legal Reserve Company, as well as its majority-owned (greater than 50%) subsidiaries (collectively “HCSC”).

II. PURPOSE

HCSC is committed to complying with all federal, state, and local laws regulations, Exchange Requirements, and contractual obligations that apply to its business. The purpose of this policy is to ensure that all HCSC Workers abide by all federal, state, and local laws and regulations and provide guidance for reporting possible violations.

III. DEFINITIONS

Exchange 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.

IV. POLICY

A. OVERVIEW

All Workers of HCSC are responsible for ensuring that they comply with laws, regulations, Exchange Requirements, and contractual obligations that are applicable to HCSC. Workers must report any activity that they, in good faith, believe may be a violation of applicable laws, regulations, Exchange Requirements, contractual obligations or the Code of Ethics and Conduct (“the Code”).

B. FRAUD WASTE AND ABUSE

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HCSC recognizes the importance of identifying, preventing and investigating fraud, waste, and abuse (FWA) and is committed to protecting and preserving the integrity and availability of health care resources for our members, clients and business partners by maintaining a comprehensive FWA Plan. HCSC's goal is to reduce program costs by deterring FWA when possible, and to refer cases to law enforcement or regulatory agencies in compliance with state and federal requirements. The FWA Plan of HCSC is executed by the Special Investigations Department (SID).

C. ROLES AND RESPONSIBILITIES

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

D. OPTIONS FOR REPORTING VIOLATIONS

The following are options for reporting potential violations:

1. Discuss the potential violation with the reporting Worker's immediate Supervisor. This is usually the most effective way to address a concern. If the Worker is not comfortable doing this, they may go to any other Supervisor or choose the next option below.
2. Discuss the potential violation with another [Corporate Resource](#) or the Chief Ethics, Compliance and Privacy Officer. If the Worker is not comfortable doing this, they may choose the next option below.
3. Call HCSC's Corporate Integrity HOTLINE at 1-800-838-2552. The call can be anonymous, and the Worker does not have to give their name. However, providing identifying information is preferred, as this allows the Ethics and Compliance Department to interact directly with the Worker and obtain information to help resolve their concern. For more information, see the section of the Code titled Corporate Integrity HOTLINE.
4. Potential violations may also be reported in writing and emailed to the Ethics and Compliance Department at CorporateCompliance@bcbsil.com or faxed to (312) 938-5431. For anonymous web reporting, go to <https://hcsc.alertline.com> and follow the prompts to file a report or follow up on an existing report.
5. Note: HCSC will preserve the anonymity of a Worker subject to the limits imposed by law and the specific circumstances surrounding the complaint.
6. Any violation of this policy may result in appropriate corrective action, up to and including termination of employment or end of engagement.

IV. CONTROLS/MONITORING

| Control Document or Control Description | Control Owner |
|---|-----------------------|
| As part of orientation, and on an annual basis thereafter, all Workers are required to complete computer-based training on the Compliance Program. This training is assigned by the Ethics and Compliance Department. | Ethics and Compliance |
| All Workers are required to sign the Commitment to Ethics Certification at the time of New Hire Ethics and Compliance training and annually thereafter. Required certifications are signed electronically. The signed Certification is maintained in HCSC's Learning Management System. | Ethics and Compliance |

V. RELATED DOCUMENTS

1. [HCSC Corporate Policy Manual](#)
2. [Compliance Program Charter](#)
3. [Corporate Policy 5.01 - Compliance Program](#)
4. [Corporate Policy 5.03 - Confidential Information](#)
5. [Corporate Policy 5.04 - Conflict of Interest](#)
6. [Corporate Policy 5.05 - Fair Competition](#)
7. [Corporate Policy 5.06 - Non-Retaliation Policy](#)
8. [Corporate Policy 3.03 - Internal Controls](#)
9. [Corporate Policy 9.01 – Corporate Records & Information Management Policy \(RIM\)](#)
10. [Corporate Policy 9.03 - Office of Foreign Asset Control \(OFAC\)](#)
11. [Policy No. 10 - HCSC Government Programs Fraud, Waste & Abuse Program](#)
12. [Code of Ethics and Conduct](#)
13. [Code of Ethics and Conduct for Vendors](#)
14. [Code of Ethics and Conduct for Directors](#)
15. [Code of Ethics and Conduct for Subsidiary Directors](#)
16. [Corporate Policy 5.08 Accuracy of Records Policy](#)
17. [HR Background Investigation Policy](#)
18. [Corporate Policy 5.11 Ineligible Parties Validation](#)
19. [HR Workforce Classifications Policy](#)
20. [Corporate Policy 5.09 Cooperating with the Government Policy](#)

VI. SOURCES/REFERENCES

1. Social Security Act: Exclusions From Coverage And Medicare As Secondary Payer, [§1862\(e\)\(1\)\(B\)](#)
2. Medicare Advantage Program: General Provision, [42 C.F.R. § 422.503\(b\)\(4\)\(vi\)](#)
3. Program Integrity: Medicaid, [42 C.F.R. §§ 455.1 et. seq.](#)
4. Managed Care: Prohibited affiliations, [42 C.F.R. § 438.610](#)
5. Department of Human and Health Services: Nonprocurement Debarment and Suspension, [2 C.F.R § 376](#)
6. Managed Care: Program integrity requirements under the contract, [42 C.F.R. § 438.608](#)

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7. United States Sentencing Commission, Guidelines Manual, Effective Compliance and Ethics Program [§§ 8B2.1\(a\)\(1\)-\(2\) \(Nov. 2018\)](#)

VII. IMPACTED BUSINESS AREAS

1. Legal
2. Human Resources
3. Special Investigations Department

VIII. POLICY REVIEWERS

| Person Responsible for Review | Title | Date of Review |
|-------------------------------|---|----------------|
| Carrie O’Gara | Executive Director, Corporate Compliance | 3/5/24 |
| Dan Groth | Director, Special Investigations | 3/11/24 |
| Kelly Jacks | Executive Director, Workforce Solutions | 4/16/24 |
| Norm Beck | Vice President Litigation | 3/11/24 |

IX. POLICY REVISION HISTORY

| Description of Changes | Revision Date |
|--------------------------------|---------------|
| Annual review with minor edits | 5/2/24 |

X. POLICY APPROVALS

| Company, Division, Department and/or Committee | By: Name | Title | Approval date |
|--|---------------|--|---------------|
| CASSIP | Jill Wolowitz | EVP, Chief Administrative Officer & Chief Ethics, Compliance and Privacy Officer | 4/24/24 |
| EPP Committee | | | 5/2/24 |