



Blue Cross of Idaho Care Plus, Inc. Code of Ethical Business Conduct

Approved by ICP Board
Approved by ICP Compliance Committee
Reviewed by Jane Lindsay, Gov't Prog. Compliance officer

February 17, 2015
January 20, 2015
January 29, 2016, April 6, 2017,
June 14, 2017

Table of Contents

INTRODUCTION	3
APPLICABILITY TO AND RESPONSIBILITIES OF BOARD OF DIRECTORS AND CORPORATE OFFICERS.....	3
Powers and Fiduciary Duties of Board of Directors and Corporate Officers	3
Legal Fiduciary Responsibilities.....	4
Primary Roles and Responsibilities of Directors.....	5
APPLICABILITY TO AND RESPONSIBILITIES OF ASSOCIATED ENTITIES.....	5
PRIMARY PRINCIPLE – BUSINESS ETHICS.....	6
SIX ACCOMPANYING PRINCIPLES.....	7
Principle 1 - Legal Compliance	7
Government Contractor.....	7
Fraud, Waste and Abuse	7
Federal False Claims Act.....	8
Idaho False Claims Act	9
Tax.....	9
Antitrust	9
Retention of Records	10
Political Activity and Contributions	10
Safety, Health and Environment	10
Employee Relations	11
Employment of Government Personnel	11
Drugs and Alcohol.....	11
Attorney Conduct	11
Principle 2 - Conflicts of Interest.....	12
Personal Financial Gain and Outside Activities	12
Services for Competitors or Vendors.....	13
Participation on Boards of Directors/Trustees.....	13
Honoraria	13
Responding to Vendor and Industry Surveys.....	13
Evaluation of Potential Conflicts of Interest	14

Principle 3 - Business Relationships.....	14
“Kickbacks” and Rebates.....	14
Reciprocity.....	15
Gifts or Gratuities	15
Entertainment	16
Payments to Agents, Representatives, Consultants	16
Payments to Government Employees	16
Other Improper Payments	17
Principle 4 - Protection of Assets	17
Use of Company Assets.....	17
Proper Accounting	17
Manipulation of Auditors.....	18
Falsification of Records	18
Certifications and Representations	18
Loans to Directors, Corporate Officers and Employees.....	18
Principle 5 - Confidentiality.....	19
Confidential Information.....	19
Member Information	19
Personnel Actions/Decisions	20
Principle 6 - Government Investigations and Audits	20
ENSURING COMPLIANCE	21
Distribution of Code	21
Compliance Training	22
Compliance Committee	22
Compliance Hotline	22
Reporting Suspected or Detected Compliance Violation	22
Disciplinary Guidelines.....	23
Factors Considered in Determining Appropriate Disciplinary Action.....	23
Range of Disciplinary Actions	24
Rights of Employee Accused of Compliance Violation	24
GLOSSARY OF TERMS.....	25

INTRODUCTION

Blue Cross of Idaho Care Plus, Inc. is a non-profit corporation and controlled affiliate licensee of the Blue Cross Blue Shield Association (BCBSA). Blue Cross of Idaho Care Plus, Inc. is authorized to engage in business as a managed care organization supporting government health programs. Blue Cross of Idaho Care Plus, Inc. is herein referred to as “the Company.”

The Company maintains a compliance program for which it utilizes the services of personnel employed by its corporate affiliate and sole member, Blue Cross of Idaho Health Service, Inc., to provide the Company’s Compliance Officer and Compliance Committee to develop, implement, enforce and evaluate the Company’s compliance program.

The Company has adopted this Code of Ethical Business Conduct (Code) to establish a formal statement of the Company’s commitment to the standards and rules of ethical business spelled out in this Code for:

- The Company’s Board of Directors (Directors);
- The Company’s officers, as elected by the Directors or appointed by the Chief Executive Officer (Corporate Officers);
- The Company’s employees;
- The Company’s providers, vendors, agents, brokers, contractors and subcontractors (including first tier, downstream, and related entities) (Associated Entities);
- Other individuals and entities with which the Company does business; and
- The general public.

This Code applies to all lines of business conducted by and for the Company, including the Company’s Medicare Advantage and Medicare-Medicaid coordinated plan products.

Some provisions of this Code apply to the families of Directors, Corporate Officers and employees. Family includes a spouse, child, parent, sibling, step-child, step-parent, step-sibling, grandparent, in-law or any person residing in the Director’s, Corporate Officer’s or employee’s household. Some provisions of this Code refer to Company property; Company property includes property leased or owned by or under the control or custody of the Company.

APPLICABILITY TO AND RESPONSIBILITIES OF BOARD OF DIRECTORS AND CORPORATE OFFICERS

Powers and Fiduciary Duties of Board of Directors and Corporate Officers

The Directors have the power to exercise decisions to provide governance and strategic direction for the Company. The Directors do not carry out the day-to-day management of the Company. The adoption of this Code is an appropriate exercise of the Directors’ duties of governance and fiduciary oversight for the Company.

The Corporate Officers have the fiduciary responsibility to act on behalf of the Company. The authority and duties of the Corporate Officers include those delegated by the Directors as well as the management function. Management of the Company is accordingly conducted by or under the supervision of the Corporate Officers.

Legal Fiduciary Responsibilities

Directors and Corporate Officers have a fiduciary relationship with the Company. The Directors and Corporate Officers are required to exercise the utmost good faith and to exercise their powers solely in the interests of the Company. When an individual accepts the position of Director or Corporate Officer, the individual accepts the obligation to give diligent attention to the Company's concerns and to be faithful and honest in the discharge of the duties that the accepted position entails. A Director or Corporate Officer is not infallible, but should act with an honest belief and in good faith that the individual is carrying out the individual's fiduciary obligations to the Company.

To fulfill their legal fiduciary duties, Directors and Corporate Officers should:

1. Represent the interests of the Company's corporate members and policyholders.
2. Understand and support the Company's mission, goals, and objectives.
3. Understand and observe their responsibilities of loyalty, due care and obedience.
 - a. Loyalty:
 - Loyalty is owed to the Company. Acting in good faith and in the best interests of the Company always takes precedence over the interests of the individual Director or Corporate Officer.
 - Actual or potential conflicts of interest should be disclosed and resolved in accordance with the Company's conflicts of interest policies and procedures.
 - The duty of loyalty applies with equal force to Directors that represent particular constituencies, such as Directors who are hospital representatives or physicians. These Directors must act in good faith and in the best interests of the Company and its policyholders and members without regard to the best interests of their respective constituencies.
 - b. Due Care:
 - Due care is the discharge of responsibilities and execution of duties with a reasonable degree of diligence, prudence, intelligence, and skill.
 - Matters that would be harmful to the Company if released to others must be kept confidential unless the disclosure is required by law or permitted by the Company.
 - c. Obedience:
 - Obedience to the law is required when acting on behalf of the Company.
4. Educate themselves regarding:
 - a. the health insurance industry;
 - b. the Company's structure;
 - c. the Company's market; and
 - d. key factors that contribute to the Company's success.

Primary Roles and Responsibilities of Directors

The BCBSA “Guidelines to Administer Membership Standards Applicable to Regular Members” require every member plan, including the Company, to adopt a set of policies setting forth standards for the conduct of Directors, and to review and reaffirm such policies on a periodic basis (but no less than every three years). The adopted set of policies must include, at a minimum, policies setting forth the primary roles and responsibilities of Directors to:

1. Ensure that the Company adopts an effective compliance and ethics program designed to prevent, detect and correct violations of applicable laws and fraud, waste and abuse, and to promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law;
2. Ensure that Directors are knowledgeable about the content and operation of the Company’s compliance and ethics program and exercise reasonable oversight with respect to its implementation and effectiveness;
3. Regularly approve the Company’s overall business objectives and strategies and monitor the Company’s performance;
4. Select the Company’s Chief Executive Officer (CEO), oversee the CEO’s performance, ensure that an appropriate CEO succession plan is in place, and provide input in the selection and direction of senior management;
5. Review and approve to ensure management compensation is set at competitive levels;
6. Establish a Board of Directors committee structure in which the audit, nominating, and compensation functions shall be performed exclusively by outside Directors, unless otherwise permitted by BCBSA, and ensuring all Directors are aware of their fiduciary obligations;
7. Establish policies against self-dealing and other improper conduct; and
8. Establish policies addressing conflicts of interest.

In order to carry out these primary roles and responsibilities, the Directors are charged with obligations and duties in overseeing the Company’s business conduct and ethical standards.

APPLICABILITY TO AND RESPONSIBILITIES OF ASSOCIATED ENTITIES

The Company expects its Associated Entities to act in an ethical manner, to comply with applicable laws, and to adhere to the applicable principles and standards set forth in this Code. Each Associated Entity is encouraged to adopt and follow a code of conduct particular to its own organization, which reflects a commitment to detecting, preventing, and correcting non-compliance and fraud, waste, and abuse in the administration and delivery of the Company’s products.

To the extent required by law, the Company is accountable for and will provide oversight of its Associated Entities within its contracting chain that perform functions or activities related to its business. Failure of an Associated Entity to comply with the principles and standards outlined in this Code, or with its contract with the Company or a first tier, downstream or related entity of

the Company, may result in financial penalties or cancellation or termination of contracted functions or activities.

PRIMARY PRINCIPLE – BUSINESS ETHICS

Directors, Corporate Officers, employees, and Associated Entities must accurately and honestly represent the Company and must at all times adhere to the highest ethical standards.

Each Director, Corporate Officer, employee, and Associated Entity must endeavor to deal fairly and lawfully with the Company's members, customers, suppliers, competitors, and employees.

No Director, Corporate Officer, employee or Associated Entity should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

The Company's policy is to observe and adhere to all laws applicable to its business. The Company's commitment goes beyond minimal adherence. Even when the law is permissive, the Company chooses the course of highest integrity. Local customs, traditions, and mores may differ, but honesty is always the proper course of conduct. A well-founded reputation for scrupulous dealing is an important Company asset.

All Directors, Corporate Officers, and employees must be concerned, not only with the final outcome, but also with how results are obtained. Employees are expected to maintain open communication with Company management on all aspects of their jobs, to record all transactions accurately in the Company's books and records, and to be honest and forthcoming with internal and external auditors.

The Company expects candor and compliance with the Company's policies, rules and controls from Corporate Officers and employees at all levels. The Company may sustain damage when Corporate Officers, managers or employees conceal information from other Corporate Officers, higher Company management or the Chief Compliance Officer, because subordinates may then believe that Company policies, rules and controls can be ignored. Ignored policies, rules or controls can result in corruption and demoralization of employees and the Company.

The Company will strive to achieve accuracy in all phases of its business operation. All Directors, Corporate Officers and employees must comply with the principles and standards contained in this Code, immediately report any alleged violations of this Code in accordance with the **Reporting Suspected or Detected Compliance Violation** section of this Code and assist compliance personnel in investigating any allegations of non-compliance or wrongdoing.

The Company's policy is to discourage and prevent the occurrence of non-compliant, unethical or unlawful behavior, to quickly halt such behavior after its discovery and to appropriately discipline or sanction its Directors, Corporate Officers, employees, and Associated Entities that violate the principles and standards contained in this Code, including individuals responsible for the concealment of, failure to detect a violation, or willful failure to report a violation.

No code of conduct can cover all circumstances or anticipate every situation. Directors,

Corporate Officers and employees encountering situations not addressed by this Code should apply to the situation the overall philosophy and concepts of this Code along with recognized ethical standards observed by honorable people. If a Director, Corporate Officer or employee is uncertain of the proper course of conduct, the particular circumstances should be reviewed with Company management or the Chief Compliance Officer.

SIX ACCOMPANYING PRINCIPLES

The Primary Principle of Business Ethics is complemented by the following six principles.

Principle 1 - Legal Compliance

Directors, Corporate Officers, employees, and Associated Entities must adhere to all applicable laws.¹

Government Contractor

The Company expects its Directors, Corporate Officers, employees, and Associated Entities involved in the Company's government health programs business (including, but not limited to, Medicare Advantage, Medicaid and FEP) to adhere to all applicable statutory and regulatory requirements for that business.

As a government contractor, the Company has a special obligation to the United States, the State of Idaho and the public. The penalties for violating government contract provisions and applicable laws can be severe. The Company and individual Corporate Officers may be subject to civil and criminal sanctions, including fines, exclusion from government health programs, and prison sentences. Individual employees may be subject to criminal sanctions. The Company may also be "debarred," *i.e.*, prohibited from obtaining government contracts.

The Company is committed to compliance with the letter and the spirit of government contract statutes and regulations. Even the appearance of impropriety will not be tolerated.

Fraud, Waste and Abuse

The Company has a comprehensive program to control fraud, waste and abuse for all lines of business conducted by and for the Company. The purpose of the program is to ensure members receive quality health care consistent with their benefits and to protect the integrity of health care funds.

The Company expects its Directors, Corporate Officers, employees, and Associated Entities to refrain from conduct that may violate federal or state fraud and abuse laws. These laws prohibit:

¹ Applicable laws generally include the False Claims Act; the Anti-Kickback Statute; prohibition on inducements to Medicare and Medicaid beneficiaries; the Health Insurance Portability and Accountability Act; all applicable civil monetary penalty and exclusion statutes and regulations; other applicable federal and state civil and criminal statutes; Code of Federal Regulations (specifically, 42 C.F.R. Parts 400, 411, 422, 423, 1001, 1002 and 1003 and 45 C.F.R. Parts 144 through 164); all applicable sub-regulatory guidance issued by the Centers for Medicare and Medicaid Services for Medicare Advantage and by the State of Idaho for Medicaid and commercial health insurance and qualified health plans, such as manuals, training materials, and guides; and other applicable federal and state laws

- direct, indirect or disguised payments in exchange for the referral of individuals for items or services or for the generation of business for which a federal health care program may pay;
- submission of false, fraudulent or misleading claims to any government entity, government contractor or third party payer, including claims for services not rendered, claims that characterize the service differently than the service actually rendered, or claims that do not otherwise comply with applicable program or contractual requirements; and
- making false representations to any individual or entity to gain or retain participation in a government health program or to obtain or retain payment for any service.

Federal False Claims Act

The False Claims Act (FCA) is a federal statute enacted to protect the federal government from false claims for payment for goods or services not rendered or sub-standard goods or services. The FCA thus protects the federal government from fraudulent activity involving generally any federally-funded contract or program, including the Medicare and Medicaid programs.

Under the FCA, a claim is any request or demand for money or property that is submitted to the federal government or its contractors or subcontractors. The FCA prohibits knowingly presenting or making, or causing to be presented or made, false or fraudulent claims, records or statements to the federal government or to a government contractor or subcontractor to obtain or retain funds or property of the federal government, reimbursable by the federal government or used on behalf of or for the benefit of the federal government, including reimbursement relating to a federal health care program such as Medicare or Medicaid. The FCA applies to those who have actual knowledge of the falsity of the claim, record, or statement, as well as those who act in deliberate ignorance or in reckless disregard of the truth or falsity of the claim, record, or statement.

Directors, Corporate Officers, employees, and Associated Entities are prohibited from engaging in any conduct with respect to Company business that would violate the FCA. They each should be aware of the laws regarding fraud and abuse and false claims.

Any false claims issue involving Company business should be reported immediately via one of the alternatives the Company provides for reporting false claims and other compliance matters. (See **Reporting Suspected or Detected Compliance Violation** section of this Code.) Reports may be made anonymously, and the confidentiality of any individual making a report will be protected to the fullest extent permitted under applicable laws. No Director, Corporate Officer, employee or Associated Entity is required to report a possible FCA violation involving Company business to the Company first. A Director, Corporate Officer, employee or Associated Entity may, instead, report directly to the U.S. Department of Justice (DOJ), the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS), or other government official responsible for investigating false claims.

The FCA includes a provision that allows any individual with actual knowledge of false claims activity to file a lawsuit on behalf of the federal government. The purpose of this provision is to encourage individuals to come forward and report misconduct involving false claims. The FCA

protects employees, contractors, agents and other “whistleblowers” from retaliation and intimidation by the Company if they, in good faith, report suspected fraud on federally-funded contracts or programs or otherwise engage in efforts to stop violations of the FCA. This protection does not insulate the reporter from disciplinary action if the reporter is involved in the wrongdoing or has acted unlawfully.

Individuals and organizations that violate the FCA can be subject to civil monetary penalties ranging from \$5,500 to \$11,000 for each false claim submitted. In addition, violators can be required to pay three times the amount of damages sustained by the federal government. If an individual or entity is convicted of a FCA violation, the OIG may seek to exclude or suspend that individual or entity from participation in federal health care programs.

Idaho False Claims Act

Idaho criminal and civil fraudulent acts statutes are similar to the federal FCA. They apply to Idaho public assistance programs such as Medicaid.

Tax

The Company complies with all relevant tax laws, accurately reports payments to appropriate taxing authorities, and files all tax and information returns in a manner consistent with applicable tax laws.

Antitrust

Antitrust violations carry severe penalties. Violation of federal antitrust laws can result in criminal and civil liability. Successful plaintiffs may be entitled to treble damages as well as costs and reasonable attorneys’ fees.

Civil antitrust actions can be instituted by the DOJ, the Federal Trade Commission, or state attorneys general. In addition, private plaintiffs may bring suit. In health care, private plaintiffs may include competitors, physicians, patients, members, suppliers, or third party payers. Antitrust litigation is time-consuming and expensive. The Company is committed to avoiding conduct that is or creates the appearance of anti-competitive activity.

All Directors, Corporate Officers and employees must comply with all applicable federal and state antitrust and similar laws that regulate competition. Examples of prohibited conduct include:

- Agreements with competitors to fix prices or to allocate customers or markets;
- Certain types of exclusive dealing and tying arrangements;
- Abuse of or the attempt to obtain monopoly power (*e.g.*, the power of a single entity to control market prices or to exclude market competitors); and
- Unfair trade practices, including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair practices.

Corporate Officers and employees are expected to seek advice from the Company’s Legal Department, the Chief Compliance Officer or the Compliance Committee when confronted with business decisions involving a risk of violation of the antitrust laws.

Retention of Records

Directors, Corporate Officers and employees may dispose of and destroy Company records and files only in accordance with Company policy. Legal and regulatory practices require the retention of certain Company records and files for various periods, particularly with respect to tax, personnel, health and safety, environmental, government health programs, contract, and corporate actions. When litigation or a government investigation or audit is pending, relevant Company records and files must not be destroyed by Directors, Corporate Officers or employees until the matter is closed.

Destruction of records or files to avoid disclosure in a legal or administrative proceeding may constitute a civil or criminal offense. Corporate Officers and employees should refer to Administrative Policy Bulletin #97 or consult with the Company's Legal Department for information about record retention periods and disposal and destruction restrictions.

Political Activity and Contributions

The Company encourages Directors, Corporate Officers, and employees to vote and be active in the political process. However, federal laws restrict the use of corporate funds in connection with federal elections. Although there are not similar restrictions governing state and local elections in Idaho, there are similar laws in many other states. Accordingly, it is against Company policy for Directors, Corporate Officers, and employees to:

- Include, directly or indirectly, any political contribution for federal elections on a Company expense account or to seek in any other way Company reimbursement of that expense. The same prohibition applies to seeking Company reimbursement of any political contribution for state or local elections unless approved in advance by the Chief Compliance Officer. In general, the costs of fundraising tickets for political functions are considered political contributions. Therefore, including the cost of any such fundraising ticket on a Company expense account, even if business is in fact discussed at the political function, is against Company policy unless approved in advance and in writing by the Company's CEO or Chief Compliance Officer.
- Use any Company property or facility or the time of any Company employee for any political campaign activity. Any exception to this policy may only be made in advance by the Company's CEO. Examples of conduct requiring prior written approval by the Company's CEO include using the Company telephone or e-mail system to send campaign-related solicitations, allowing any candidate to use any Company facility, such as meeting rooms, for a political campaign activity, or loaning any Company property to anyone for use in connection with a political campaign.

The political process has become highly regulated and any Director, Corporate Officer or employee who has a question about what is or is not proper should consult with the Company's General Counsel or CEO before engaging in any activity or conduct that could be construed as involving the Company in any political campaign activity at the federal, state or local level.

Safety, Health and Environment

The Company is committed to providing a safe and healthy work place for Corporate Officers and employees and for visitors to Company premises. The Company is equally committed to preventing deterioration of the environment and minimizing the impact of Company operations

on the land, air, and water. These commitments can only be met through the awareness and cooperation of all Corporate Officers and employees. Each Corporate Officer and employee has a responsibility to comply with safe operating procedures, to guard all employees' health and to maintain and utilize pollution control systems.

Federal, state, or local regulatory agencies ensure compliance with statutes and regulations affecting safety, health, and environmental protection. The Company's policy is to comply with both the letter and the spirit of the statutes and regulations enforced by these agencies and to develop a cooperative attitude with inspection and enforcement personnel from these agencies. In keeping with this spirit, employees are encouraged to report to their supervisors, conditions that they perceive to be unsafe, unhealthy, or hazardous to the environment.

Employee Relations

It is the policy of the Company to provide equal employment opportunity to individuals who are qualified to perform job requirements regardless of their race, color, sex, sexual orientation, gender identity, religion, national origin, disability, age, protected veteran status, pregnancy, genetic status, retaliation for protected activity, or any other status protected under federal, state, or local laws. The Company will provide equal opportunity in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration, and selection for training.

Employment of Government Personnel

There are strict statutes and regulations that govern recruiting and hiring federal government personnel. These are referred to generally as "revolving door" rules, and they apply not only to employees hired by the Company, but also to individuals retained as consultants or Associated Entities. Violation of these requirements creates legal risk for the Company, including criminal and civil penalties.

The rules that apply are diverse and complex. Although the Company does not expect employees to know the intricacies of the "revolving door" rules, all employees are expected to seek guidance and written approval from the Company's Human Resources and/or Legal Department before conducting any employment or consulting discussions with any present or former federal government personnel.

Drugs and Alcohol

Corporate Officers and employees are prohibited from being on Company property under the influence of either alcohol or illegal drugs. Without exception, Company policy precludes the use, distribution or possession of illegal drugs by Corporate Officers and employees on Company property. Corporate Officers and employees are also prohibited from using, distributing, or possessing alcohol on Company property, except for use or possession of alcohol at occasional dinners or special events sponsored by the Company during non-working hours on Company property or possession of a small quantity of alcohol received or provided as a gift, but not consumed on Company property.

Attorney Conduct

Company attorneys should report evidence of a material violation of law or breach of fiduciary duty or other similar violation by the Company or any Company agent to the Company's General

Counsel or CEO. If the General Counsel or CEO does not appropriately respond to the evidence (adopting, as necessary, appropriate remedial measures or sanctions with respect to the violation), the Company attorney should report the evidence to the Audit Committee of the Company's Board of Directors.

Principle 2 - Conflicts of Interest

Directors, Corporate Officers, and employees owe a duty of undivided and unqualified loyalty to the Company and must advance the Company's legitimate interests when the opportunity to do so arises. Directors, Corporate Officers, and employees are prohibited from:

- taking for themselves personal opportunities that are discovered through the use of Company property, information, or position;
- using Company property, information, or position for personal gain; and
- competing with the Company.

Associated Entities may owe certain duties to the Company to avoid conflicts of interest as specified by contract and by the laws regulating fair dealing in commercial relationships. These duties can include protection of and limitations on the use and disclosure of Company intellectual property, trade secrets, technology, customer, member, and supplier data, and other proprietary or confidential information. Company employees are expected to ensure that the Associated Entities with which they may interact faithfully comply with these duties.

Corporate Officers and employees must avoid situations where their personal interests conflict, or create the appearance of conflicting, with the interests of the Company. An example of a conflict of interest is any opportunity for personal financial gain as a result of employment by the Company, apart from the normal compensation provided through office or employment.

The following guidelines apply to actual or potential conflicts of interest.

Personal Financial Gain and Outside Activities

Corporate Officers and employees should avoid any outside financial interest that might influence their corporate decisions or actions on behalf of the Company. Such interests might include:

- A personal or family interest in an enterprise that has business relations with the Company. (This restriction does not apply to minimal individual or family holdings of stock or other securities of a corporation that has publicly-traded shares and may incidentally do business with the Company.)
- A personal or family investment in another business that competes directly with the Company. (This restriction does not apply if the investment is not a significant part of individual or family income or net worth, or the area of competition has minimal effect on the Company.)

Directors, Corporate Officers, and employees must refrain from accepting gifts, gratuities, favors or other items of value under circumstances that may create, or may create the appearance of, a conflict of interest. (See **Gifts or Gratuities** section under **Principle 3 - Business Relationships**)

of this Code for further information.)

Corporate Officers and employees should avoid outside employment or activities that would have a negative impact on the performance of their jobs for the Company, conflict with their obligations to the Company or in any way negatively impact the Company's reputation in the community.

If a Corporate Officer or employee believes he or she may have a conflict of interest because of personal or family investments or outside activities, the Corporate Officer or employee should consult the Chief Compliance Officer.

Services for Competitors or Vendors

No Corporate Officer or employee may perform work or render services for any competitor of the Company or for any organization with which the Company does business or which seeks to do business with the Company outside of the normal course of his or her responsibilities for the Company without prior written approval of the Chief Compliance Officer. On an annual basis, Directors, Corporate Officers, and employees are required by the Company to complete Conflict of Interest statements, which are reviewed by the Chief Compliance Officer.

Participation on Boards of Directors/Trustees

Upon request, Corporate Officers and employees must disclose service as a member of the board of directors/trustees of any organization. A Corporate Officer or employee must obtain written approval from the Chief Compliance Officer prior to serving as a member of the board of directors/trustees of any organization whose interests may conflict with or create an appearance of conflict with the Company.

Honoraria

Corporate Officers and employees are encouraged to participate as faculty and speakers at educational programs and functions related to their work. For activities related to work for the Company conducted during paid work time, Corporate Officers and employees must turn over all honoraria payments to the Company. For activities conducted during leave from work, Corporate Officers and employees may retain honoraria payments; however, the honoraria payment may create a conflict of interest or the appearance of a conflict of interest and, therefore, its retention by the Corporate Officer or employee must comply with all other provisions of this Code. All questions related to participating as faculty or speakers for educational programs or functions related to work and retaining honoraria should be directed to the Chief Compliance.

Responding to Vendor and Industry Surveys

From time to time, employees may receive requests from Associated Entities and other organizations in the health care industry (including BCBSA) to complete non-Company sponsored surveys. The responses may be interpreted as representing the views and opinions of the Company; therefore, prior to completion of a survey, an employee must obtain written approval from a Corporate Officer. Any money received by the employee for completion of a non-Company sponsored survey should be delivered to the Company. In addition, any non-monetary gifts received by an employee for completing a non-Company sponsored survey should be treated in accordance with the **Gifts or Gratuities** section under **Principle 3 - Business Relationships** of this Code.

Evaluation of Potential Conflicts of Interest

On a case-by-case basis, the Chief Compliance Officer, may recommend that Company's management or Board of Directors take actions to resolve, eliminate or avoid actual or potential conflicts of interest. Corporate Officers and employees must report any actual or potential conflict of interest to the Chief Compliance Officer.

The Chief Officer, will evaluate reported employee conflicts of interest and make determinations of appropriate resolutions based on the significance of the reported conflict. The Chief Compliance Officer, will report all actual or potential conflicts of interest reported by Corporate Officers, along with any recommended resolutions, to the Board of Directors for Board determination of appropriate resolutions. The Chief Compliance Officer will provide an annual summary of the actual or potential conflicts of interest reported by employees to the Board of Directors. Director conflicts of interest will be resolved in accordance with the Company's policy and procedure addressing conflicts of interest.

Principle 3 - Business Relationships

Directors, Corporate Officers and employees must transact business with Company suppliers, Associated Entities, charities, customers and other third parties free from offer, solicitation, or receipt of gift, gratuity, favor, or other inducement that would improperly affect the Company's business or reputation in any way. The Company obtains and keeps its business because of the quality and value of Company products and services and the respect and confidence the Company instills in its customers. How business is conducted with Company suppliers, Associated Entities, charities, customers and other third parties can pose ethical or legal problems. Thus, any proposed arrangement or agreement tying compensation to the anticipated volume of business must be referred to the Company's Legal Department for review.

The following guidelines are intended to help Corporate Officers and employees make the ethical decision in potentially difficult situations.

"Kickbacks" and Rebates

Purchase or sale of goods and services by or from the Company must not lead to Directors, Corporate Officers or employees, or their family members, receiving or paying kickbacks, rebates, or any other form of remuneration to induce or in return for business. Kickbacks, rebates and other forms of remuneration to induce or in return for business can take many forms and are not limited to direct cash payments or credits.

In general, it is prohibited for Directors, Corporate Officers, and employees, and their family members, to receive or pay any personal financial benefit not authorized by the Company in connection with a Company business or charitable transaction. Such practices are not only unethical but are, in many cases, illegal, especially when the transaction involves any government business. Furthermore, no payment or offer of benefit of any kind, other than promotional items included in the Company's standard marketing policies, may be made to a member or customer or prospective member or customer as an inducement to purchase or remain enrolled in any of the Company's products.

Not only are kickbacks, rebates, and other forms of remuneration to induce or in return for business prohibited under this Code, they implicate strict federal laws. Federal "anti-kickback"

laws prohibit the direct or indirect offering, paying, soliciting or receiving of any money, fee, commission, credit, gift, gratuity, compensation, or other thing of value of any kind to improperly obtain, induce or reward referrals or the generation of business payable by a federal health care program such as Medicare or Medicaid or otherwise to obtain, induce or reward favorable treatment under any government contract.

No Director, Corporate Officer, or employee may engage in any conduct that would violate the federal “anti-kickback” laws. Directors, Corporate Officers and employees must report all suspected violations that would affect or involve the Company in accordance with the **Reporting Suspected or Detected Compliance Violation** section of this Code.

Reciprocity

In many instances, the Company purchases goods or services from a supplier, Associated Entity, or charity that also buys products or services from the Company. This practice is normal and acceptable, but any form of pressure for reciprocity with that supplier, Associated Entity or charity is not permissible. No third party may be asked by Directors, Corporate Officers or employees to buy Company products or services in order to become or continue to be a supplier or Associated Entity to the Company.

Gifts or Gratuities

Directors, Corporate Officers, and employees, and their family members, must refrain from accepting gifts, gratuities, favors or other items of value under circumstances from which it might be inferred that the gift, gratuity, favor, or other item of value is intended to influence the Director, Corporate Officer or employee in the performance of his or her duties for the Company. Possible exceptions to the prohibition regarding accepting items of value include:

1. Acceptance of meals, refreshments, lodging or travel arrangements of a modest value in the course of a meeting or other occasion, the purpose of which is to hold bona fide discussions relating to Company business.
2. Acceptance of advertising or promotional materials of modest value.

These exceptions are limited to circumstances where it could not be reasonably inferred that the gift, gratuity, favor or other item of value was intended to influence the Director, Corporate Officer, or employee in the performance of his or her duties for the Company.

Gifts, gratuities, favors or other items of value with an aggregate value greater than \$100 in a calendar year offered by a Director, Corporate Officer or employee to, or received by a Director, Corporate Officer or employee from, a current or potential supplier, Associated Entity, charity, or other third party relating to Company business must be reported in writing to the Chief Compliance Officer and may be approved by the Chief Compliance Officer on a case-by-case basis where no appearance of or actual conflict of interest exists. All other conflict of interest questions should be directed to the Chief Compliance Officer.

Gifts or other items with an aggregate value greater than \$100 offered to a Corporate Officer or employee as a result of early registration for a business-related conference must be reported in writing to the Chief Compliance Officer. The Chief Compliance Officer and the division Vice President will determine the appropriate use of such gift or other item of value. Gifts or other

items with an aggregate value of less than or equal to \$100 offered to a Corporate Officer or employee in such circumstance may be kept by the Corporate Officer or employee.

Directors, Corporate Officers, and employees are prohibited from soliciting or accepting tips, gifts, personal gratuities, favors or other items of value from members. Directors, Corporate Officers and employees violating this policy will be subject to appropriate disciplinary action up to and including termination of appointment or employment.

Entertainment

Directors, Corporate Officers, and employees may not solicit access to entertainment from any individual or entity with which the Company does business. From time to time, Directors, Corporate Officers and employees may offer or accept access to entertainment from an individual or entity with which the Company does business, but only if the entertainment is of modest value and occurs infrequently. Offering or accepting access to entertainment that is primarily intended to gain favor or influence should be avoided.

The individual offering access to the entertainment must participate in the activity; otherwise, the entertainment is considered a gift and subject to the dollar limits for gifts, gratuities, favors or other items of value.

Payments to Agents, Representatives, Consultants

Agreements with agents, sales representatives, and consultants acting on behalf of the Company must be in writing and must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved and the applicable rate or fee. Any service payments made on behalf of the Company to agents, sales representatives, and consultants must be reasonable in amount, not excessive in light of the practice in the trade and commensurate with the value of the services rendered. Rates and fees paid on behalf of the Company should not exceed the Company's normal prices for the product or service and level of distribution involved to avoid questions of overbilling and rebating. Compensation, including commissions and other remuneration, paid to agents and brokers marketing Medicare Advantage products are strictly regulated by the Centers for Medicare and Medicaid Services (CMS) and, consequently, must always conform to the requirements and limitations imposed by CMS.

Payments to Government Employees

Federal government officials (elected or appointed) and federal government employees: No payment of monies, gifts, services, entertainment or anything of value may be offered or provided in any amount, directly or indirectly, by a Director, Corporate Officer or employee to any federal government official or employee, unless prior written approval has been granted by the Company's General Counsel.

State and local government officials (elected or appointed) and state and local government employees: Idaho law permits the provision of minimal benefits not exceeding a value of \$100 incidental to personal, professional, or business contacts, as long as they do not undermine official impartiality of state and local governmental officials and employees. Offering any benefits in excess of this amount to Idaho state or local governmental officials or employees is prohibited unless prior written approval has been granted by the Company's General Counsel.

Other Improper Payments

No payment or offer of benefit of any kind, other than promotional items included in the Company's standard marketing policies, may be made by a Director, Corporate Officer or employee to a member or customer or prospective member or customer as an inducement for them to purchase or remain enrolled in any of the Company's products. Only inducements specified in the Company's standard marketing policies and available to all members and customers in similar circumstances on an equal basis may be offered by Corporate Officers or employees.

The use of Company funds or assets by Directors, Corporate Officers and employees for any unlawful or unethical purpose is prohibited. Any offer of payment or payment that is improper when made by a Director, Corporate Officer or employee is also improper when made by a commission agent, sales representative, consultant, or other third party on behalf of the Company. The offering or making of any payment to a third party by a Director, Corporate Officer or employee for any purpose other than that disclosed on the payment documentation is prohibited.

Principle 4 - Protection of Assets

Directors, Corporate Officers, and employees must protect the Company's assets and ensure their appropriate and efficient use. Company assets include more than Company equipment, inventory, funds or supplies. Company assets also include concepts, business strategies and plans, financial data, intellectual property rights and other data and information about the Company's business. Company assets further include leased premises, equipment and property.

Use of Company Assets

Directors, Corporate Officers, and employees must use Company assets solely for the benefit of the Company. Theft, carelessness, and waste have a direct impact on the Company's net income. All Company assets should be used by Directors, Corporate Officers, and employees for legitimate business purposes of the Company. Directors, Corporate Officers, and employees may not use Company funds or property for their or others' personal purposes or gain. Associated Entities granted custody of, access to, or permission to use the Company's assets in connection with the functions or activities they have been engaged to perform for or on behalf of the Company are expected to protect those Company assets and ensure their appropriate and efficient use.

No Director, Corporate Officer or employee may transfer any Company asset to other individuals or entities, except in the ordinary course of business. On occasion, some assets of the Company no longer needed in the business may be sold to Directors, Corporate Officers or employees. Such sales must be supported by properly approved documentation signed by an authorized Company representative other than the purchasing Director, Corporate Officer or employee.

Proper Accounting

The Company maintains a system of internal controls that the Company believes provides reasonable assurance that transactions are executed in accordance with management's authorization and are properly recorded, and provides for full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Company. The system is characterized by a control-oriented environment, which includes written policies and

procedures and examination by professional auditors. All Corporate Officers and employees are expected to adhere strictly to the system of internal controls maintained by the Company.

Manipulation of Auditors

No Director, Corporate Officer, or employee may take any action to improperly influence, coerce, manipulate, or mislead an independent public or certified accountant engaged in the performance of an audit of the financial statements, books and records, or data collection and reporting systems of the Company for the purpose of rendering such financial statements, books or records, or data collection or reporting systems materially misleading.

Falsification of Records

Federal and state law requires the Company to ensure that its books and records accurately reflect the true nature of the transactions represented. No Director, Corporate Officer or employee may cause the Company's books and records to be inaccurate. To do so may violate civil or criminal law. Examples of prohibited conduct include creating records to appear as though a payment was made to one person when, in fact, the payment was made to another; submitting expense accounts that do not accurately reflect the true nature of the expense; and creating any record that does not accurately reflect the true nature of the transaction.

No payment or receipt on behalf of the Company may be approved or made with the intention or understanding that any part of the payment or receipt is to be used for a purpose other than described in the document supporting the transaction. Payment, receipt or maintenance of concealed or unrecorded funds or other assets on behalf of the Company is strictly prohibited. Corporate Officers and employees must not create or participate in the creation of any record that is intended to mislead or to conceal Company transactions.

Certifications and Representations

The Company relies upon the truthfulness, accuracy and completeness of the information it receives from its Corporate Officers, employees and Associated Entities when it submits certifications. If actions of a Corporate Officer, employee or Associated Entity result in the submission of a false certification or representation in connection with a government contract, both the applicable Corporate Officer, employee or Associated Entity and the Company could be criminally and civilly liable for submitting false statements to the government. All Corporate Officers, employees and Associated Entities must exercise extreme diligence to ensure the certifications and representations they make to or for the Company are truthful, accurate and complete before they are submitted to the government.

The Company expects its Corporate Officers and employees to exercise care in preparing and submitting documentation to the government. Cost and pricing data provided in connection with government proposals and contracts must be current, complete, and accurate. It violates federal law to make fraudulent claims or statements to the government or to alter records being processed in connection with claims against the government. Any violation of these federal laws could result in debarment, sanction, or exclusion from doing business with the government.

Loans to Directors, Corporate Officers and Employees

The Company will not directly or indirectly extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan to or for any current or

prospective Director, Corporate Officer, or employee, except for properly approved travel advances.

Principle 5 - Confidentiality

Directors, Corporate Officers, employees, and Associated Entities must understand that certain Company information is confidential and may not be released without prior Company approval.

Confidential Information

Confidential Information includes any Company information that is not generally disclosed and is useful or helpful to the Company and/or Company competitors, including proprietary information, customer, member and supplier data, trade secrets, and intellectual property not yet publicly disclosed. Intellectual property includes all inventions, discoveries, ideas, processes, works of authorship, works for hire, drawings, designs, logos, developments, concepts, computer programs, and improvements, whether or not patentable, copyrightable, or subject to other forms of protection, made, created, developed, written, reduced to practice, or conceived by an employee, in whole or in part, or that are acquired or controlled by the Company.

Examples of Confidential Information include customer-specific information (including health-related or other personal information furnished to the Company with an expectation of privacy), financial data, sales figures for Company products, planned new products or planned advertising programs, areas where the Company intends to expand, lists of suppliers or customers, wage and salary data, capital investment plans, projected earnings, changes in Company management or policies, testing data, suppliers' prices for the Company, or Company plans for improving Company products. Confidential Information does not include information about a non-management employee's own wages, hours, or other terms and conditions of employment with the Company when discussed among other non-management employees.

It is very important for all Directors, Corporate Officers, and employees to appropriately safeguard Confidential Information and to refuse unauthorized access to Confidential Information by other organizations, including Company competitors, or individuals. The following guidelines apply to the use, disclosure and protection of Confidential Information:

1. Any Confidential Information to which Directors, Corporate Officers or employees may have access may only be shared with other Directors, Corporate Officers and employees on a need-to-know basis to fulfill their job functions.
2. Any disclosure of Confidential Information by a Corporate Officer or employee to an individual outside the Company should only be made pursuant to an appropriate trade secret or Confidential Information disclosure agreement provided by the Company's Legal Department. Such agreements may only be executed by an authorized member of Company management.
3. All Directors, Corporate Officers, and employees must be alert to and avoid inadvertent disclosures of Confidential Information that may arise in social conversations or in normal business relations with Company suppliers, Associated Entities or customers.

Member Information

All Directors, Corporate Officers, employees and Associated Entities have an obligation to

maintain the confidentiality of applicant and member information in accordance with the health information privacy and security requirements of the Health Insurance Portability and Accountability Act (HIPAA), its implementing regulations, and other applicable federal and state laws. Directors, Corporate Officers, employees and Associated Entities must:

- Safeguard the privacy of any information that identifies a particular applicant or past or present member;
- Ensure that applicant and member information is requested, used and disclosed by Directors, Corporate Officers, employees and Associated Entities only as permitted or required by applicable laws;
- Ensure that unauthorized individuals cannot access or alter applicant and member records or information; and
- Ensure timely access by past and present members to the records and information that pertain to them as required by applicable laws.

Personnel Actions/Decisions

Compensation information, personnel files, payroll information, disciplinary matters and similar information relating to Directors, Corporate Officers, and employees is Confidential Information. Directors, Corporate Officers and employees must maintain such information regarding individuals other than themselves in a manner designed to ensure its confidentiality. Corporate Officers and employees must exercise due care to prevent the release or sharing of such information regarding individuals other than themselves beyond those Corporate Officers and employees who may need to know such information to fulfill their job functions.

This section does not preclude non-management employees from discussing their own wages, hours, or other terms and conditions of employment among other non-management employees of the Company.

Principle 6 - Government Investigations and Audits

Government investigations and audits are serious matters. The Company cooperates with government investigations and audits and reasonable government requests for information. Directors, Corporate Officers, employees, and Associated Entities are expected to provide full cooperation to government investigators and auditors. Full cooperation requires providing timely and complete responses to requests from government investigators and auditors for documents, information and data, including timely and sufficient access to employees with knowledge of the pertinent facts.

The Company may be asked to cooperate with a government investigation or audit or to respond to a government request for information about how the Company conducts its business. The request may come to the Company through official government channels, or a Director, Corporate Officer, employee or Associated Entity may be contacted by a member of a governmental oversight or law enforcement agency, such as the Federal Bureau of Investigation, OIG, HHS, DOJ, the Idaho Department of Insurance, or the Idaho Attorney General. When the Company receives an official government request for information or cooperation, the Company will notify Directors, Corporate Officers and employees of their responsibilities and duties in connection with providing the requested information or cooperation on behalf of the Company.

If a Director, Corporate Officer or employee is contacted individually by and asked to meet individually with a government investigator or auditor to discuss activities in connection with the individual's employment or other relationship with the Company, the Company asks that the Director, Corporate Officer or employee immediately notify the Chief Compliance Officer or the Company's General Counsel of the government request. That notification will provide the Company the opportunity to properly evaluate and comply with any official government request for information or cooperation.

It is the decision of each Director, Corporate Officer and employee whether to respond to any government request for information or cooperation, whether to tell the Company about a government request, and whether to seek his or her own counsel; the Company will not discipline, punish, or otherwise retaliate against any Director, Corporate Officer or employee based on his or her decision. If a Director, Corporate Officer or employee decides to speak with government investigators or auditors, the Director, Corporate Officer or employee should be accurate and truthful in all of his or her answers to their questions; if the Director, Corporate Officer or employee is not accurate or truthful, both the individual and the Company could be subject to civil or criminal penalties.

Although Directors, Corporate Officers and employees may respond individually to government investigator or auditor requests for information or cooperation, no Director, Corporate Officer or employee may provide Company documents, records, data, or Confidential Information in response to the request for information or cooperation without first obtaining written approval from the Chief Compliance Officer.

Under no circumstances may a Director, Corporate Officer or employee do any of the following:

- Destroy or alter any Company document or record in anticipation of or in response to a request for the document or record by a government investigator or auditor, other government representative or court;
- Lie or make false or misleading statements to any government investigator or auditor; or
- Attempt to persuade any individual to provide false or misleading information to a government investigator or auditor or to not cooperate with a government investigation or audit.

ENSURING COMPLIANCE

Distribution of Code

The Chief Compliance Officer takes steps to ensure this Code and its amendments are made available to all Directors, Corporate Officers, employees, and Associated Entities. All are expected to strictly adhere to the applicable provisions of this Code and the Company's compliance program. As a condition of holding office or employment with the Company, each Corporate Officer and employee must certify that the Corporate Officer or employee has received, read and will comply with this Code and all other Company standards of conduct.

Compliance Training

Training regarding this Code and principles of compliance is made available on a regular basis for Directors, Corporate Officers and employees. Directors, Corporate Officers or employees who need additional assistance in understanding this Code or the principles of compliance should contact the Chief Compliance Officer or the Compliance Committee. All Directors, Corporate Officers and employees are required to attend periodic compliance training as a condition of their continued holding of office or employment at the Company. Any Corporate Officer or employee not attending designated compliance training will be subject to discipline up to and including termination of office or employment.

Compliance Committee

The Company has established a Compliance Committee that is responsible for assisting the Chief Compliance Officer to develop, implement, enforce and evaluate the Company's compliance program. Compliance program activities include monitoring compliance by Directors, Corporate Officers, employees, and Associated Entities with applicable laws, this Code, and the compliance program. Directors, Corporate Officers, and employees may request assistance from the Chief Compliance Officer or the Compliance Committee on any matter related to this Code or the Company's compliance program, including explanation and interpretation of their requirements.

Compliance Hotline

The Company maintains a compliance hotline that is anonymous, confidential, and toll free. The hotline may be used by Directors, Corporate Officers, employees and Associated Entities to report compliance issues or violations anonymously. When using the hotline, Directors, Corporate Officers, employees and Associated Entities should provide the following information:

- what happened;
- when it happened;
- what areas, departments, programs and services are involved;
- the names of the people involved; and
- the location of any information or records that are relevant to the incident.

Reporting Suspected or Detected Compliance Violation

Directors, Corporate Officers, employees, and Associated Entities are required to report all suspected or detected violations of applicable laws, this Code or the compliance program, including fraud, waste or abuse. Directors, Corporate Officers, employees, and Associated Entities are required to cooperate with investigations of suspected or detected compliance violations. Directors, Corporate Officers, employees, and Associated Entities must report their good faith belief of suspected or detected compliance violations in one or more of the following ways:

- Verbally or in writing to their supervisor or manager;
- By calling the Chief Compliance Officer;
- By calling any member of the Compliance Committee;

- By calling the Compliance Hotline at ext. 7424 or 1-888-258-3543;
- By mailing their written concern to the Chief Compliance Officer, P.O. Box 7408, Boise, ID 83707; or
- By e-mailing their concern to DL - Chief Compliance Officer.

Any good faith belief of a suspected or detected violation of applicable laws, this Code or the Company's compliance program by a Director should be reported to the Chair of the Board of Directors, unless the suspected or detected violation involves the Chair of the Board; in that case, the good faith belief of a suspected or detected compliance violation should be reported to the Vice-Chair of the Board of Directors.

Reporting a suspected or detected compliance violation is a sensitive matter. The Company encourages Directors, corporate officers, employees and Associated Entities to fulfill their duty to report in confidence (to the extent allowed by law) and without fear of intimidation and retaliation. The Company will make every effort to maintain the confidentiality and protect the identity of the reporting individual; however, disclosure may be necessary to complete an investigation or to comply with law or legal process. The Company will not intimidate, discipline, punish, or otherwise retaliate against any Director, Corporate Officer, employee or Associated Entity who in good faith reports a suspected or detected compliance violation or engages in other Company compliance activities.

When a suspected or detected compliance violation is reported, the Chief Compliance Officer will conduct a full review and investigation, except with respect to a reported violation involving the CEO, the review and investigation will be conducted by or at the direction of the Board of Directors. When warranted, the Company will implement appropriate corrective action to ensure that similar compliance violations do not occur. The Company will report compliance violations, when appropriate, to the applicable governmental oversight or law enforcement agencies.

Disciplinary Guidelines

Corporate Officers and employees who violate applicable laws, this Code or the Company's compliance program will be subject to disciplinary action by the Company. Corporate Officers and employees may be subject to disciplinary action by the Company when they knowingly fail to report a compliance violation or fail to detect a compliance violation because of the Corporate Officer's or employee's gross negligence or reckless conduct or, when acting in a supervisory capacity, fail to properly oversee compliance by those whom the Corporate Officer or employee supervises.

Factors Considered in Determining Appropriate Disciplinary Action

Appropriate discipline of Corporate Officers and employees who violate applicable laws, this Code or the Company's compliance program is a necessary component of enforcement. The type and degree of discipline will be case-specific and fairly applied. An effective compliance program depends, in part, on self-reporting and acceptance of responsibility by Corporate Officers and employees who may have made inappropriate decisions or errors in judgment.

Factors to be considered by the Company in imposing appropriate disciplinary action include the following:

- the nature of the compliance violation and the ramifications of the compliance violation for the Company;
- whether the Corporate Officer or employee was directly or indirectly involved in the compliance violation;
- whether the compliance violation was willful or unintentional;
- whether the compliance violation represented an isolated occurrence or a pattern of conduct;
- whether the individual cooperated with the investigation;
- whether the individual self-reported and accepted responsibility;
- if the compliance violation consisted of the failure to properly supervise another individual who committed the compliance violation, the extent to which the circumstances reflect inadequate supervision or lack of due diligence; and
- any past violations by the particular Corporate Officer or employee involved.

Range of Disciplinary Actions

The Company may apply the following range of disciplinary actions to a Corporate Officer or employee when the Corporate Officer or employee is determined to have violated applicable laws, this Code or the Company's compliance program. Although one or more of these disciplinary actions may be taken in connection with a particular Corporate Officer or employee, no formal order or progression is required in the range of disciplinary actions. The Company may terminate appointment or employment without imposing all or any of the other disciplinary actions whenever the Company determines such disciplinary termination is warranted.

- Verbal Warning
- Written Warning
- Probation
- Suspension from Duties
- Termination of Appointment or Employment

Violations of applicable laws may also be reported by the Company to the applicable governmental oversight or law enforcement agencies.

Any Director, Corporate Officer, or employee who harasses, threatens, or retaliates against another Director, Corporate Officer, employee or Associated Entity for reporting compliance violations or engaging in other Company compliance activities will be subject to the range of disciplinary actions listed above.

Rights of Employee Accused of Compliance Violation

Any employee accused of a violation of applicable laws, this Code or the Company's compliance program will be treated with fairness by the Company and will be provided with an opportunity to respond to the alleged compliance violation.

GLOSSARY OF TERMS

TERM	DEFINITION
Associated Entities	Providers, vendors, agents, brokers, contractors and subcontractors, including first tier, downstream, and related entities, with which the Company does business
BCBSA	Blue Cross Blue Shield Association
CEO	Chief Executive Officer
CMS	Centers for Medicare and Medicaid Services
Code	Blue Cross of Idaho Health Service, Inc. Code of Ethical Business Conduct
Company	Blue Cross of Idaho Health Service, Inc.
Confidential Information	Company information that is not generally disclosed and is useful or helpful to the Company and/or Company competitors, including proprietary information, customer, member and supplier data, trade secrets, and intellectual property not yet publicly disclosed
Corporate Officers	Officers of the Company as elected by the Board of Directors or appointed by the CEO
DOJ	U.S. Department of Justice
Director	A member of the Company's Board of Directors
Family	A spouse, child, parent, sibling, step-child, step-parent, step-sibling, grandparent, in-law or any person residing in a Director's, Corporate Officer's or employee's household.
FCA	The False Claims Act
FEP	Federal Employee Program
Government health programs	Health programs such as Medicare Advantage, Medicaid, Children's Health Insurance Program and Federal Employees Health Benefits Program
HHS	U.S. Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act
Honoraria	Payments for participating as faculty or speaker at educational programs and functions related to a Corporate Officer's or employee's work
Includes/Including	Includes but is not limited to/including but not limited to
Management	Any Company employee with the title of manager or above
Medicare Advantage	Medicare Advantage (Part C) and Medicare Advantage Prescription Drug (Part D) program
OIG	HHS Office of Inspector General
Written approval	Approval via written signed documentation or electronic documentation (email)