

Topic: Code of Business Conduct

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## **I. PURPOSE AND GENERAL STATEMENTS**

The purpose of this Code of Business Conduct is to provide general guidelines of business conduct for Associates of Blue Cross and Blue Shield of Oklahoma (BCBSOK) and its subsidiaries.

The Code governs the conduct of every BCBSOK Associate -- no one is exempt. Certain aspects of conduct are addressed in this Code but these are not intended to be an all-inclusive list. If you have questions about this Code or other employment related matters, please discuss them with your manager or the Human Resources department. Additional information is available in the Corporate Policy Manual located in each division.

## **II. RECORDING AND REPORTING INFORMATION**

Every Associate records and reports important information ranging from documents to subscribers, providers, and the government, to BCBSOK time and expense reports. Information should never be omitted or concealed. BCBSOK relies on you to record and report information fully, accurately and honestly.

Associates involved in any aspect of the accounting process are further expected to comply with all internal controls which provide reasonable assurance that transactions are executed in accordance with management's authorization. All information is to be properly recorded. No unrecorded fund or assets may be created or maintained for any purpose. The making of false or fictitious entries in the BCBSOK books is prohibited.

Disposal or destruction of BCBSOK records is not discretionary. Retention of records will be in accordance with legal and regulatory requirements and BCBSOK policy and procedure. In any event, records pertaining to litigation or a government investigation or audit must not be destroyed until the matter is closed.

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### **III. USE OF BCBSOK FUNDS AND ASSETS**

All BCBSOK's funds and other assets are to be used solely for its benefit and may not be used to provide improper personal gain for Associates or others.

### **IV. PROTECTING INFORMATION**

Most BCBSOK corporate information is proprietary and confidential. Examples of confidential information include:

- subscriber information
- provider information
- product development information
- contractual arrangements
- financial data
- computer software programs
- personnel data and salary information

**Do not use or disclose BCBSOK information, except when authorized by BCBSOK.** Do not disclose data about providers or subscribers to other parties or to other Blue Cross and Blue Shield Plans without authorization by appropriate management.

There are exceptions to this rule, such as the release of routine reports about BCBSOK to other Blue Cross and Blue Shield Plans. However, if you question whether specific information may be disclosed, ask your manager before discussing the information or release it in any form.

Release of unauthorized information can result in personal, legal, and financial liability to the individual(s) responsible.

Even after you retire or leave BCBSOK, you still may not disclose proprietary or confidential information about BCBSOK, its subscribers, or other Blue Cross and Blue Shield Corporations.

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## V. CONFLICT OF INTEREST

As a BCBSOK Associate, you must avoid any situation where a conflict could exist or appear to exist between your personal interests and those of BCBSOK.

The guiding principles when evaluating a situation for potential conflict of interest are objectivity and disclosure.

As a BCBSOK Associate, you are expected to make decisions objectively on behalf of BCBSOK. If you or a close relative has a personal financial interest in a decision you make or may have to make for BCBSOK, you may be involved in a conflict of interest. A close relative is defined as a spouse, dependent child or other member of your immediate family. A conflict is not likely to exist, however, where the financial interest consists of stock shares, bonds or other securities of a non-competing organization or company where the amount of such interest is less than five percent (5%) of the value of the class of such securities.

Before you take any action that could be viewed as a conflict of interest situation, **disclose** it to your manager. Your manager will offer guidance as to whether a conflict might exist and, if so, how to resolve the situation. Each year, Associates, Officers, and Directors will be asked to submit a statement of disclosure of information relating to possible conflicts of interest. In addition to submitting these periodic reports, all Associates have an affirmative duty to disclose to their management any situation which may constitute a conflict of interest.

Several situations where conflicts may arise are discussed under the following headings.

## VI. BUSINESS DEALINGS WITH SUPPLIERS AND CUSTOMERS

Conducting business with suppliers and customers can pose ethical or even legal problems. The following guidelines are intended to help all Associates make decisions in potential difficult situations:

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The purchase or sale of goods and services must not lead to Associates or their families receiving kickbacks or rebates. These can take many forms and are not limited to direct cash payments or credits. As a general rule, if you or your family stand to gain personally through the transaction, it is most likely prohibited.

Agreements with agents, consultants, or any third party must be in writing on BCBSOK's standard forms or such other form as may be approved by the General Counsel. Such agreements 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 such payments must be commensurate with the value of the services rendered.

The use of BCBSOK funds or assets for any unlawful or unethical purpose is prohibited. Any payment which is improper when made by BCBSOK Associates is likewise improper if made by a commission agent, consultant, or other third party on behalf of BCBSOK, when BCBSOK knows or has reason to know that the payment will be made. The making of any payment to a third party for any purpose other than that disclosed on the payment documentation also is prohibited.

All third party agents, vendors and contractors who act for or on behalf of BCBSOK should be made aware of the existence of the Code of Business Conduct and the requirement of strict adherence by all Associates.

## **VII. GIFTS, FAVORS, ENTERTAINMENT**

Acceptance of money or significant gifts, favors or entertainment from those who do business or seek to do business with BCBSOK may impair, or seem to impair, your objectivity. The same applies to any gift, favor, or entertainment given to you by a provider or subscriber. Gifts and favors include cash, honoraria, services, discounts, bargain purchases, vacation, and unusual, elaborate entertainment.

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It is the policy of BCBSOK that Associates may not solicit or accept significant gifts, favors, or entertainment from these sources. Any such unsolicited gifts, favors, or entertainment received must be reported to a member of Senior Management.

It is important to determine when gifts, favors, or entertainment become “significant” because of value or frequency. Here are some guidelines that are applicable, (except situations falling under the Federal Anti-Kickback Act, which is specifically covered under heading VIII. “Federal Anti-Kickback Act.”)

- “Significant gifts or favors,” may be defined as anything in excess of \$50.00.
- You may accept advertising or business novelties of trivial value (desk calendars and ball-point pens, for example).
- A “gift” or “favor” does not include loans from financial institutions on customary terms, articles of nominal value ordinarily used for sales promotion, ordinary “business lunches,” or reasonable entertainment consistent with local, social, and business customs.
- You may accept customary business amenities such as meals, provided expenses are reasonable, serve a legitimate business purpose, and are appropriate to your business responsibilities.

Acceptance of the above should be infrequent.

The same guidelines apply to the customary business amenities offered by BCBSOK Associates to others.

If you have questions, talk to your manager and consult the Corporate Policy Manual.

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## **VIII. FEDERAL ANTI-KICKBACK ACT**

Associates are prohibited from accepting or soliciting kickbacks or gratuities from suppliers or vendors that could create the appearance of a conflict of interest.

The Federal Anti-Kickback Act prohibits Associates from accepting anything of value from current or potential subcontractors and requires your employer to report any possible violations of the Anti-Kickback Act to the Federal Employees Health Benefit Program Director's office. Associates aware of violations of this policy should report it to their supervisor and General Counsel.

Associates should avoid any conduct or activity, which might be construed as an attempt to influence a Federal employee. When dealing with Federal employees Associates should be informed that:

Government regulations prohibit Federal employees with which BCBSOK conducts business from accepting any entertainment, gifts, gratuities, payments or other business courtesies (with only minor exceptions). Associates should not engage in any behavior that could create the appearance of offering a gratuity to influence a procurement official or in exchange for favorable treatment.

Some of the Federal Employees Program (FEP) exceptions are listed below. It is the responsibility of each Associate to be aware of, understand and adhere to BCBSOK policies in these areas.

BCBSOK Associates may offer a Federal procurement official (i.e., health benefits officer, agency head, contract administrator or Federal auditor):

- ☐ A gift, entertainment, meal or anything of monetary value with a value of \$10 or less on any one specific occasion with an annual limit of \$50

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- Modest items of food and refreshment not offered as part of a meal (i.e., soft drinks, coffee, or donuts)
- A modest meal and/or premium item not to exceed \$10 in value in conjunction with a BCBSOK hosted conference that involves the dissemination of technical and professional information
- A meal and premium item with a total value of less than \$10 when outside a BCBSOK hosted conference

## **IX. OUTSIDE ACTIVITIES**

Associates should avoid outside employment or activities that would have a negative impact on the performance of their job with BCBSOK, or conflict with their obligations to BCBSOK, or negatively impact the reputation of BCBSOK in the community.

BCBSOK respects the Associates' rights to pursue outside activities. In some instances, such as the tuition reimbursement program, BCBSOK supports your interests by bearing some of the costs. However, where outside activities encroach significantly on working time, interfere with regular duties, or adversely affect the quality of your work, the situation is to be resolved by you and your manager.

## **X. POLITICAL ACTIVITY AND CONTRIBUTIONS**

Federal and state laws restrict the use of corporate funds in connection with elections. It is against BCBSOK policy, and may be illegal, for Associates to be directly or indirectly reimbursed by BCBSOK for any political contribution. Because the political process has become highly regulated, Associates should determine in advance whether any proposed conduct which could be construed as involving BCBSOK in any political activity violates any applicable law or regulation.

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## **XI. BUSINESS DEALING BETWEEN BCBSOK AND ASSOCIATES**

BCBSOK will not, without full disclosure, purchase goods or services from an Associate or from a concern in which an Associate or a close relative of an Associate has a substantial interest. Similarly, BCBSOK will not sell, give, or lend any BCBSOK equipment, furniture, supplies, or materials to any Associate. Occasional exceptions may be made when it is in the best interests of BCBSOK, but only when authorized in advance by disinterested Associates of the appropriate levels in accordance with established procedures.

## **XII. COMPLIANCE WITH LAWS**

BCBSOK is committed to conducting its activities in accordance with all applicable laws, including those governing safety, health and the environment. Management fully supports the principles and the spirit of equal employment opportunity and all other non-discrimination laws, regulations and policies. All Associates are expected to observe and comply with all BCBSOK policies.

## **XIII. WHERE TO GO FOR GUIDANCE**

Any questions about corporate values or code of conduct of BCBSOK should be discussed openly with your manager, executive division management, the Vice President of Human Resources, or General Counsel. The Corporate Policy Manual is available in each division for reference by all Associates.

## **XIV. REPORTING POSSIBLE VIOLATIONS**

BCBSOK is committed to the policy that all Associates have an obligation to report any violation of this, or any other policy. All Associates should report known or suspected violations to their immediate management, an Executive Officer, the Vice President of Human Resources, or General Counsel. All possible measures shall be taken to protect the anonymity and confidentiality of the reporting individual where warranted.

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General Counsel and the Vice President of Human Resources will, pursuant to these policies, establish a Compliance Program for the education and training of Associates as to what, how and why to promptly report suspected violations of this policy as well as to whom suspected violations may be reported.

The Compliance Program will provide commencement of a prompt and impartial investigation by an appropriate Associate(s) as soon as a suspected violation is reported. The Compliance Program will also encourage recommendations and suggestions for updating the Code of Business Conduct policy and the Compliance Program to further ensure that they are effective and efficient.

Following an investigation, confirmed violations will be addressed through the BCBSOK progressive discipline procedures, up to and including termination of employment.

- XV.** Internal Audit will periodically review the Code of Business Conduct to ensure it is being administered in accordance with policy and procedure.
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