CODE OF BUSINESS CONDUCT

January 2019

Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.
A message from our CEO

Over the years, Blue Cross Blue Shield of Michigan and Blue Care Network have made a significant impact on the health and health care of our members as Michigan’s leading health insurer and as a trusted partner to our customers. Our commitment to compliance and integrity-based business practices have enhanced the quality of care for our members, driven innovation in our products and strengthened our reputation.

Our Code of Business Conduct establishes a culture of integrity and promotes an environment of ‘doing the right thing.’ It is more than a set of rules, it allows us to put our values into action and helps us make the right decisions every day.

Our individual and collective actions uphold and support our culture of organizational ethics which helps us serve our customers with integrity, respect our co-workers, seek guidance and share concerns without fear. Thank you for helping us to adopt and put into action the principles which will continue to support our success long into the future.

Sincerely,

Daniel J. Loepp
President and CEO
Blue Cross Blue Shield of Michigan
A message from our Compliance Officer

Dear workforce members,

As you know, Blue Cross Blue Shield of Michigan and Blue Care Network take pride in our longstanding commitment to compliance and conducting our business with integrity. These are fundamental elements to the long-term success of any business that drive value in our reputation. Upholding this reputation and securing the integrity and trust of our members, customers and other business partners is everyone’s responsibility.

We are working to continuously invest in the Company’s compliance and ethics culture. Our primary goal is to foster a proactive culture centered on trust and accountability, in which workforce members have the tools they need to act ethically and be compliant in their decisions.

Our Code of Business Conduct is part of our way of life and serves as a valuable guide to ethical decision making. Workforce members are expected to adhere to the letter and spirit of this code. It is up to each workforce member to support and promote an ethical culture, to use sound judgment, and to do the right thing.

Thank you for making ethics and compliance a priority.

Sincerely,

Michele Samuels
Senior Vice President
General Auditor and Corporate Compliance
Quick Reference Guide

The quick reference guide can be used to quickly find information that is frequently requested. Please note that the expectation is that everyone will read and agree to abide by the entire Code of Business Conduct document. Feel free to email ComplianceOffice@bcbsm.com if you have any questions.

- Disclosing potential conflicts of interest (*Page 14*)
- How to resolve potential conflicts (*Page 17*)
  - Employees have a duty to disclose to their leadership, at the time it arises, any situation, transaction or relationship that may be viewed as a conflict of interest.
- Gifts and Entertainment (*Page 14*)
  - You should exercise good judgment in offering or accepting meals, entertainment or other gratuities to avoid any improper influence or the appearance of a conflict. For more information see the guidelines for acceptance and disclosure of gifts and entertainment.
- The use of Company Email and Internet (*Page 8*)
  - Following the guidelines for company email and internet usage helps to protect the company.
- Safeguarding the confidentiality of personal and protected health information (*Pages 9 and 10*)
  - The Company is required by state and federal law, and is strongly committed to, safeguarding the confidentiality of personal and protected health information.
- How we solve ethical problems (*Page 18*)
  - We encourage you to think about ethical dilemmas, report problems or concerns, and ensure your behavior conforms to the standards in the Code.
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Standards of Business Conduct

1 Ethical Business Practices

1.1 High Ethical Standards: The Key to Our Success

Our Code of Business Conduct is part of our way of life at Blue Cross Blue Shield of Michigan and Blue Care Network. Corporate ethics and compliance are related concepts, but not identical. Ethics are part of the culture of an organization. They provide a framework for decision making by guiding workforce members to always consider and do the “right thing.” This framework focuses on guiding workforce members on how and why to follow the rules. Compliance is the requirement that workforce members abide by contractual obligations, Blue Cross Blue Shield Association standards, Company policies, and all applicable laws.

The Company strives to maintain high ethical and compliance standards when conducting business. Maintaining these high standards is the key to our success.

The Company requires those acting on its behalf to be respectful, fair, and courteous to each other and those affiliated with the Company. All employees are expected to conduct themselves in a respectful and businesslike manner in the workplace, during work-related activities, and in their dealings with co-workers, leadership, and customers.

This Code requires those acting on behalf of the Company to act with honesty, integrity, and impartiality when dealing with customers, providers, vendors, regulators, competitors, community, fellow workforce members, and board and council members. To earn and keep their trust, the Company makes every effort to avoid even the appearance of unethical or non-compliant conduct.

Senior leadership and the boards of directors are committed to providing avenues through which ethical issues may be raised, reviewed, and resolved openly and honestly. Help is available when there are questions about how to maintain ethical standards. Anyone who is in a situation that raises an ethical concern should follow the guidelines in How We Solve Ethical Problems.

Our Mission

We commit to being our members’ trusted partner by providing affordable, innovative products that improve their care and health.
1.2 Accounting and Reporting

To ensure the integrity of Company financial records, everyone is required to abide by established accounting and business practices which include accurately and truthfully recording accounting data, corporate information, and operating data. False or artificial entries are not allowed for any reason in Company financial records. Examples of improper conduct include:

- Causing records to appear as though a transaction occurred when it did not
- Causing records to appear as though a transaction occurred at a different time than it truly did
- Failing to report suspected financial fraud, waste, or abuse
- Fraudulently influencing, coercing, manipulating, or misleading any accountant engaged in an audit of the financial statements of the Company

1.3 Antitrust Laws

The Company strives to conduct its business in a manner that helps maintain a free and competitive market. Activities that would restrain a competitive market, even artificially, are contrary to that philosophy and to antitrust laws, including:

- Entering into any agreement or joint conduct with competitors that would harm competition
- Collaborating with a competitor to decide what to charge for products or services
- Collaborating with a competitor to decide what to pay for services

To avoid any implication of an antitrust violation, Company representatives should:

- Never discuss sensitive business information with a competitor
- Never exchange price information or communicate with a competitor about prices, anything that may affect prices, or customers
- Take extra care when attending trade association meetings or other events where interactions with competitors occur

Antitrust laws are very complex. Any questions about permissible or impermissible conduct should be directed to the Office of the General Counsel.

1.4 Fair Dealing

The Company is committed to dealing fairly with customers, suppliers, competitors, and workforce members. We will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of facts, or any other unfair business practice.
1.5 Prior Criminal Convictions and Delegation of Authority

The Company has a legal duty to identify and consider for exclusion from its operations workforce members whose prior conduct was illegal or inconsistent with the administration of an effective compliance and ethics program. How that conduct is related to the specific responsibilities of the workforce member, as well as how recently the conduct occurred will be taken into consideration when making hiring, contracting, or retention decisions.

Workforce members will be subject to periodic background checks and to verification against government sanction lists. The Company will not do business with any individual or organization whose name appears on government sanction lists, as may be required by law, rule, or regulation. Disclosure requirements will be incorporated into applicable vendor, contractor, and provider agreements.

The Company’s Human Resources department makes decisions regarding the hiring or retention of individuals or organizations with histories of:

- Felony convictions
- Convictions for crimes of fraud, dishonesty, or other health care crimes
- Reported or discovered misconduct

Issues regarding contracting with any organizations that have felony convictions or other misconduct will be discussed and resolved by the Corporate Compliance Officer.

The Company will not delegate substantial discretionary authority to individuals whom it knows have a tendency to engage in inappropriate, improper, or illegal conduct.

1.6 Records Management

The Company requires compliance with Records Management policies that in accordance with applicable laws, establish uniform procedures for storing, retaining, and destroying corporate records. Exceptions to the policies may be made by the Office of the General Counsel during investigations of alleged wrongdoing or as required by law to preserve relevant corporate records.

1.7 Nondiscrimination

BCBSM strictly prohibits any form of harassment or discrimination against an individual or a group based upon sex, race, color, national origin, religion, physical or mental disability, protected activity, age, veteran status, height, weight, genetic information, gender identity, sexual orientation, marital status, familial status, citizenship, arrest record, membership in a historically under represented group, pregnancy, childbirth or a related medical condition and any other characteristics protected by law, in the workplace and during work-related activities.
The term “discrimination” includes but is not limited to treating an individual less favorably than others because he/she belongs to one of the protected classifications identified above. Additional information, including responsibilities, definitions and examples can be found in the Harassment / Discrimination Policy.

1.8 Government Investigations

If a workforce member is contacted at work or outside of work by a governmental agency concerning a work-related matter, the workforce member should immediately contact his or her leadership, the Office of the General Counsel, and Corporate Compliance.

The Office of the General Counsel can aid in determining how to respond to the request for information. If you receive a subpoena from a government agency, you should immediately contact the Office of the General Counsel and Corporate Compliance at ComplianceOffice@bcbsm.com.

1.9 Nondiscrimination in Health Programs and Activities

Section 1557 of the Patient Protection and Affordable Care Act (ACA) prohibits discrimination based on race, color, national origin, sex, age, or disability in certain health programs and activities. Anyone contacted concerning the Company’s compliance with this section should immediately contact the Company’s Office of the Civil Rights Coordinator at civilrights@bcbsm.com.

Allegations of noncompliance with section 1557 can be made by calling 888-605-6461 or emailing civilrights@bcbsm.com.

1.10 Government Programs

Additional compliance requirements and procedures apply to the Company’s participation in government programs. Please refer to the Federal and State Programs Addendum in the Corporate Ethics and Compliance Policy for more information.

1.11 Workforce Members Serving as Corporate Representatives on External Boards

Business organizations: Blue Cross president and chief executive officer approval is needed for any workforce member to serve as a corporate representative on the board of a business organization. This includes Blue Cross related organizations, such as a subsidiary, the Blue Cross and Blue Shield Association, another Blue plan, or any other organization related to Blue Cross business. Corporate representatives must submit an expense report to obtain
reimbursement for expenses incurred to attend meetings. Any expense reimbursement received from the business organization should be made payable to the Company and include documentation. Corporate representatives may not accept retainers, meeting fees, stipends, or any other compensation offered for service at these business organizations.

Charitable, civic and community organizations: Corporate representatives may not accept retainers, meeting fees, stipends, or any other compensation when offered for service on these boards. See the Corporate Citizenship Policy for additional information.

Workforce members sitting on external boards in their individual capacity and not as representatives of Blue Cross should see the Outside Work section for more information.

1.12 Participation in Conferences or Meetings

Workforce members may not solicit customers, vendors, suppliers, providers, consultants, or agents to pay for the costs of travel, lodging, registration fees or other personal expenses related to conference or meeting attendance.

Cash honorariums or any other financial consideration received related to a workforce member’s position with the Company may not be accepted. Should any such payment be received, the workforce member must process it per the guidelines in the Business Expense Reimbursement Policy.

In most situations payment for travel-related expenses shall be reimbursed by the Company in accordance with applicable Business Expense Reimbursement Policy.

Attendance at or participation in conferences or meetings unrelated to current or potential Company business are not subject to this code.

If a current or potential customer, vendor, supplier, provider, consultant or agent offers to pay for travel, lodging or registration fees associated with a meeting or conference the following requirements must be met:

- Vice president or above approval must be obtained prior to attending the conference or meeting
- The expenses paid by the vendor must be reasonable and consistent with the Business Expense Reimbursement Policy, e.g., do not involve lavish accommodations or expenditures
- Workforce member attendance must be for a valid business purpose and a reasonable adjunct to a business relationship
- The expenses for attendance are reasonable considering the benefits afforded to the Company and unlikely to compromise the workforce member’s ability to carry out their duties
• The workforce member must make a reasonable effort to determine the value of the travel expenses associated with the conference or meeting and enter the amount on the annual disclosure of potential conflicts of interest

**Note:** Workforce members with responsibility for administration of Company workforce member benefit plans such as pension funds, 401k plans, life insurance or workforce member health plans are subject to additional legal requirements. These workforce members (including their relatives) may not accept any gifts, gratuities or other consideration from a customer, vendor, provider, consultant or agent about any transaction involving Company assets having an annual aggregate value of $250 or more. Workforce members with these responsibilities may attend educational conferences related to workforce member benefit plans, but shall be subject to the same guidelines as listed above.
2.1 Use of Company Assets and Funds

Company assets are to be used for reasonable and bona fide business purposes. Company assets include, but are not limited to:

- equipment
- funds
- office supplies
- concepts
- business strategies and plans
- financial data
- other information about Company business

These assets may not be used to derive personal gain for you or for others. You must not transmit Company information to personal emails or unauthorized external parties.

The Company should 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 director or executive officer (or equivalent thereof) of the Company.
2.2 Use of Company E-mail and Internet

The Company’s internal e-mail systems are acceptable for transmitting confidential data within the enterprise. Protected health information may be shared using internal e-mail systems provided the recipient has a business need-to-know and the minimum necessary rule is applied. Our internal electronic mail systems, however, are not secured sources of data transmission and should not be used to send e-mail over the public internet.

Encryption is required when sending sensitive data outside the Company. Messages traveling through the internet are subject to potential public disclosure through innocent misdirection or deliberate intervention if not encrypted.

When sending sensitive data outside the Company, workforce members must comply with applicable corporate policies, including the Health Information Privacy Policy, Information Security Policy and related Corporate Standards. An encryption option is available to secure messages that are being sent over the Internet. Workforce members can obtain additional information, including instructions, at the Information Technology site on BluesLink. You should contact your leader or check IT4Me on BluesLink with questions related to encrypted e-mail.

It is a violation of the Code of Business Conduct to create, access or exchange messages or information on or through the Company’s electronic mail systems or computer networks that is offensive, harassing, obscene, threatening or disparaging to others. Simply stated, do not send anything via the electronic mail systems that you would not want disclosed publicly. In addition, do not access such information through the use of the business computer systems.

It is a violation of the Code of Business Conduct to use the Company’s internal e-mail systems to create or share information that is offensive, harassing, obscene, threatening, or disparaging to others.

2.3 Adherence to Fraud, Waste and Abuse Guidelines

The Company is committed to preventing and detecting fraud, waste, and abuse. The Company promotes an ethical culture of compliance with all federal and state regulatory requirements and requires the reporting of any suspected fraud, waste, or abuse. The Detection and Prevention of Fraud, Waste, and Abuse Policy is available on the corporate intranet and sets forth the requirements for workforce members.
2.4 Confidentiality

The Company is required by state and federal law, and is strongly committed to, safeguarding the confidentiality of personal and protected health information. Such information includes, but is not limited to, a member’s medical history, treatment records, age, or marital status. You may have access to this information only if you need it to perform your job. You may use and disclose it only as permitted or required by law and by our corporate Health Information Privacy Policy. Any breach of this obligation to maintain the confidentiality of protected health information will be viewed very seriously and will result in discipline, up to and including termination of employment.

You must vigorously safeguard the Company’s confidential or proprietary information. Confidential or proprietary information includes any information that is not generally disclosed outside the Company and that may be useful or helpful to our competitors. Examples include financial data, customer lists, business strategies, and information or data that we have agreed by contract to maintain confidentially. To protect this confidential information from improper disclosure, follow these guidelines:

• Share confidential information with others only on a need-to-know basis
• Do not transmit corporate information to personal emails or unauthorized external parties
• Do not use a workforce member-owned device to capture or disseminate images or audio of any corporate data

• Ensure that disclosure of any confidential information to outsiders is approved by leadership and protected by an appropriate confidentiality agreement

• Avoid incidental disclosures of confidential information in conversations with suppliers, customers and others

• All employees, regardless of work location (Off-Campus, Mobile or On-Campus), must follow company confidentiality guidelines. Additional information can be found in the BlueSpace – Flexible Work Arrangement Corporate policy.

Workforce members must also respect and protect the trade secrets, proprietary and confidential information of other entities acquired prior to working for the Company. Confidential or protected information includes, but is not limited to the following:

• Customer lists
• Patented products, methods, or processes
• Copyrighted materials
• The trade or service marks of others

Questions regarding ownership issues and the use of confidential or protected information should be directed to ComplianceOffice@bcbsm.com.

2.5 Political Activities

The Company encourages you to be a good citizen and to participate in the political process. However, if you participate in political activities on your own initiative, including making personal political contributions to candidates or political parties, make it clear that you are acting as an individual and not acting on behalf of the Company. You may not use any Company property, facilities, or time of any other workforce member for any political activity. Workforce members involved in political activities should do so outside of working hours.

Corporate political activity is highly restricted. The Company is prohibited by law from using its funds to support candidates for federal, state or local office. The Company receives federal funds under government contracts and must carefully monitor activities in this area to ensure that government funds are never used for political activities. A narrow exception to this rule allows use of Company resources to form and maintain bluesPAC, a political action committee that may then make political contributions using voluntary donations from eligible workforce members.
Conflicts of Interest

The Company asks its employees to annually disclose any relationships, outside business dealings, or other interest that may conflict with the interests of the Company.

3.1 Identifying Potential Conflicts of Interest

Workforce members have a duty to be entirely free from influence of any conflicting interests when representing the Company in business dealings or making recommendations that may influence an action of the Company.

The Company respects workforce members’ privacy in personal activities and financial affairs. This code is intended to help workforce members avoid situations that may represent a conflict of interest.

The Company cannot foresee or define every situation that might be considered a conflict of interest. A conflict exists when an obligation or a situation resulting from a workforce member’s personal activities or financial affairs, or those of a close relative or cohabitant may influence his or her judgment in performing his or her duty to the Company. In some cases, an apparent conflict of interest is more theoretical than real, but it is important to resolve such cases promptly.

If you are not certain whether to report a potential conflict, contact Corporate Compliance at ComplianceOffice@bcbsm.com for guidance.

Conditions in which potential conflicts of interest may arise include, but are not limited to:

3.1.1 Financial Interests – A conflict may exist when a workforce member, directly or indirectly, or one of his or her relatives or cohabitant owns any beneficial interest in an organization which is a competitor of the Company or which has current or prospective business with the Company as a supplier, customer or contractor. A conflict is not likely to exist, however, where the financial interest consists of stock holdings of under five percent in a publicly traded company.

3.1.2 Outside Work – A conflict may exist when a workforce member or one of his or her relatives or cohabitant serves in any capacity with an organization which is a competitor of the Company or which has current or prospective business with the Company as a supplier, provider, customer, vendor or contractor.

A conflict may exist when a workforce member engages in an independent business venture or performs work or services for another business, community, civic, or
charitable organization to the extent that the activity prevents the workforce member from devoting the time and effort to the Company’s business.

3.1.3 Trading with the Company
– A conflict may exist when a workforce member, or one of his or her relatives or cohabitant is involved in a transaction with the Company, involving rental or purchase of real estate or other property, equipment or supplies or the provision or receipt of other goods or services.

3.1.4 Confidential Information
– A conflict may exist when a workforce member or one of his or her relatives or cohabitant uses any confidential information obtained as a result of his or her employment for personal gain or for the benefit of others.

3.1.5 Business Opportunities – A conflict may exist when a workforce member, without knowledge and consent of the Company, assumes the benefit of any business venture, opportunity or potential opportunity from the course of his or her employment, and which is related to any current or prospective business of the Company.

Conflict of Interest Q&A’s

Q: Who is required to complete a COI Form?
A: In accordance with the Corporate Ethics and Compliance policy, all employees (exempt, non-exempt or bargaining unit) must complete the conflicts of interest form upon hire and annually thereafter. Contractors are not required to complete the COI form.

Q: How do I know if a conflict of interest is present?
A: In some cases, the conflict may be easy to identify. For instance, it is almost always a conflict of interest for you to work at the same time for BCBSM and on behalf of a competitor, supplier, or customer. Likewise, it is usually a conflict of interest for you or members of your immediate family to have substantial financial or business interests with a competitor, customer or supplier of BCBSM or its subsidiaries. You should contact your supervisor if you are not certain whether or not a situation is a conflict of interest.

Q: Am I required to report gifts or entertainment I received in the current year?
A: No. Only disclose items received during the reporting period which is the previous year.

Q: Do I need to disclose my relative who works for the Company, and with whom I have no direct reporting relationship with or a relative who is a subscriber?
A: Yes. According to policy, a conflict may exist if a relative or cohabitant works for the Company, depending on the reporting relationship or job functions performed. Likewise, a conflict of interest may exist when an employee processes claim payments for relatives or cohabitants who are subscribers or members of the Company.
3.1.6 **Relatives or Cohabitants** – A conflict may exist if a relative or cohabitant works for the Company, depending on the reporting relationship or job functions performed. Likewise, a conflict of interest may exist when a workforce member processes claim payments for relatives or cohabitants who are subscribers or members of the Company.

3.1.7 **Gifts and Entertainment** – A conflict may arise when a workforce member, or one of his or her relatives or cohabitant:

- Accepts a gift or entertainment from a person or organization that is a competitor, or that has current or prospective business with the Company as a supplier, provider, vendor, customer or contractor.
- Where the acceptance, or the prospect of future gifts or entertainment, may limit the workforce member from acting solely in the best interests of the Company.

A “gift” or “entertainment” includes any gratuitous service, loan, discount, money, article of value or favor, but 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 custom, which may be part of your job duties and responsibilities.

The temporary receipt by a workforce member of a donation to a corporate sponsored charitable event shall not constitute the acceptance/receipt of a gift. Workforce members may not receive cash even if it is intended for a corporate sponsored charitable event but should encourage cash donations to be made directly to the charitable organization. For purposes of this section, corporate sponsored event is an event where the Company is an official sponsor, one where a Company executive serves on the board as part of his/her corporate responsibilities, or an event that has been approved by management.

3.1.8 **Other** – Any other situation where a conflict may exist regardless of whether identified above.

**Consider this...**

**Regarding Relatives and Cohabitants:**

Bob Smith’s spouse works in hospital contracting at Star Health, BCBSM would be at risk if Bob was privy to our specific hospital discounts and shared those discounts with his spouse. Bob is NOT privy to specific hospital discounts, so this is not a significant business risk.

BCBSM could also be at risk if Sue (Bob’s spouse) was involved in group sales, if this is not the case, this should be considered to be an insignificant risk to the company.
3.2 Disclosing Potential Conflicts of Interest

In addition to the annual formal statement, employees have a duty to disclose to their leadership, at the time it arises, any situation, transaction or relationship that may be viewed as a conflict of interest, by filing an amendment to their conflicts of interest disclosure statement. Workforce members may access the Amendment to the Workforce Member Disclosure Statement form on the Compliance Training Program SharePoint site or contact ComplianceOffice@bcbsm.com for assistance.

3.3 Guidelines for Acceptance and Disclosure of Gifts and Entertainment

The following are guidelines for acceptance and disclosure of gifts by workforce members:

- You may not accept any gift or entertainment that would influence your business judgment in favor of a customer, vendor, supplier, provider, consultant, agent or competitor.

- Workforce members are required to disclose receipt of any gifts or entertainment exceeding $100 in value for a single gift. Workforce members are encouraged to obtain leadership approval prior to accepting gifts or entertainment exceeding $100 in value.

- You may not give or receive monetary gifts or cash equivalents. Gift cards and certificates that are not merchant specific are considered cash equivalent. Articles of nominal value ordinarily used for sales promotion may be exchanged. Also, the exchange of business courtesies, including reasonable meals and entertainment consistent with social and business custom is permissible. You should exercise good judgment in offering or accepting...
meals, entertainment or other gratuities to avoid any improper influence or the appearance of a conflict.

- When dealing with other individuals and entities whose standards are more restrictive than ours, we will follow their standards to the extent we are aware of them. Federal law prohibits gifts to federal workforce members, certain union leaders and to members of Congress, including any vendor, agent, provider, consultant or government official affiliated with government health programs. We must follow the law as it applies to gifts to these individuals. No inducements may be offered to or accepted from state or federal government workforce members. No marketing gifts may be given to prospective government health program members valued at more than $15.

- When in doubt as to whether gifts and entertainment are appropriate, consult your leadership or contact ComplianceOffice@bcbsm.com.
Yes
Gifts or other business courtesies that comply with U.S. and foreign law, reasonable/nominal value, not used to influence business decisions and in accordance with applicable procurement and reimbursement policies.

No
Bribes, gifts of cash (or cash equivalent) or other business courtesies that may improperly influence government or business relationships or are otherwise in violation of U.S. or foreign laws.

Ask
Gifts or other business courtesies of more than nominal value; gifts or business courtesies in foreign countries.

What may I give?

What may I accept? (reasonable vs. excessive)

Customary and reasonable
- A gift card to a coffee shop
- A raffle prize or random drawing that will not influence judgment
- A fruit basket or basket of cookies
- Tickets to a local sporting event

Excessive
- A gift with cash or monetary equivalents
- A personal gift such as an all-inclusive paid vacation
- A case of champagne
- Tickets to a distant sporting event, including airfare and/or hotel accommodations
Are you a Leader?
Use the 5 R's Methodology to help resolve a potential conflict of interest.

**Record:** Ensure that potential conflicts are formally disclosed to maintain transparency. For example, an associate indicates on their annual conflict of interest disclosure form that their spouse also works at BCBSM but in a different division and there is no reporting relationship. Simply disclosing this fact is sufficient and no additional resolution steps are required.

**Restrict:** And effectively separate associates from certain parts of an activity/process to avoid a conflict. For example, if an associate has a relationship with a supplier, the associate may not make or participate in any business decisions with respect to that supplier, or potential supplier.

**Remove:** An associate from duties/responsibilities related to the conflict. Examples include transferring the associate to another project or to another area of the Company.

**Relinquish:** Associate gives up private interest that is creating the conflict. An example would be giving up a second job.

**Resign:** Is the most extreme solution to a serious conflict. It will only be considered if the conflict of interest cannot be resolved in any other way.
Some ethical issues have clear solutions. Other ethical questions are not as clear and present difficult choices.

The Code of Business Conduct cannot list every potential dilemma; however, it can provide guidelines. If you are faced with an ethical problem:

**Ethical Decision Making Guide**

When faced with an ethical situation, **ask yourself**:

1. Do I fully understand the situation?
2. Is it legal?
3. Does it comply with the Code and corporate policies?
4. Does it align with our corporate culture?
5. Do I still have ethical concerns about the situation?
6. Is it legal?

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**Contact:**
1. Corporate Compliance at ComplianceOffice@bcbsm.com
2. Anonymous reporting can be made to 800-482-3787
3. Or contact the:
   - Corporate Compliance Officer
   - General Counsel
   - VP of Corporate Compliance
   - EVP of Operations & Business Performance
   - VP of Human Resources
   - Audit Committee chair
We encourage you to think about ethical dilemmas, report problems or concerns, and ensure your behavior conforms to the standards in the Code.

Because you are encouraged to act as a good corporate citizen and raise issues about questionable activities, negative actions will not be taken against you for making a complaint or disclosing information about an activity that you believe in good faith may violate this Code or any laws, even if your belief is mistaken. Anyone who attempts to retaliate against you for reporting problems or concerns will be disciplined.

Any known or suspected violation of this Code or any laws need to be reported. Workforce members are obligated to immediately report instances of potential misconduct or non-compliance. Participation in internal and external investigations is required. Failure to report or cooperate in an investigation will subject workforce members to discipline, including possible termination of employment.

<table>
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<tr>
<th>For guidance, issues, or concerns regarding:</th>
<th>Contact:</th>
</tr>
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| The Code of Business Conduct or General Compliance | ComplianceOffice@bcbsm.com  
800-482-3787 (anonymous if desired) |
| Fraud, Waste, or Abuse | CFIfraudinquiries@bcbsm.com  
800-482-3787 |
| Privacy | Privacy@bcbsm.com |
| Medicare business | 888-650-8136  
TTY800-588-2711 |

Issues related to board members may be raised through the above channels or directly with the Nominating and Governance Committee which considers and decides on issues related to board members.

Issues related to possible Medicare fraud may also be reported to the Health and Human Services Office of the Inspector General at 800-447-8477 or TTY 800-377-4950.
How We Respond to Inquiries and Reports Involving the Code of Business Conduct and Compliance Issues

The Company is committed to creating a work environment that encourages and accepts inquiries and reports involving the Code of Business Conduct, suspected compliance issues, suspected violations of federal or state law, or suspected fraud, waste, or abuse. Anyone may report a compliance concern and reports may be made confidentially or anonymously.

We will review and investigate reports of potential violations as appropriate. If criminal conduct is confirmed, our response may include actions to mitigate any harm caused. Mitigating actions could include making appropriate restitutions and assessing the Company's compliance program to ensure the program is effective and consistent with applicable regulations.

If you are involved in reported potential violation, you will be treated fairly and given an opportunity to explain your actions.

Remember that when you make an inquiry or report, it will be handled as confidentially and discreetly as possible. We may, however, be required to substantiate any allegations of wrongdoing. A written record of your inquiry and our response will be made and forwarded to the vice president of Human Resources or the director of Corporate and Financial Investigations (if related to fraud) for review and follow-up as required.

Workforce members should feel free to raise ethical concerns in good faith without fear of retaliation.
Disciplinary Action for Violations

Appropriate disciplinary actions may be taken against any workforce member who:

- Violates the law
- Violates the Code of Business Conduct or Corporate Ethics and Compliance Policy
- Fails to report a violation of law, Code, or Policy
- Fails to cooperate in internal or external investigations of alleged violations
- Fails to participate in required compliance training

Leaders and managerial personnel who fail to take reasonable steps to identify, prevent, discontinue and report misconduct as soon as it is suspected or discovered will be subject to discipline.

These behaviors are examples of situations that can lead to discipline, and does not constitute an all-inclusive list of infractions. Each situation will be evaluated individually.

Appropriate disciplinary action may include discharge and referral for criminal prosecution.
Definitions

Abuse – activities that are inconsistent with sound fiscal, business or medical practices, that may result in unnecessary cost to the Company or its customers, including but not limited to payment for services not medically necessary or that fail to meet professionally recognized standards for health care.

ACA – Affordable Care Act or National Health Care Reform law.

Blue Cross Blue Shield of Michigan and/or Blue Cross – an independent licensee of the Blue Cross Blue Shield Association.

Blue Care Network and/or BCN – BCN is a wholly-owned subsidiary of Blue Cross Blue Shield of Michigan. As used in this code, refers to Blue Care Network of Michigan, BCN Service Company and Blue Care of Michigan, Inc. collectively.

BCBSA – Blue Cross Blue Shield Association.

CCIIIO – The Center for Consumer Information and Insurance Oversight, which is the government agency primarily responsible for overseeing the implementation of the provisions related to ACA.

Company – Blue Cross Blue Shield of Michigan, Blue Care Network, and any subsidiary who chooses to adopt the Corporate Ethics and Compliance Policy and Code of Business Conduct.


Cohabitation – two persons living together as if married.

Fraud – intentional deception or misrepresentation made by a person or entity, including but not limited to workforce members, contractors, affiliated providers, vendors, authorized agents, enrollees, members or other third persons with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person or entity. It includes any act that constitutes fraud under applicable Federal or State law.

Government Programs – includes Medicare, Federal Workforce Member Plan and Federal Workforce Member Health Benefit programs.

**Minimum Necessary Rule** – a key component of the HIPAA Privacy Rule requiring that the Company and its workforce members take reasonable precautions to only collect, use, and disclose the minimum amount of PHI needed to carry out a permissible business purpose or function

**Multi-State Plan Program** – a program created by the Patient Protection and Affordable Care Act and overseen by the Office of Personnel Management to provide individual market consumers with a robust benefit package

**OCR** – Office for Civil Rights

**OPM** – Office of Personnel Management

**Relative** – an immediate family member, such as a spouse, parent, child, sibling, including step-relative and in-law. Family members also include domestic partners and any person who is part of your household

**Waste** – activities involving the Company’s payment or reimbursement, or attempts to receive payment or reimbursement, for items or services where there was no intent to deceive or misrepresent, but rather the Company incurred unnecessary costs because of poor, inaccurate, or inefficient invoicing, billing, processes, or treatment methods

**Workforce Members** – individuals who perform duties or render services for or on behalf of the Company regardless of the type of employment or contractual agreement, including but not limited to full-time employees, part-time employees, temporary employees, contingent workers, interns, contractors, consultants

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**Addendum:**

The federal False Claims Act (FCA), as amended by the Fraud Enforcement and Recovery Act of 2009, prohibits anyone from knowingly submitting false or fraudulent claims to the federal government and from making false or fraudulent records or statements to a recipient of federal funds (i.e. any entity that contracts with the federal government for any purpose). The FCA also requires recipients of federal funds to return any overpayment to the federal government. The FCA can be enforced by the Department of Justice, the United States Attorney’s Office, or through qui tam actions, where an individual sues on behalf of the government.