



Company Policy Number: #1.20
Company Policy Name: Compliance and Ethics

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Effective Date: September 1, 2001

Date of Last Revision: May 17, 2018

BACKGROUND

GuideWell Mutual Holding Corporation and its subsidiaries, hereinafter referred to as “Company,” have a long-standing and deep commitment to conducting business ethically, with integrity, and in compliance with applicable state and federal laws, regulations, and requirements of the Blue Cross and Blue Shield Association. As such, the Company designed and implemented a formal compliance and ethics program, Compass. The purpose of the Compass Program is to integrate business conduct, compliance and ethics standards into the daily business activities of the Company through communication, education and training, monitoring, investigation, detection, and reporting of perceived, potential, or actual violations including, fraud, waste, and abuse (FWA).

This policy serves to formally establish the guiding principles for the Compass Program’s overall effectiveness and accountability and serves as a link to all other Company policies and procedures related to matters of ethics, business conduct, and compliance with legal, regulatory and sub-regulatory requirements.

SCOPE

This policy applies to all members of the Company’s board of directors, employees and contingent resources of Florida Blue and GuideWell Connect and first tier, downstream and related entities (FDRs), collectively hereafter known as the “workforce.” This policy does not apply to GuideWell subsidiaries that have developed their own comparable policies.

POLICY

The Compass Program, under the direction of a chief integrity and compliance officer (CICO), enables the Company to conduct business with ethics and integrity and in accordance with industry standards and applicable laws and regulations to which its business activities are subject. The CICO, as well as members of the Compliance Leadership Team, including the Medicare Compliance Officer are full-time employees of the Company and have no operational accountabilities. The CICO functionally reports to the Audit and Compliance Committee of the Board of Directors and the Senior Vice President, General Counsel and Corporate Secretary. All Company policies and procedures regarding such business activities must adhere to the guiding principles of the Compass Program and this policy.

The responsibility for ensuring compliance with the Compass Program and this policy lies with the entire workforce. In addition, the Company’s performance reviews contain an attestation that reflects our commitment to appropriate compliance education, training and operational performance.



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Situations of potential noncompliance, including FWA, should first be addressed by a supervisor. Individuals may also contact the Compass Helpline, 1-800-477-3736 x56300, at any time or access the EthicsPoint website at www.compass.ethicspoint.com. Both avenues provide the option of making an inquiry or reporting a situation without disclosing an individual's identity. Individuals may also contact Colleen Brennan, Vice President and Chief Integrity and Compliance Office at 904-905-5068 (x55608), Tammy Holton, Sr. Manager, Business Ethics at (904) 905-4264 (x54264), Legal Affairs at 904-905-8720 (x58720) or Employee Relations 904-905-4995 (x54995).

It is the long-standing policy of the Company to prevent the occurrence of unethical or unlawful behavior; to halt such behavior as soon as reasonably possible after its discovery; to discipline individuals who violate Company policies and directives, including individuals responsible for the failure to report or detect a violation; to correct to the extent possible any known harmful effects resulting from the violation; and to continually evaluate and update policies and procedures to help ensure compliance with regulatory requirements and desired business ethics. Disciplinary decisions and actions are made on a fair and equitable basis and in keeping with established disciplinary policies and procedures.

The Company is committed to establishing an environment that complies with all laws and regulations and requires the workforce to seek prompt guidance about any questions they have concerning the Compass Program or what constitutes a violation of the Compass Program or any local, state or federal law, rule or regulation. Any individual reporting potential violations should not be subject to any intimidation or retaliation for a good faith report of a suspected violation of the Compass Program. However, any individual reporting potential violations, absent compelling circumstances, is not granted any immunity for their participation in the potential violation.

The compliance and ethics program includes a formal compliance plan that meets the legal and regulatory requirements for Medicare Part C and D and commercial products and programs, including those subject to the Affordable Care Act; objectives of the Federal Employees Health Benefits compliance program, and the Blue Cross and Blue Shield licensure obligations.

The Company's privacy officer ensures that policies and procedures of the Company, with regards to compliance with the Health Insurance Portability and Accountability Act-Administration Simplification and other state and federal privacy and security laws, are developed, implemented and continually assessed for appropriateness.

The workforce is educated on the Compass Program, including appropriate training within 90 days of hire and/or contracting, when there are material changes to policies and applicable procedures, and annually thereafter. The Company also has ongoing monitoring and reporting processes that meet applicable regulatory requirements.

DEFINITIONS

Downstream Entity – Any party that enters into a written agreement, acceptable to the Center for Medicare and Medicaid Services (CMS), with persons or entities involved with the Medicare Advantage benefit or Part D benefit, below the level of the arrangement between the Medicare Advantage Organization or applicant or a Part D plan sponsor or applicant and a first tier entity.

First Tier Entity – Any party that enters into a written arrangement, acceptable to CMS, with a Medicare Advantage Organization or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the Medicare Advantage program or Part D program.

Related Entity – Any entity that is related to a Medicare Advantage Organization or Part D sponsor by common ownership or control and

- 1) Performs some of the Medicare Advantage or Part D plan sponsor's management functions under contract or delegation;
- 2) Furnishes services to Medicare enrollees under an oral or written agreement; or
- 3) Leases real property or sells materials to the Medicare Advantage Organization or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

RESPONSIBILITIES

The Audit and Compliance Committee of the Board of Directors is knowledgeable and responsible for oversight of the Company's compliance program and is charged with the following:

- Conducting a review of the Company's compliance program annually to:
 - Evaluate the efficiency and effectiveness of the program;
 - Evaluate employee, officer, and director compliance with the program and the Company's systems to monitor compliance with the program;
 - Recommend to the CICO improvements to the program as necessary;
 - Monitor the findings of compliance examinations by regulatory agencies and the corrective actions taken by the Company to address the findings; and
 - Monitor procedures for handling complaints regarding any violations of the program and for confidential, anonymous submission of concerns by employees, including those regarding accounting and auditing matters.
- Receiving suggestions from directors and officers for improvement of the compliance program;
- Meeting with the CICO on a regular basis to discuss the status of the compliance program, including employee training and education, reports of suspected violations of the program, reports of FWA, and investigations of such reports, and discipline or other actions resulting from such investigations, and to review the status of the Company's compliance with Medicare requirements and compliance with other federal and state regulatory requirements;

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- Approving the appointment and the replacement of the CICO;
 - Providing input to the annual evaluation of the performance of the CICO; and
 - Evaluating the Chief Executive Officer's performance as it relates to compliance and provide input to the Board on such performance.

In addition to the Audit and Compliance Committee, the Company has an internal Corporate Ethics and Compliance Committee, the responsibilities of which are to:

- Oversee the compliance program's implementation and operation, including the development of strategies to promote compliance and detect any potential violation, the implementation of corrective and preventive action, when required, and the use of internal controls designed to ensure compliance in daily operations;
- Foster and promote a culture that encourages ethical conduct and a commitment to compliance with the Code of Conduct and laws, regulations, policies and procedures;
- Review reports from the CICO; Sr. Director, Government Programs and Product Compliance and Medicare Compliance Officer; Sr. Director, Commercial Programs and Product Compliance; Assistant General Counsel and Privacy Officer; and Sr. Manager, Business Ethics, including dashboards, self-assessments, scorecards and similar tools that would reveal compliance issues;
- Ensure that the compliance program has up-to-date compliance policies and procedures;
- Ensure that the Company has a system for employees and first tier, downstream and related entities (FDRs) to ask compliance questions and report potential instances of non-compliance and potential FWA confidentially or anonymously without fear of retaliation;
- Ensure that the Company has a method for employees, beneficiaries and others to report potential FWA;
- Review and address reports of monitoring and auditing of areas in which the Company is at risk for noncompliance or potential FWA and ensure that corrective action plans are implemented and monitored for effectiveness;
- Serve as a conduit for elevating operational compliance issues, risks, barriers, and opportunities that may impact the business;
- Monitor the status of issues, critical incident reports, audit findings, and potential process issues;
- Identify resource and funding needs for elevation to appropriate senior leadership for resolution; and
- Coordinate and share information from meetings with functional areas and key governance committees to facilitate the timely and accurate reporting to senior leadership and to the Audit and Compliance Committee of the Board of Directors.

The CICO, as the facilitator and the focal point for the day-to-day operation of the Company's compliance and ethics program, is responsible for:

- The Compass Program design, awareness, consistency, education, and overall compliance monitoring and evaluation;
- Reporting periodically to the Audit and Compliance Committee of the Board of Directors;
- Submitting to the chief executive officer and senior management and/or ensuring that the chief executive officer and senior management receive reports of risk areas facing the Company, strategies being implemented to address them and the results of those strategies, and reports on Medicare program noncompliance and FWA for issues identified, investigated and resolved; and
- Advising the chief executive officer of all governmental compliance enforcement activity from Notices of Non-compliance to formal enforcement actions.

The Business Ethics, Integrity and Compliance division is responsible for:

- Facilitating management's compliance with the Compass Program, Compliance and Ethics Policy and applicable Company procedures;
- Providing effective training and education, including general compliance and FWA, to the workforce within 90 days of hire, appointment and/or contracting and annually thereafter;
- Maintaining a system to receive, record and respond to and track compliance questions or concerns and reports of potential FWA from the workforce, including anonymous good-faith reports of potential or actual misconduct and maintaining confidentiality to the extent possible; and, enforcing a no-tolerance policy for retaliation or retribution against the workforce for good-faith reporting of noncompliance and FWA;
- Conducting reasonable, well-documented inquiries into all compliance incidents and potential FWA;
- Assisting in removing barriers within the organization to meeting compliance with the Compass Program;
- Assisting in ensuring required changes to processes and/or internal controls are implemented to maintain effective and appropriate compliance with the Compass Program;
- Establishing and maintaining an effective continuous improvement process for identification, correction and reporting of systemic problems related to compliance or the Compass Program;
- Communicating changes to laws, regulations, and/or compliance requirements to impacted areas and, as appropriate, through the Corporate Ethics and Compliance Committee; and
- Determining the appropriate area responsible for communication with regulatory agencies on issues relating to the Company's compliance.

Management is responsible for:

- Regularly and consistently communicating with employees in regards to the proper standards of conduct, ethics and compliance;
- Promoting a culture of ethics and compliance;
- Encouraging employees to speak up, express concerns and report misconduct;
- Fostering a non-retaliation environment;
- Ensuring their respective areas are performing their compliance responsibilities according to the applicable requirements;
- Operational oversight of the compliance process and program components;
- Developing and maintaining appropriate written policies and procedures for their areas of accountability which incorporate legal, regulatory and other compliance requirements;
- Ensuring internal controls are in place for all affected business processes and effective monitoring, evaluation and improvement of all business processes;
- Providing training on internal processes related to functional responsibilities and FWA risks which include review of applicable state and federal laws, regulatory and sub-regulatory requirements, their relationship to the functional areas' responsibilities including SOPs, desk procedures, internal controls and individual avoidance of unlawful or unethical occurrences;
- Training of the workforce when there are changes to laws, regulations and accreditation or compliance requirements which impact the area's responsibilities;
- Promoting methods to report good-faith allegation of suspected or actual wrongdoing, including FWA, and the policy of non-intimidation and non-retaliation;
- Developing and implementing a corrective action plan for a business area at the direction of the Business Ethics, Integrity and Compliance division; and
- Reinforcing to the workforce its responsible for reporting to the CICO any activity that it is believed, in good faith, may violate this policy.