



# Code of Blue: Living our values

*Following a code of conduct that embodies our honesty,  
integrity and compassion*



# Doing the right thing, every day, for our customers

The heart of our ethics here at Blue Cross and Blue Shield of Minnesota is expressed in our purpose statement — “We make a healthy difference in people’s lives” — and in how we carry out that purpose through our values. We treat everyone with Respect by being truthful in our interactions; we display Accountability by holding ourselves to the highest ethical standards and honoring our commitments; we use Imagination to find solutions for our customers; and we show Courage by taking a stand and learning from our mistakes.

Companies that succeed in the long run live with integrity and a code of ethics that they believe and follow. Our Code of Blue, described in this document, provides more detail about what it means to do what’s right, so we all have a common understanding of our ethics and compliance practices. Please read the Code of Blue and make use of its resources to help you act appropriately and legally.

In addition to the expectations and information you’ll find in this document, these guidelines are essential: Use common sense, do the right thing — something you’d be proud to read about in the newspaper — and always remember who we serve, the customers who pay for our products and services.

Remember that it’s important for Blue Cross’ future that we all speak up — whether you have a question, something seems wrong, or you think we are just not serving our customers the way we should. We want everyone here to find it more comfortable to say something than to keep quiet. That’s why our corporate policy of non-retaliation pledges that no form of retribution will ever be acceptable toward an employee who speaks up in the interests of the company and our customers.

If you need assistance in determining the best action to take, or want to report a violation of our Code of Blue or any of our policies, talk to your manager, your human resources representative, or Judith Walker, chief ethics and compliance officer. You can also call the Compliance Hotline toll free at **1-866-311-4229** or use one of the other contact options listed at the end of this Code of Blue.

The Code of Blue is updated periodically. You can find the most current version on our intranet site.

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**Our program's purpose:** Our ethics and compliance program provides guidance and raises awareness on the ethical, legal and other rules that affect our business. The program encompasses many aspects, from training to policies to corrective action to our company's code of conduct, *Code of Blue*.

The purpose of our ethics and compliance program is simple: Working at Blue Cross and Blue Shield of Minnesota means holding ourselves to the highest possible standard of business conduct as we work together to make a healthy difference in people's lives.

### **We all play a part**

All employees of Blue Cross own the responsibility of following the laws and modeling the values that drive our work. The same is true for temporary workers, consultants, contractors, agents and any other third party who perform services for Blue Cross.

Keep in mind that the rules and laws that govern business relationships with the government are more stringent than other customer associations. Contracting with the government involves a special trust and, as a

consequence, a stricter code of behavior. Our ethics and compliance program is designed to conform to federal and state law and government health care program requirements.

All employees are expected to ask questions, speak up and bring forward concerns. We are all responsible to share and address issues when they arise, and to report suspected violations of our code.

### **Walking the talk**

At the end of the day, it all comes down to "walking the talk." Each of us must incorporate our company values, policies and code of conduct into our work. We must conduct business responsibly and with great integrity. Blue Cross' continued success depends on it.



# Company values

Our values represent what we stand for in the marketplace, as a corporate citizen and community partner, and as an employer. They convey both internally and externally the behaviors and attributes we view as important and are at the core of our company's culture. Demonstration of our values is key to our success in this new economy — when we embrace them, opportunity exists to differentiate our business in the marketplace, to current and potential members, external stakeholders and employees who are attracted to those same values.

We hold each employee accountable to display these values, and have incorporated them into our performance management process.

## ***Respect — Treating everyone with integrity and empathy***

- We recognize the importance of health care in people's lives
- We encourage diverse perspectives and ideas
- We are truthful in our interactions and communications

*Respect*

## ***Accountability — Taking responsibility for our actions and decisions***

- We hold ourselves and each other to the highest ethical standard
- We honor our commitments
- We strive for excellence in all that we do

*Accountability*

## ***Imagination — Being creative and inventive in our work***

- We encourage innovative thinking
- We work to find creative solutions
- We strive for ways to add value

*Imagination*

## ***Courage — Having the conviction to do the right thing***

- We will take a stand, even when confronted with adversity or criticism
- We are willing to acknowledge and learn from our mistakes

*Courage*

# Company assets and information

## Conflicts of interest

All employees have a duty to avoid financial, business or other relationships that put them at odds with Blue Cross' interests or that might conflict with the employees' assigned duties. Employees should conduct themselves in a manner that prevents even the appearance of a conflict between their personal interests and those of the company.

A conflict of interest may arise in any number of ways. Examples include:

- Employment with a competitor, regardless of the nature of employment
- Acceptance of gifts, payments or services from those seeking to do business with Blue Cross
- Placement of business with a firm owned or controlled by a Blue Cross employee or a family member of an employee
- Ownership of, or substantial interest in, a company that is a customer, competitor or a supplier of Blue Cross
- Service as a consultant to a current or prospective Blue Cross customer or supplier
- Outside employment or other activity that interferes with the employee's ability to do his or her job or conflicts with Blue Cross' interests

Every year, as part of our formal protocol, all officers and employees are required to disclose personal, financial and other interests. This information is reviewed by the compliance officer to determine whether or not those interests pose a real or potential conflict.

*Q. I am a claims examiner at Blue Cross and I am interested in taking a part-time job at a provider billing office. I will only be working there on the weekends, so it won't interfere with my job accountabilities here at Blue Cross. Is it OK for me to accept this new position?*

*A. While there is no general prohibition against holding second jobs, there are circumstances where such employment may pose potential conflicts that must be addressed. In this case, you should disclose this information to your manager and to the Chief Ethics and Compliance Officer in advance of accepting the position. Precautionary steps must be taken to ensure Blue Cross' interests are protected first and foremost.*

## Use of company funds and assets

Company assets may be used only for the legitimate business purposes of Blue Cross and only by authorized employees. Company assets include much more than equipment, inventory, facilities, systems, corporate funds or office supplies. Assets are also concepts, business strategies and plans, financial data, intellectual property rights for trademarks and patents, and other information about our business. All assets owned by Blue Cross — including the services of attorneys, contractors, consultants or other employees — are intended for company business and are not for the personal gain of employees or others. As such, company funds are not to be used for personal loans to officers or employees of the corporation.

Incidental personal use of Blue Cross assets including telephones, computers, copiers, meeting rooms, e-mail, the Internet, and professional services/advice is permitted as long as it neither distracts from the employee's job responsibilities nor disrupts Blue Cross' operations or systems and is in compliance with relevant law and Blue Cross' ethical standards, policies and procedures. Employees are not entitled to privacy when using Blue Cross assets.

When properly approved, Blue Cross may sell unneeded physical assets to employees — including chairs and other office equipment — or make facilities or other assets available to community organizations.

## **Confidential information and proprietary information**

At Blue Cross, we must maintain a strict standard of confidentiality so that we can protect our confidential and proprietary information. Any unauthorized access, use or disclosure of this private company information is prohibited.

Confidential information includes anything that is not generally known or shared with the public or outside Blue Cross. Examples include:

- Sensitive information that Blue Cross obtains through its business or employment relationships
- Proprietary information, including trade secrets, that is helpful to Blue Cross and/or competitors and is generally not available to the public
- Information about Blue Cross customers, employees, consultants, temporary workers or participating providers that isn't public knowledge

We also have a duty to respect the confidentiality of others' information. As employees, we may not acquire confidential or proprietary information (including technology) about other companies through improper means, such as deceit, misrepresentation or receipt of information obtained from a third party or a present or former employee who is not authorized to disclose the protected information. Improper acquisition of such information is not only unethical and wrong; it also may be illegal. Employees who come to Blue Cross from a competitor must take steps to prevent disclosure of confidential or proprietary information of their former employer.

For detailed confidentiality requirements, please refer to Human Resources Policy 6-15 in the Corporate Policies database.

### ***Member protected health information***

Blue Cross has an obligation to our members to ensure that their protected health information (PHI) is secure. Disclosure of PHI to anyone other than the individual, without the individual's authorization, is strictly prohibited, unless otherwise allowed by the law.

PHI includes any information related to an individual's past, present or future physical or mental condition or treatment, including payment of benefits for any treatment received by the individual. PHI also includes any demographic information that may be used to identify the member, including a member identification number.

Equally important in securing our members' PHI is to restrict access to and use of PHI by Blue Cross employees only to when it is necessary to complete our job functions. Accessing PHI when it is not needed to complete the employee's job tasks, or accessing out of curiosity, is strictly prohibited.

For more detailed information regarding privacy of member PHI and situations where it can and cannot be disclosed, please refer to the privacy policies in the Corporate Policies database.

### ***Data security and software license obligations***

To ensure maximum protection of our company data, Blue Cross must strictly enforce data security provisions. For example, we must protect the integrity of company data by allowing only authorized users to access appropriate information. And we all must take every precaution to ensure that user IDs and passwords are not available to unauthorized users.

Blue Cross uses a wide variety of computer software that is protected by various licensing agreements and copyright laws. As employees, we cannot duplicate or use the computer software outside the bounds set by the vendor. The penalties for violating these licensing agreements are severe and may include personal liability.

For more information, refer to the information security policies in the Corporate Policies database.

### ***Protection of federal government and competitor-sensitive information***

Federal procurement integrity law specifically prohibits competing companies from seeking or obtaining proprietary or source-selection information about their competitors during a federal procurement. Therefore, employees must never obtain, from any source,

federal government information that is procurement-sensitive or unauthorized information about a federal government procurement.

Proprietary information under the federal procurement integrity law includes, but is not limited to, information included by a particular company in a bid or proposal and marked as proprietary.

Source-selection information is information that the government uses to conduct a particular procurement, such as the evaluation of offers or proposals.

*Q. I have been with Blue Cross for several months now and have a box of materials from my former employer that would be very helpful in developing marketing plans for Blue Cross. May I use these materials?*

*A. No, you should not use materials that may contain proprietary information from a prior job in your work at Blue Cross. Just as it would be wrong for someone to take our proprietary information, we should not use the proprietary information of others. This supports our core value of accountability by holding ourselves to the highest ethical standards. If you have questions about whether information of others may be proprietary, contact the chief ethics and compliance officer.*

## Suppliers and customers

Blue Cross is successful because we all work hard to provide the best products and service — and because we have earned the trust and respect of our customers and the community. We have earned that respect by continually doing the “right thing” in our day-to-day business. Sometimes, doing the right thing can be a challenge because the best choice may not always be clear. The following guidelines can help us all make the most ethical decisions in potentially difficult situations. In all cases, expenses incurred must be consistent with the business expense policy.

### Reciprocity

Often, Blue Cross purchases goods or services from a supplier who also buys services from us. This practice is normal and acceptable, but any form of pressure for “reciprocity” from either party is not. Suppliers must not be asked to buy our products or services in order to become or continue to be a Blue Cross supplier. Likewise, the sale of our products and services will not be dependent upon an agreement that we purchase goods or services from the potential member or account.

### Acceptance of gifts, gratuities and entertainment

The superior value of the products and services we buy and sell is the basis for our business conduct. Our policy on gifts, gratuities and entertainment is designed to support our reputation as an industry leader that acts with integrity and bases decisions on genuine business need.

Gifts or gratuities from anyone seeking to influence our decision making should be politely declined. Employees may not accept gifts of money under any circumstances, nor may they solicit any non-monetary gifts, gratuities or favors from suppliers, providers, accounts or subscribers. Gifts may not be solicited or accepted from vendors for the purpose of donating to a company-sponsored fund-raising event, and under no circumstance is it appropriate to accept a gift or entertainment in return for purchasing or recommending the purchase of any item or service from the vendor offering the gift. For purposes of this code of conduct, vendors include those in which Blue Cross has an ownership interest.

In circumstances where it may be awkward or impractical to decline or return a gift or gratuity, employees and members of their immediate families or households may accept unsolicited, non-monetary gifts only if they are of nominal value. As a general rule, a gift of less than \$25 is considered to have a nominal value. Examples of such nominal gifts may include advertising or promotional trinkets, candy, nuts, fruit and plants.

Employees may only accept entertainment linked to a business relationship that supports company objectives if:

- It is reasonable
- It occurs infrequently
- Generally, it does not involve expenses of more than \$150 per employee, including any guest expenses
- Representatives of the host company are present at the event

Exceptions to this policy require approval of the chief ethics and compliance officer.

Tickets and other forms of entertainment where the host will not be accompanying the employee are considered gifts and are subject to the Blue Cross policy on gifts as described above.

In certain circumstances, suppliers or vendors may offer to pay for hotel and/or travel expenses related to a trip that involves mainly business. A common situation would be an employee's participation as a member of an advisory council or user group. All offers of this type require prior approval by the chief ethics and compliance officer.

*Q. I plan to attend a business seminar that includes a vendor exhibit area. Typically, vendors ask attendees to drop their business cards and enter into a prize drawing contest. If my name is drawn, can I accept the prize?*

*A. No, as innocent as this may seem, Blue Cross employees should not accept any gift, including prize drawings from suppliers or customers even if Blue Cross does not currently contract with them. Whether intentional or not, the perception may be that the vendor providing you with a gift expects you to reciprocate with some type of favor in the future. Avoid entering this type of prize drawing.*

## ***Honorariums***

As a Blue Cross representative, an employee may not financially benefit from an activity involving company-related business, such as a speaking engagement or similar activity, that is sponsored by a Blue Cross supplier or customer. Any related offers of money, honorariums or other consideration to the employee or to members of the employee's immediate family or household must be refused.

If approved by the business area vice president as being in Blue Cross' best interest, the employee may receive:

- His or her normal salary for regular work days used to attend a speaking engagement or similar activity
- Travel reimbursement from either Blue Cross or a third party in connection with a speaking engagement or similar activity

At the discretion of the chief ethics and compliance officer, Blue Cross may accept from third parties — related to an employee's speaking engagement or similar activity — an honorarium in the form of a donation paid directly from the third party to the Blue Cross and Blue Shield of Minnesota Foundation.\*

\*An independent licensee of the Blue Cross and Blue Shield Association



## **Offers of gifts, gratuities and entertainment**

It is Blue Cross' policy to compete solely on the merits of our products and services. While Blue Cross discourages routine gift giving, the company understands the competitive and market value of various sales promotion activities and gifts. Reasonable gifts of nominal value (generally not in excess of \$25) are permissible business courtesies when dealing with non-government customers.

There may be times when you want to extend to a current or potential business associate (defined as a supplier, provider or account) an invitation to attend a social event in order to further develop your business relationship. As the host, you must be present at these events. Allowable expenses do not include expenses paid for any travel or lodging, generally must be limited to less than \$150 per business associate (including any guest expenses), must be reasonable in nature, and must occur infrequently. Exceptions to this policy require approval of the chief ethics and compliance officer.

In certain circumstances, it may be appropriate for you to offer to pay for a current business associate's hotel and/or travel expenses related to a trip that involves mainly business. A common situation would be for agents participating in the Agent Advisory Council or customers attending the annual Account Summit. All offers of this type require prior approval by the chief ethics and compliance officer.

### ***Gifts, gratuities and payments to government employees***

The state and federal laws regarding gifts, gratuities and payments to government employees are varied and complex. As a rule, no payments of money, gifts, services, entertainment or anything of value may be offered — in any amount, directly or indirectly — to any state or federal government official or employee.

In some cases, laws permit gifts of nominal value, such as greeting cards, advertising trinkets and modest refreshments offered other than as part of a meal. However, even in these instances, there are restrictions that may apply.

Consult with the chief ethics and compliance officer before offering anything to a government employee, even if the offering is the most modest of items or refreshments.

### ***Appropriate service and coverage***

At Blue Cross, we gain our members' trust and business because of the quality and value we offer. We thoughtfully make decisions about our members' care and base them on appropriateness of the care. Blue Cross does not compensate for denial of coverage or services or offer incentives to providers, officers or employees that are against any law or regulation or with the intent to reduce or deny appropriate care or services.

### ***Other improper payments***

No payments or offerings of any kind, other than those included in Blue Cross' standard marketing policies, may be made to customers or prospective customers to gain their business.

The use of Blue Cross funds or assets for any unlawful or unethical purpose is strictly prohibited. As with any improper payment made by an employee, such payments are also improper if they are made by a commissioned agent, consultant or other third party on behalf of Blue Cross. Further, any payment made to a third party for any purpose other than that disclosed on the payment documentation is prohibited.

# Antitrust

Blue Cross is committed to complying with all antitrust laws. These laws prohibit such things as price fixing, market allocation, group boycotts, price discrimination, and monopolization. The laws also require scrutiny of certain mergers and acquisitions. Antitrust laws are designed to prevent one business from gaining an unfair advantage and forcing other businesses out of the marketplace. Blue Cross employees are required to follow the company's antitrust policy to avoid even the appearance of anticompetitive conduct.

Penalties for antitrust violations can be severe. Violations of federal and state laws may result in criminal and civil liability. Individual employees may be sent to jail and be sued personally for violating antitrust laws.

## Price fixing

One of Blue Cross' most important decisions involves the pricing of our products and services. We must make these decisions alone, without collaborating with any competitor. We must not engage in conduct that creates the appearance of price fixing.

No employee may exchange, consult, discuss, create or participate in any understanding, agreement, plan or scheme with any competitor concerning:

- Blue Cross prices or competitors' prices
- Price policies
- Fees
- Terms or conditions of sale of any service or product

It does not matter if an agreement is direct or implied, formal or informal, oral or written — it is wrong and absolutely prohibited.

Many traditional business gatherings are fertile ground for conduct that might be perceived as unlawful. Trade and professional association meetings, conventions and seminars are of particular concern because they are generally attended by competitors. Those of us who attend these gatherings must not discuss prices or fees at any time during the formal meeting or social events.

If such discussions begin, leave immediately and make it clear why you are leaving.

## Market allocation and other agreements restraining trade

As a general rule, certain types of understandings or agreements are suspect. These include agreements not to do business with others and agreements not to do business or deal in particular territories that are not otherwise authorized by law.

Agreements not to do business with others and not to do business or deal in particular territories may be unlawful, whether or not they are written or unwritten, formal or informal, understood or implied. It also does not matter whether or not they are made with a competitor or customer.

As employees, we must consult with our law department before discussing or entering into any agreement not to do business with others and not to do business or deal in particular territories.

# Advertising and promotion

Our law department will, in accordance with established criteria, review all advertising. Blue Cross advertising must be truthful. As employees, we must not make misrepresentations. If we make specific claims about our products or services, we should have a good-faith basis for those claims. Products or services should not be marketed in any way that might cause confusion between our products or services and those of our competitors. If we believe that a customer or potential customer may have misunderstood us, we must promptly correct any misunderstanding.

If we compare products or services to those of our competitors, such comparisons should be fair and fact-based. Comparative advertising is subject to regulation and should, therefore, be cleared with our law department.

# Inside information and securities trading

Investments by Blue Cross employees — or any member of their immediate family or household — in companies with which Blue Cross has a business or investment relationship may pose ethical and even legal problems.

Although Blue Cross is not a publicly traded company, it deals with companies that are publicly traded. It is a violation of the law for any person to buy or sell securities of a company while in possession of “inside” information regarding that company. Inside information is nonpublic information that a reasonable person would consider important in making investment decisions. Examples include knowledge of acquisitions or divestitures, new product launches or financial information. Blue Cross employees must not use inside information for their benefit or pass it on to others.

An actual or potential business relationship by Blue Cross with a company in which a Blue Cross employee has an ownership or investment interest also may pose problems. As employees, we must abstain from any decision-making process regarding the involved entity and notify the chief ethics and compliance officer of the potential conflict. The chief ethics and compliance officer will review these on a case-by-case basis and facilitate appropriate resolution. Immediate family is defined as spouse, parents, children, siblings, step-relatives and in-laws.

# Records management

## Records management policies

Our records management policies ensure that Blue Cross:

- Uses a consistent, cost-effective, companywide records management program
- Maintains only those records that are needed for compliance with regulations or for company operations
- Maintains only official copies of records and immediately discards convenience copies when they are no longer needed
- Complies with prevailing state, federal and regulatory requirements, including legal requirements related to litigation, government investigation and auditing
- Retains records for the period of time set by the records management program
- Disposes of records that are no longer needed for approved purposes or are otherwise not required by law to be retained

Record coordinators are available in all Blue Cross areas to assist with the specific categorization and storage of company documents.

## Record ownership

Blue Cross owns all records that are used in our business — the author or keeper of the records does not. Further, employees have no personal or property rights to Blue Cross records, including those that employees help create.

All Blue Cross records must remain on the company premises or other approved locations. Records should not be stored at individual employees’ homes, except as allowed for in the Records Management REC 1-01 and Telework HRM 6-72 policies.

# Accounting and accurate record keeping

## Record creation

All company records should be created with the specific intent to communicate or document business matters. Employees should use discretion and professionalism when creating records so that the records properly reflect the company's position and avoid language that could be misinterpreted.

## Record retention

All "official" records must be retained for the entire duration of time required by the records retention schedule. Official records are any recorded pieces of information regardless of medium or form, that are created, received and maintained or exist as a result of a business transaction and kept as evidence. All records regarding government programs products, services and enrollees are kept for a minimum of 10 years plus the current year as required by federal law, applicable CMS regulations and contracts with the State of Minnesota Department of Human Services.

Generally, drafts, copies and personal notes are considered "convenience copies" and should be disposed of when the business need is satisfied.

Blue Cross prohibits any premature destruction of records and such destruction may also violate state and federal regulations. From time to time, the Law Department may issue a "records hold" in response to a pending or potential legal proceeding, investigation or audit. Records holds may include official and convenience records. These records must be treated as exceptions to the retention schedule and maintained for a period of time determined by the Law Department.

For more detailed information, refer to Records Management Policy REC 1-01 and the Records Hold REC 1-03 policy in the Corporate Policies database.

## Proper accounting

Blue Cross maintains rigid internal controls to ensure that transactions are properly executed and recorded. Our control-oriented system includes written policies and procedures and professional examination by internal auditors.

As employees, we must adhere strictly to our accounting policies. No secret or unrecorded funds or assets may be created or maintained for any purpose. In addition, employees may never make false entries in the books for Blue Cross transactions or the use of corporate assets. And employees may never conduct any transaction that could involve the creation of a false entry.

The federal government has special laws and regulations regarding cost accounting and cost charging. Blue Cross fully adheres to these requirements.

## Labor and materials costs

Labor and materials costs must always be charged accurately and to the appropriate cost center or account, regardless of the financial status of the related program, project or contract, or the budget status of a particular account or line item.

Time sheets and all other business records must be complete and accurate. Falsification of time sheets or other records is strictly prohibited and, under government contracts, may be a criminal offense.

Correction of time sheets or other records may only be done in accordance with established procedures, including proper documentation and required approvals.

## Unallowable costs

Federal and state programs in health care or in other areas consider many costs or services "unallowable" for reimbursement. Such costs must be identified, appropriately accounted for, and excluded from proposals or requests for reimbursement. Blue Cross

ensures that those expressly unallowable costs and costs that lack a good-faith basis for allowability will be identified and accounted for as unallowable.

We will request reimbursement from the federal government for only those costs that are allowable in accordance with laws, regulations and any applicable government health care program requirements. The Federal Employee Program (FEP) has special rules requiring disclosure of violations of law and overpayments. Consult the Reporting Violations section and the description of available resources found in this document for more information.

### **Preparation and submission of documents to the government**

Proposals, budgets and other records that Blue Cross gives the state and federal governments contain important certifications and representations. For example, many Blue Cross proposals for contracts and budget requests require the submission and certification of cost data or information relating to our anticipated costs. Some contracts require the certification of data or reports in relation to payment. All submissions to the government must be accurate, timely, and must meet any applicable government health care program requirements.

All employees who prepare, sign or in any way support Blue Cross' certifications, representations and reporting share the responsibility for careful and accurate document preparation.

A false certification can lead to civil and criminal sanctions for Blue Cross and the employees involved and may also lead to administrative exclusions from participation in federal health care programs such as Medicare and Medicaid.

### ***Falsification of records***

Federal law requires us to ensure that our books and records accurately reflect the true nature of our transactions. Therefore, in all of our operations, it is against Blue Cross policy for any employee to cause our books and records to be inaccurate. Such actions may be criminal.

Examples of inaccurate reporting include:

- Making records appear as though payments were made to one person when, in fact, they were made to another individual
- Submitting expense accounts that do not accurately reflect the true nature of an expense
- Creating any other records that do not accurately reflect the true nature of a transaction

Employees may never make false entries in any Blue Cross books or records, nor may employees falsify any public record or alter permanent entries in the Blue Cross records. No payment or receipt, on behalf of Blue Cross, may be approved or made with the intent or understanding that any part of the payment or receipt will be used for a purpose other than what is described in the supporting documents.

“Slush funds” or similar off-book accounts — for which there is no accounting for receipts or expenditures on corporate books — are strictly prohibited.

No one at Blue Cross may create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

# Fraud, waste and abuse prevention, detection and correction

Blue Cross is committed to identifying, preventing, correcting and reporting fraud, waste and abuse. The efforts undertaken as part of these processes are collaborative in nature and involve training and education, monitoring, audits including automated claims system checks, the Special Investigation Unit (SIU) and more. All activities are in furtherance of and consistent with applicable laws, regulations and government health care program requirements.

Blue Cross reviews, investigates and documents fraudulent or abusive acts with respect to:

- Provider and member claims
- Over- and under-utilization
- Misrepresentation of member application information
- Misuse of corporate assets
- Other types of fraud

It is the responsibility of Blue Cross management and staff to immediately report suspected fraud. Calling the toll-free fraud hotline at **1-800-382-2000, ext. 28363**, is an easy way to report suspected fraud and/or abuse.

In accordance with established policies and procedures, the SIU is authorized to investigate allegations of fraud concerned with all lines of business and involving providers, members, group representatives, employees or other individuals or groups.

*Q. I'm a customer service representative for Blue Cross. I received a call from one of our members who reported that she got a flyer in the mail for free chiropractor services. When she arrived to get the free service, she was asked for her Blue Cross ID card. What should I do?*

*A. If the service truly was free, an ID card is not required. Blue Cross has a comprehensive plan to detect, correct and prevent fraud, waste and abuse. Transfer the caller to the Blue Cross Fraud Hotline at (651) 662-8363 to report the suspicious activity.*

*Q. I became aware of a neighbor who gave one of her young-adult child's Blue Cross ID card to a college student who was temporarily living with her. Should I report this?*

*A. Yes. You can call the fraud hotline and report what you know. Every effort will be made to maintain your anonymity. Your name will only be shared to the extent necessary to resolve the issue or concern.*



# False claims and anti-kickback laws

The rules that govern business relationships with the government are stringent. Contracting with the government involves a special trust and, as a consequence, a stricter code of behavior. As employees, it is essential that we take all steps necessary to ensure that all information submitted to the government is truthful and accurate.

## Anti-kickback laws

Special state and federal laws prohibit kickbacks from, among others, vendors and suppliers who provide goods and services, directly and indirectly, under federal government contracts and from providers involved in the Medicare/Medicaid programs, and other payors. Anti-kickback laws provide for severe criminal, civil and administrative penalties not only for individuals who offer kickbacks but also for Blue Cross and involved employees who solicit or accept such items. Claims resulting from violations of the anti-kickback laws may also constitute false or fraudulent claims for purposes of the False Claims Act. It is imperative that Blue Cross employees abide by these laws.

## False claims

The federal False Claims Act is a statute that establishes “liability for certain acts” by any person who “knowingly presents or causes to be presented” a false or fraudulent claim for payment by the government or by others in connection with a government program or interest. A false claim is not just the act of submitting a false claim for services to the government. A “false claim,” under this law, can include any action related to seeking payment from the government or not returning overpayments. Violators of the False Claims Act may be required to pay up to three times the amount of damages sustained by the government, a penalty assessed for each claim submitted and may be prohibited from participation in federal health care programs.

The Minnesota False Claims Act establishes liability of any person who “knowingly presents or causes to be presented” a false or fraudulent claim for payment or approval to the state or to any political subdivisions of the state.

Examples of potential false claims include:

- Submitting reports to the government that are not truthful and accurate
- Falsifying member applications
- Paying a provider who has been prohibited from participating in federal or state health care programs
- Hiring an individual to work in a government program when that individual has been prohibited from working on a federal or state health care program
- Retaining overpayments of federal funds, in most instances beyond 60 days of when the overpayment was originally identified

The above examples may also be violations of state laws directed at identifying fraudulent activities in government-funded health care programs. Numerous state laws, both civil and criminal, contain penalties for fraud and abuse involving government health care programs.

Under the federal False Claims Act, you may file a lawsuit on behalf of the U.S. government against individuals and/or entities that you allege defrauded the government by filing false or fraudulent claims. This provision also includes false claims made to state Medicaid programs. This is referred to as a “qui tam” or whistleblower lawsuit. Depending on the outcome of the case, a whistleblower may share in a portion of the recovery of federal damages and penalties. The False Claims Act also includes a non-retaliation provision to protect those who report potential fraud and abuse. Under the state law, you may also file a lawsuit on behalf of the state government against individuals or entities that you allege defrauded state government by knowingly submitting false or fraudulent claims.

This is also referred to as the “qui tam” or whistleblower provision. Depending on the outcome of the case, a whistleblower may share in a portion of the recovery of damages and penalties. The Minnesota False Claims Act also includes a non-retaliation provision to protect those who report potential fraud and abuse.

*Q. I noticed that some numbers were wrong on a report I submitted to the federal government. Can I go back and change the numbers so that my file copy is correct?*

*A. No, but talk with your manager or contact the Compliance Hotline at 1-866-311-4229 (toll free) to determine how best to handle the situation. Reports to the government must always be accurate and truthful, and proper steps will need to be taken to ensure we do not violate laws related to false claims and false statements. In this case, it may be possible to reissue a corrected report.*

## Political activity

### Political activity and contributions

Blue Cross encourages all employees to vote and be active in the political process. However, federal laws restrict the use of corporate funds in connection with federal elections, and many states, including Minnesota and Wisconsin, have enacted similar laws.

Accordingly, employees may never:

- Include, directly or indirectly, any political contribution on expense accounts or in any other way cause Blue Cross to reimburse them for that expense. The cost of fund-raising tickets for political functions is considered a political contribution. Therefore, including the cost of any such fund-raising dinner on an expense account, even if business is discussed, is against Blue Cross policy and is possibly illegal.

- Use any Blue Cross property, facilities or employee time for any political activity, as prohibited by law. Examples of prohibited conduct would include using Blue Cross secretarial time to send invitations for political fund-raising events, using your office telephone to make politically motivated requests, allowing any candidate to use our facilities or meeting rooms for campaign purposes, or loaning company property to anyone for use in connection with a campaign.

Blue Cross may promote its special organizations, such as the Political Support Fund (PSF), to the extent permitted by law. In addition, Blue Cross may host candidate forums and appearances by public officials for the education and benefit of employees.

## Safe and healthy work environment

Blue Cross is committed to providing a safe and healthy work environment that is free from intimidation, harassment, threats and acts of violence. All employees are required to promptly report any suspected behaviors or activities that impact or have the potential to impact the safety of the workplace. Employees are also expected to contribute to a safe workplace through a proactive attitude toward issues of health and safety throughout the company.

In the United States, federal, state and local agencies work to ensure workplace safety, employee health and environmental protection. It is our policy to comply with both the letter and the spirit of the laws and regulations imposed by these agencies and to cooperate with agency inspection and enforcement staff.

For further information about workplace safety, refer to Human Resources Policy HRM 6-85 in the Corporate Policies database.

## Equal employment

Equal employment opportunities are provided to all Blue Cross employees and applicants regardless of their race, color, creed, religion, sex, national origin, age, marital status, status with regard to public assistance, disability, sexual orientation, gender identity or status as a special disabled Vietnam veteran.

Blue Cross takes affirmative action to ensure that all employment practices are free from discrimination, including compensation, benefits, promotions, transfers, layoffs, returns from layoffs, company-sponsored training, education, tuition assistance, and social and recreational programs. In addition, good-faith efforts are made to reasonably accommodate the work-related needs of disabled veterans and individuals with disabilities, unless such accommodation would impose an undue hardship on the business.

The success of the company's equal employment opportunity and affirmative action program requires the full participation of all of our employees. Any incidents of inappropriate conduct should be reported to your management and/or Human Resources.

For further information about equal opportunity employment, refer to Human Resources Policy HRM 5-10 in the Corporate Policies database.

## Government employees

Strict laws and regulations govern interviewing, recruiting and hiring of current and former federal government personnel, including both military and civil service employees. These rules apply not only to people Blue Cross hires as employees but also to individuals we retain as consultants.

The rules in this area are many and complex. Violations of the rules could result in sanctions against the former government employees, and Blue Cross could be held criminally or civilly liable. In all cases, Blue Cross must conduct a thorough screening and review of a candidate's prior government service before we can hold employment discussions with an individual. Blue Cross employees should contact human resources, which will work in conjunction with the chief ethics and compliance officer, before discussing employment with a government employee.

*Q. My department is involved in government contracts. Are there any special rules to follow?*

*A. Yes. Through our contract, the government is entrusting the management of public dollars to us. This involves a special trust and, as a consequence, a stricter code of behavior and many special rules. Blue Cross' role as a government contractor magnifies the need to do things according to the rules and to speak up if there are problems. You should know and understand the rules applicable to your job. If you are in doubt, ask for help from your manager or from the chief ethics and compliance officer instead of attempting to interpret the rules yourself. You may also call the Compliance Hotline toll free at 1-866-311-4229.*



## Government inquiries

From time to time, Blue Cross will be asked to cooperate with government investigations or respond to government requests about how we conduct our business. When Blue Cross receives a request for information or cooperation, you will be notified of your responsibilities in connection with the request.

You might also be contacted individually by a government investigator. If a government investigator contacts you at the office or at home about Blue Cross activities, here are a few important points to remember:

- You have no legal obligation to answer any questions.
- You have the right to decide whether or not to speak to the investigator. If you are willing to be interviewed, you may insist that certain conditions acceptable to you are met.
- Under all circumstances, you must tell the truth to government investigators.

If you are approached by a government investigator, Blue Cross requests that you immediately notify the chief ethics and compliance officer and the general counsel so that appropriate arrangements can be made to fully comply with Blue Cross' legal obligations.

## Drugs and alcohol

Blue Cross policy prohibits the use or possession of any illegal drugs or open containers of alcohol on any Blue Cross property or grounds, whether owned or leased, during and beyond working hours. Alcohol may be served at certain company-sponsored special events only when they are held off-site. Employees may not be on company property or conduct company business under the influence of either illegal drugs or alcohol.

For further information about our drug and alcohol policy, refer to Human Resources Policy HRM 6-00 in the Corporate Policies database.

## Remediation and disciplinary actions

If we realize that a company practice, policy or procedure has or can lend itself to a violation of our code of conduct, we will hold ourselves accountable, acknowledge our mistake, learn from it, and take action to revise the appropriate practice as needed to assure future ethical and compliant behavior.

As individual employees, we are each responsible for our compliance with the code of conduct. Violations may lead to disciplinary action, which may include — but is not limited to — reprimand, suspension or dismissal, depending on the seriousness of the offense. Disciplinary action will be taken in accordance with Human Resources Policy HRM 6-40 in the Corporate Policies database.

# Reporting violations

As Blue Cross employees, we all have direct, personal responsibility for following our code and seeking help or clarification to avoid unethical or illegal business conduct. We also have a duty to internally report any activity that we, in good faith, believe is or may be a violation of our code of conduct or other laws regulating our business. Reporting violations is expected, accepted and protected behavior — not an exception to the rule.

## Non-retaliation

Blue Cross is committed to providing steps to help employees report violations to internal or external parties without fear of retaliation. Anyone who, in good faith, reports a potential violation or cooperates with an investigation is protected against intimidation or retaliation (for example, demotion, discharge or undesirable reassignment) because of their actions. Anyone who retaliates against a person because he or she has filed a report or cooperated in an investigation is subject to corrective action up to, and including, termination of employment. Management is to pay special attention to the actions occurring around an employee who has reported a violation, to help assure that retaliation against that employee does not occur. The manager is to take immediate action upon suspecting retaliation.

Note that reporting of a violation by an employee later deemed to be a willful part of a violation of the Code of Blue or any state or federal law does not make that employee immune from company disciplinary action or applicable state or federal prosecution.

*Q. If I report something that I feel is suspicious or illegal, and that suspicion turns out to be wrong, will I get in trouble?*

*A. At Blue Cross, we are committed to creating a culture that encourages openness, asking questions, speaking up and bringing forward concerns. As long as your report is made in good faith, you will not be reprimanded for sharing a suspicion that turns out to be unfounded. We all own the responsibility of addressing issues and reporting suspected violations. If you suspect a problem, talk to your manager or call the Compliance Hotline toll free at 1-866-311-4229.*

For further information on non-retaliation, refer to Human Resources Policy HRM 6-51 in the Corporate Policies database.



# Help is just a phone call away

If you have questions or are unsure what to do, see or call:

- **Your Management.** They may be able to provide some guidance and/or may be able to report the violation, better assuring your anonymity, if this is your request.
- **Human Resources**, in person or by telephone at **(651) 662-8048**
- **Judith Walker**, chief ethics and compliance officer, **(651) 662-1946**

The chief ethics and compliance officer, in consultation with the chief legal officer, has the authority to approve exceptions to the Code of Blue.

## Anonymous options

Every attempt will be made to assure your anonymity. Your name will only be shared to the extent necessary to resolve the issue or concern.

- **Compliance Hotline at 1-866-311-4229 (toll free)** – This hotline connects you to an operator who is available to answer your call 24 hours a day, seven days a week. The source of the call remains confidential unless you choose to identify yourself.
- **Fraud Hotline at 1-800-382-2000, ext. 28363 or (651) 662-8363** – Blue Cross has a comprehensive plan to detect, correct and prevent fraud, waste and abuse within our community. If you know of or suspect any type of insurance fraud, call the Fraud Hotline between 8 a.m. and 4:30 p.m., Monday through Friday. If you are calling after hours, please leave a voicemail message. Callers may identify themselves or remain anonymous.

- **Audit Hotline at (651) 220-0016** – This is a separate hotline for concerns, questions and reports of potential accounting and audit violations. The hotline is monitored by the board of trustees Audit Committee chair.
- **Internal mail** – If you would rather share your concerns in writing, you may route the information in a confidential envelope to the ethics and compliance officer at route code M495.
- **External mail** – You may also send information to: Chief Ethics and Compliance Officer  
P.O. Box 50821  
Mendota, MN 55150-0821



# BlueCross BlueShield of Minnesota

An independent licensee of the Blue Cross and Blue Shield Association