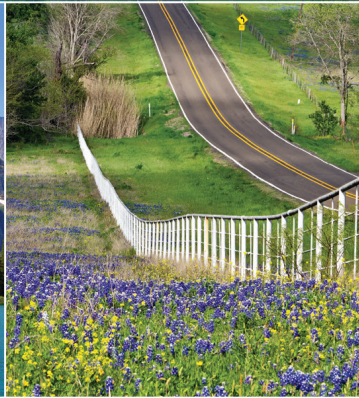


# Living Our Purpose and Core Values



## Code of Ethics and Conduct for Vendors

December 2017



## HCSC Vendor Code of Ethics and Conduct

**Since 1936, Health Care Service Corporation, a Mutual Legal Reserve Company (HCSC)** has built its success around its commitment to its members, community and business partners to operate under sound ethical and sustainable business practices. Embedded in these practices are our core values of:

- Integrity - Always do the right thing;
- Respect - Everyone deserves it;
- Commitment - We keep our promises,
- Excellence - We drive extraordinary results; and
- Caring - We put our heart into our work.

We are excited to do business with others who share our values and commitment to:

- Protect the rights of all workers by providing a respectful, safe and healthy work environment;
- Establish high standards of ethical conduct and compliance with all laws and regulations that govern its business operations;
- Support diversity and inclusion as an integral part of doing business today;
- Understand the importance of doing our part to keep the environment clean and sustainable for years to come; and
- Protect the privacy and confidentiality of information entrusted to us.

These commitments are outlined in this Vendor Code of Ethics and Conduct and are applicable to all our business partners who currently perform services for us or seek to do business with us. We expect that these principles will be effectively communicated to all vendor employees, officers, directors and contractors.

## HCSC Vendor Code of Ethics and Conduct

### Legal Compliance

HCSC is committed to obeying the law. We expect our vendors to comply with all federal, state and local laws and regulations applicable to the vendor's business and the rendering of services to HCSC.

### Conflict of Interest

HCSC employees must act in the best interests of HCSC and must have no relationships, financial or otherwise, with any vendor that might conflict or appear to conflict with the employees' duty to act in HCSC's best interest. If a vendor's employee has a family or other personal relationship with an HCSC employee, or if a vendor has any business or other relationship with an HCSC employee, the vendor must disclose this fact to HCSC and discuss whether there might be a conflict of interest to resolve. When in doubt, the vendor should timely notify HCSC with the facts of the situation so HCSC can mitigate or resolve the conflict.

### Gifts, Gratuities and Kickbacks

When doing business with HCSC, vendors are prohibited from exchanging gifts or gratuities with HCSC employees beyond common business courtesies of nominal value (\$50 or less per year given to or received from one source), and gifts or items of any value must never be offered to or accepted from government employees. Vendors engaging in activities that involve foreign countries and governments shall not offer anything of value (including money or items of value, including nominal value) to an official of a foreign government, foreign political party, candidate for a foreign government office, or to any third party if the vendor knows or has reason to know that all or a portion of the item of

value will be offered to such foreign individuals or entities. Under no circumstances is a vendor allowed to accept or give kickbacks when obtaining or awarding contracts, services, referrals, goods, or business. A kickback means to willfully offer, receive, request or pay anything of value, even nominal value, in order to induce or reward referrals of business including goods or services. When doing business with HCSC, vendors may not offer or accept any gifts of cash or cash equivalents regardless of the amount. Cash equivalents include checks, honorariums, money orders, stocks and saving bonds. Gift certificates and gift cards are not considered cash equivalents, but are subject to the above nominal limitation on common business courtesies.

## **Privacy and Confidentiality**

HCSC has a responsibility to protect the confidentiality of any data that is entrusted to it by its members, employees, vendors, or customers. This data may include Protected Health Information (PHI), Sensitive Personal Information (SPI), and other proprietary and confidential information. Vendors whose work requires the use and disclosure of PHI are considered Business Associates, and must execute a Business Associate Agreement in accordance with the Health Insurance Portability and Accountability Act (HIPAA) and any ensuing amendments. Vendors with access to any proprietary or confidential HCSC information, for example, product information, pricing, costs, operating systems and technology, and business plans or strategy, etc. must execute an appropriate confidentiality agreement, as requested by HCSC.

## **Information Security**

Vendors have a responsibility to manage risk and implement reasonable and appropriate security measures. Vendors must comply with applicable law and contractual requirements with HCSC with respect to information. In the event that a security incident does occur, the vendor is responsible for timely notification to HCSC, for immediately mitigating the issue, for implementing corrective action moving forward and for working with HCSC to understand the impact of the security incident. Because cyber threat is a critical consideration, we expect that our vendors will be:

- Continuously analyzing cyber threats and vulnerabilities;
- Exercising due diligence to monitor their environment for any impacts;
- Educating their workforce so everyone understands the importance of security controls and notification; and
- Implementing effective administrative, technical and physical controls and assessing the effectiveness of those controls.

## **Accuracy of Records**

Vendors must maintain accurate and complete records of all matters related to their business with HCSC. In addition, all records should be stored for the period of time required by the HCSC Enterprise Records Retention Schedule.

## **Fair Competition**

HCSC is committed to a policy of vigorous, lawful and ethical competition which is based on the merits of our products and services. We will maintain the trust of our customers and

providers by developing and providing high-quality products and services in a fair, ethical and legal manner.

## **Employment and the Workplace**

HCSC is committed to Diversity and Inclusiveness. We understand that a diverse and positive workplace creates stronger partnerships and better business outcomes.

HCSC expects vendors to treat all of the vendor's and HCSC's employees with dignity and respect. Vendors must not discriminate against, sexually harass, mentally or physically coerce, verbally abuse or threaten any of its or HCSC's employees. Vendors must adhere to all laws pertaining to labor practices, including but not limited to human trafficking or forced labor, child labor, minimum wages, working hours and freedom of association.

Vendors are also expected to cooperate with HCSC in maintaining a work environment free of possession, use or distribution of alcohol and illegal drugs and to adhere to all OSHA laws. While working on HCSC's premises, vendors' employees shall abide by HCSC's rules pertaining to safety and security. HCSC prohibits entering with or keeping weapons on HCSC property.

## **Use of HCSC Physical Assets**

Vendors may use HCSC's property and physical assets only to provide services or fulfill its contractual obligations to HCSC, with permission from HCSC. This property includes but is not limited to computers, email, internet/intranet, fax, phone and copiers. Vendor and its employees are prohibited from using these assets to send, receive or view inappropriate material including offensive, threatening, biased, or sexually explicit material. HCSC

assets must be returned at the termination of vendor services, or whenever requested by HCSC.

Vendor or vendor's employees will not download any (personal or other) software to HCSC computers without prior written authorization from an officer of HCSC. Copying or unauthorized use of unauthorized software may be a violation of federal copyright laws resulting in civil and/or criminal liability.

User IDs and passwords issued to Vendor and its employees are for the exclusive use of the intended recipient, and for the specific business use for which they are issued. User IDs and passwords may not be shared with others. Vendors must also promptly report any activities that may compromise the security and confidentiality of HCSC's data and/or information systems. Violation of this policy may result in termination of the vendor's contract.

## **Government Contracts**

Vendors working directly or indirectly on government contracts or programs (e.g. Medicare, Medicaid, Indian Health Service, state or municipal government employee benefit programs, etc.) have a special obligation to know and comply with all the terms of the government contract and laws and regulations applicable to the government program. In addition, Vendors must not submit false or fraudulent claims for payment, make any false statements or representations, or do business with suspended, debarred or excluded individuals or entities. Vendors must cooperate fully with any government requests for information. Vendors also must never offer gifts, entertainment, meals or anything of value to a government employee.



## **Reporting Potential Misconduct**

A vendor or any vendor employee that has knowledge of any actual or potential violations of the terms and conditions of the Vendor agreement, or this Code, or applicable laws and regulations must immediately bring this to the attention of their HCSC business contact or call the HCSC Corporate Integrity HOTLINE (1-800-838-2552) which is available 24 hours a day/seven days a week. Actual or potential wrongdoing not pertaining to work performed under the vendor's agreement with HCSC should be reported according to the Vendor's Code of Conduct and policies.

HCSC strictly enforces its non-retaliation policy, protecting those who, in good faith, report suspected wrongdoing. Likewise, Vendors shall not retaliate against their employees, who in good faith, report potential wrongdoing.

## **Sustainability**

We encourage all vendors to have an effective environmental policy and to endeavor to achieve this policy using the best available techniques; to implement this policy at all levels throughout the company; and to include a commitment to continual improvement in environmental performance, energy efficiency, and waste reduction.

