

The Purpose of the Code of Conduct

Consumer Direct Care Network (CDCN) is dedicated to improving and renewing the quality of our services and our corporate culture through our annual focus on standards, conduct, and policies.

The purpose of the Code of Conduct is to articulate the ethical framework within which CDCN operates. It places employees on notice that they will be held responsible for conducting themselves according to the standards and applicable laws which protect and promote organization-wide integrity, and will enhance CDCN's ability to achieve its mission.

The Code of Conduct:

- Serves as an annual reminder of CDCN's administrative policies and procedures;
- Promotes positive staff behavior to prevent, detect and resolve conduct that does not conform to federal and state laws or health care regulations;
- Demonstrates CDCN's corporate commitment to ethical and legal practices; and
- Enforces the standards of conduct for staff to recognize appropriate work place behavior.

Who does the Code of Conduct Apply to?

The Code of Conduct is distributed to all CDCN Officers, members of the Board of Directors, management and employees, who shall sign an acknowledgement that they have received, read and understood all of the standards contained herein. This Code of Conduct is the framework for CDCN's Corporate Compliance Program and the written policies and procedures that are maintained by each operational department. Each CDCN manager and supervisor is responsible for ensuring that all employees under their supervision understand the standards of conduct contained herein and comply with them, as well as with all job-specific policies and procedures. As used herein, "CDCN personnel" includes all CDCN officers, directors, employees and independent contractors as designated by the Compliance Officer. "Employee[s]" shall refer to regular exempt and non-exempt CDCN employees. "Subcontractors" shall refer to entities with which CDCN subcontracts obligations.

CDCN affirms its commitments to its clients and to providing services that meet the need for quality health benefits. CDCN is committed to dealing with its clients with honesty and professionalism at all times.

To our employees: CDCN is committed to fully performing its responsibilities to manage its business in a manner that reflects the values expressed in this Code of Conduct, and which treats employees with fairness, dignity and respect, in an environment that fosters professional growth.

Principle 1—Legal Compliance

CDCN will strive to ensure that all activity by or on behalf of CDCN is in compliance with all applicable state and federal laws.

The following Standards are intended to provide guidance to CDCN personnel to assist them in their obligation to comply with applicable laws. These standards are neither exclusive nor complete. CDCN personnel are required to comply with all applicable federal and state laws, whether or not specifically addressed in these policies.

Standard 1.1—Antitrust Laws

All CDCN personnel must comply with applicable antitrust and similar laws that protect competition. Examples of conduct prohibited by the laws include (1) agreements to fix prices, bid-rigging, collusion (including price-sharing) with competitors; (2) boycotts, certain exclusive dealing and price discrimination agreements; (3) unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation, and similar unfair practices; and (4) providing confidential participating provider pricing or other competitive information to CDCN affiliated providers. CDCN personnel are expected to seek advice from CDCN legal counsel when confronted with business decisions involving a risk of violation of the antitrust laws.

Standard 1.2—Health Care Laws and Regulations

CDCN personnel will refrain from conduct that may violate health care laws and regulations, including, but not limited to, HIPAA, HITECH, Fraud Waste and Abuse reporting and monitoring, Stark, Anti-Kickback, Whistleblower (Qui Tam), Non-Retaliation, CDCN operational policy letters, and all health care funding laws and regulations. Fraud and abuse laws prohibit (1) direct, indirect, or disguised payments in exchange for the referral of patients; (2) the submission of false, fraudulent, or misleading claims or information to any government entity, including claims for services not rendered, claims that characterize the service differently from the service actually rendered, or claims that do not otherwise comply with applicable program or contractual requirements; and (3) false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service. (For additional guidance concerning specific areas of CDCN's operations that are subject to specific compliance requirements, please refer to the CDCN's Compliance Policy and the applicable departmental policy and procedure manuals.)

Standard 1.3—Lobbying and Political Activity

CDCN personnel will refrain from engaging in activities that may jeopardize the organization, including certain improper lobbying and political activities.

1. Any agreement to contribute any money, property, or services of any officer or employee on behalf of CDCN at CDCN's expense to any political candidate, party, organization, committee, or individual must be in compliance with any applicable law. CDCN

personnel may independently participate in and contribute to political organizations or campaigns, but they must do so as individuals, not as representatives of CDCN or at CDCN's expense, and they must use their own funds.

2. In cases in which its experience may be helpful, authorized representatives of CDCN may publicly offer recommendations concerning legislation or regulations being considered. In addition, it may analyze and take public positions on issues that have a relationship to the operations of CDCN when CDCN's experience contributes to the understanding of such issues.
3. CDCN has many contacts and dealings with governmental bodies and officials. All such contacts and transactions shall be conducted in an honest and ethical manner. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit is absolutely prohibited. Any requests or demands by any governmental representative for any improper benefit should be immediately reported to CDCN Compliance Officer. Additionally, CDCN should refrain from entering into any consulting or other contractual arrangement with any government or elected official in order to avoid the appearance of impropriety.

Standard 1.4—Workplace Conduct and Anti-Discrimination Laws

CDCN believes that the fair and equitable treatment of CDCN personnel, employees, members, affiliated providers and other persons is critical to fulfilling its vision and goals.

It is a policy of CDCN to enroll members, provide benefits and services, and hire staff without regard to the race, color, religion, sex, ethnic origin, age, or disability of such person, or any other classification prohibited by law. This policy applies to all aspects of employment—recruitment, selection, job assignment, promotion, transfer, layoff, recall, compensation, discipline, termination and access to benefits and training.

Standard 1.5—Non-Retaliation and Federal Compliance Reporting

In accordance with Federal health care laws, Non-Retaliation laws and the CDCN Non-Retaliation Policy staff is encouraged to report acts of Non-Compliance, Fraud, Retaliation and adverse work environment to the multiple avenues offered to employees such as HR, Legal, the Privacy and Compliance Officer or in any other confidential manner offered to them. It is the Policy of CDCN to provide a system for all employees to anonymously report violations without the fear of retaliatory firing, administrative action, or the threat or appearance of demotion in job duties and pay.

CDCN adheres to all Federal and State laws and guidelines to provide the required organizational structure and confidential reporting mechanisms that allow for monitoring, auditing and reporting.

Failure to abide by this Code of Conduct may subject the Company to severe civil and criminal penalties, including large fines and exclusion from payers including, but not limited to, the Centers for Medicare & Medicaid Services, state Medicaid, and managed care organization programs. It is therefore, very important that any illegal activity or violations of the Code be promptly brought to the Company's attention. Failure of CDCN employees to report fraud or violation of this Code or illegal activity will result in disciplinary action, up to and including termination.

Standard 1.6—Threats of Intimidation and Acts of Discrimination in a Healthcare Environment

CDCN adheres to state and federal laws as they apply to the healthcare environment. Acts alleged or otherwise perceived as discrimination or intimidation whether verbal, electronic, or in writing will not be tolerated. Employees are directed to report any and all alleged acts within this section and in accordance with section 1.4 of this Code.

CDCN will investigate and report any allegation to the proper oversight agency as directed by the laws and regulations including, but not limited to HHS/OCR and DOJ. Each allegation of harassment or discrimination will be promptly investigated in accordance with CDCN Department of Human Resources policies and procedures. Internal investigations will be conducted within the law to allow Executive management and HR to respond and act on allegations to maintain a cohesive and productive work environment for all staff.

No form of harassment or discrimination on the basis of race, sex, age, creed, color, religion, national origin, disability, pregnancy, Vietnam Veteran Era status or any other classification prohibited by law will be tolerated.

Standard 1.7—State Insurance Laws and Directives

CDCN will comply with all state laws applicable to doing business in each individual state throughout our service area. Should employees have questions or concerns regarding legal directives they are encouraged to contact CDCN's Legal or Risk Management Department.

Principle 2—Business Ethics

In furtherance of CDCN's commitment to the highest standards of business ethics and integrity, employees will accurately and honestly represent CDCN and will not engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

The Standards set forth below are designed to provide guidance to ensure that CDCN's business activities reflect the highest standards of business ethics and integrity.

2.1—Honest Communication

CDCN requires candor and honesty from individuals in the performance of their responsibilities and in all communications. CDCN will strive to provide timely and accurate information to

members (clients) regarding services, exclusions and limitations and policies and procedures that directly affect CDCN's or the member's obligations. CDCN will strive to provide timely and accurate information to payers (e.g. Medicaid, CMS, MCOs, etc.) concerning matters affecting the members. No employee shall make false or misleading statements to any member, person or entity doing business with CDCN about other members, persons or entities doing business or competing with CDCN, or about the products or services of CDCN or its competitors.

2.2—Marketing and Advertising

CDCN will use marketing and advertising to educate its customers and prospective customers about its services and to encourage business growth and development. We will present to the best of our ability and knowledge truthful, informative and accurate information in all advertising and marketing and, where necessary, submit advertising and marketing materials for regulatory review.

2.3—Misappropriation of Proprietary Information

All CDCN personnel should ensure the proper use of company materials for applicable copyright laws or licensing agreements. CDCN personnel shall not utilize confidential business information obtained from competitors, including customer lists, price lists, contracts, or other information in any manner likely to provide an unfair competitive advantage to CDCN. It is not acceptable for CDCN personnel to obtain confidential information about a competitor by unlawful means or when doing so would violate a contractual obligation.

Principle 3—Confidentiality

CDCN shall strive to maintain the confidentiality of member, provider and other confidential information in accordance with applicable legal and ethical standards.

All CDCN personnel are in possession of and have access to a broad variety of Protected Health Information (PHI) that is highly confidential. The inappropriate release of PHI could be injurious to members, CDCN's business partners, and to CDCN itself. CDCN has an obligation to actively protect and safeguard confidential, sensitive, and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

3.1—Patient and Member Information

All CDCN employees have an obligation to maintain the confidentiality of member medical and financial information in accordance with all applicable laws and regulations. It is important to recall that for purposes of the Code of Conduct, "member" includes not only members enrolled in programs, but also CDCN personnel and all other members enrolled in FEA plans for which CDCN performs administrative services. Employees shall refrain from revealing any personal or confidential information concerning members unless permitted by law, and is for legitimate business, quality improvement or member service purposes. If questions arise regarding an

obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should refer to departmental specific policies and procedures or seek guidance from management.

3.2—Proprietary Information

Information, ideas and intellectual property assets of CDCN are important to organizational success. Information pertaining to CDCN's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with employees or third parties should be protected and shared only with employees having a need to know such information in order to perform their job responsibilities.

3.3—Personnel Actions and Decisions

Personnel files, payroll information, disciplinary matters, and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws or CDCN policies and procedures. Employees will exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

Principle 4—Conflicts of Interest

Board of Directors, Officers, and Executive title (Executives hereafter) employees have undivided confidentiality and non-compete duties to the organization. Executives may not use their positions to profit personally or to assist others in profiting in any way at the expense of the organization or administrative staff. Executive personnel are expected to regulate their activities so as to avoid actual impropriety or the appearance of impropriety that may arise from the influence of those activities on business decisions of CDCN, or from disclosure or private use of business affairs or plans of CDCN. Activities with the appearance of conflict of interest include but are not limited to external financial obligations between Executives; property agreements; positions of supervision internally with existing external relationships; promises for raise or promotion and nepotism. Executive personnel who are also representatives of CDCN's provider owners may serve under a potential conflict of interest. However, CDCN expressly acknowledges and waives such conflict of interest. Any other conflicts of interest must be disclosed and reviewed in accordance with CDCN's conflict of interest policy.

4.1—Outside Financial Interests

While not all-inclusive, the following will serve as a guide to the types of activities by CDCN Executive personnel, or a family member of such person, that may cause conflicts of interest:

1. In accordance with state and federal laws, ownership in or employment by any outside concern that does business with CDCN will apply. This does not apply to stock or other investments held in a publicly held corporation, provided the value of the stock or other investments does not exceed 5 percent of the corporation's stock. CDCN may, following

a review of the relevant facts, permit ownership interests that exceed these amounts if management concludes that such ownership interests will not adversely impact CDCN's business interest or the judgment of the covered person.

2. Representation of CDCN by CDCN personnel in any transaction in which such CDCN personnel or a family member has a substantial personal interest.
3. Competition with CDCN by current CDCN personnel, directly or indirectly, in the purchase, sale, or ownership of property or property rights or interests, or business investment opportunities.

Principle 5—Business Relationships

Business transactions with vendors, contractors, and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction. Contractual relationships shall be in accordance with all HHS/OCR/DOJ and Federal Sentencing guidelines for contractor relationships.

The Standards set forth below are intended to guide key employees in determining the appropriateness of the listed activities or behaviors within the context of CDCN business relationships, including relationships with vendors, providers, subcontractors and government entities. It is the intent of CDCN that this policy be construed broadly to avoid even the appearance of improper activity. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, you should contact the CDCN Compliance Officer or a member of the Compliance Committee.

5.1—Gifts and Gratuities

It is CDCN's desire to at all times preserve and protect its reputation and to avoid the appearance of impropriety. Consequently, it is recommended for employees to refer to CDCN's Gift and Gratuities Policy for the most updated information and guidance including, but not limited to, gifts to and from Members (Clients), gifts influencing decision-making, gifts to and from agency contractors and employees, gifts from vendors, and vendor-sponsored events.

5.2—Workshops, Seminars, and Training Sessions

Attendance at local, vendor-sponsored workshops, seminars, and training sessions is permitted. Attendance, at vendor expense, at out-of-town seminars, workshops, and training sessions is permitted only with the approval of an employee's supervisor.

5.3—Corporate Contracting

In accordance with federal and state law, employees may not utilize "insider" information for any business activity conducted by or on behalf of CDCN. All business relations with contractors must be conducted at arm's length both in fact and in appearance and in compliance with CDCN

policies and procedures. Employees must disclose personal relationships and business activities with contractor personnel, which may be construed by an impartial observer as influencing the employees' performance or duties. Employees have a responsibility to obtain clarification from management on questionable issues that may arise, and to comply, when applicable, with the CDCN's Conflict of Interest policy.

5.4—Business Inducements

CDCN employees shall not seek to gain any monetary advantage through the improper use of payments, business courtesies, or other inducements. Offering, giving, soliciting, or receiving any form of bribe or other improper payment is prohibited.

Principle 6—Protection of CDCN Assets

All employees will strive to preserve and protect the corporation's assets by making prudent and effective use of CDCN resources and properly and accurately reporting their financial condition.

The Standards set forth below are intended to guide key employees by articulating CDCN's expectations as they relate to activities or behaviors that may impact CDCN's financial health or assets.

6.1—Internal Control

CDCN has established internal controls, policies and procedures to ensure that assets and records are protected and properly used. All records and reports kept in the course of CDCN's business are maintained to be accurate, secure and reliable. In accordance with federal and state law, potential employees and current employees that are identified via criminal background checks, that produce results identifying adverse criminal convictions including, but not limited to, direct convictions for theft and fraud will not have access to confidential financial statements, member financials, individually identifiable health information (IIHI) or employee records.

6.2—Financial Transactions and Reporting

All of CDCN's business transactions shall be carried out in accordance with management's general or specific directives. All of CDCN's books and records shall be kept in accordance with generally accepted accounting standards, except where statutory standards are applicable. All transactions, payments, receipts, accounts and assets shall be completely and accurately recorded on CDCN's books and records on a consistent basis. No payment shall be approved, made or requested with the intention or understanding that it will be used for any other purpose other than that described in the supporting documentation of the payment.

All financial reports, accounting records, reports, expense accounts, timesheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation, or financial reporting is contrary to the policy of CDCN and may be in violation of applicable laws.

6.3—Accuracy, Retention and Disposal of Documents and Records

Employees are responsible for the integrity and accuracy of CDCN's documents and records and are directed to follow CDCN's Record Retention Policy to not only comply with legal and regulatory requirements, but also to ensure that records are available to defend CDCN's business practices and actions. No one may alter or falsify information on any record or documents. Member and business records shall be maintained and retained in accordance with the law and CDCN policies and procedures. Member and business records include paper documents such as letters and memos, electronic data (e-mail, files on disk or tape) and any other medium that stores information about CDCN or its business activities. It is important to retain and destroy them in accordance with CDCN policy.

6.4—Communications Systems

All CDCN communications systems, electronic mail, Internet access, facsimile, telephone service or voice mail are the property of CDCN and are to be used primarily for business purposes. Limited, reasonable personal use of CDCN's communications systems is permitted; however, you should assume that such communications are not private. Member information should not be sent by any method for which security and confidentiality cannot be ensured.

6.5—Travel and Entertainment

Travel and entertainment expenses should be consistent with the employees' job responsibility and the organization's needs and resources. It is CDCN's policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and entertainment. Employees are expected to exercise reasonable judgment in the use of CDCN's assets and to spend the organization's assets as carefully as they would spend their own. Employees must also comply with CDCN policies relating to travel and entertainment expense.

6.6—Use of Corporate Assets

All employees are expected to refrain from converting CDCN assets to personal use unless authorized by their Supervisor. All property and business of the organization shall be conducted in the manner designed to further CDCN's interest rather than the personal interest of an individual employee.

Principle 7—Administration and Application of this Code of Conduct.

CDCN expects each person to whom this Code of Conduct applies, to abide by the Principles and Standards set forth herein and to conduct the business and affairs of CDCN in a manner consistent with the general statement of principles set forth herein. Conduct not specifically addressed by these standards must be consistent with all federal and state law. Additionally, CDCN employees are expected to cooperate with internal and external investigations by Government Programs.

CDCN employees will also be expected to cooperate in external inquiries such as external audits, regulatory reviews, regulatory audits, and regulatory inquiries.

Miscellaneous

Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to employees or other persons.

While CDCN will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, CDCN reserves the right to modify, amend, or alter the Code of Conduct. All modifications, amendments or alterations of this policy will be distributed to all affected employees within thirty (30) days of implementation and adherence.