A GUIDE FOR EMPLOYEES, OFFICERS AND BOARD MEMBERS OF BLUE CROSS BLUE SHIELD OF ARIZONA AND ITS WHOLLY OWNED SUBSIDIARIES

WE TAKE PRIDE IN DOING THE RIGHT THING!
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To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Dear Employees, Officers, and Board Members,

More than 1.5 million members across the state have come to trust Blue Cross Blue Shield of Arizona (BCBSAZ). They expect us to help them access high-quality healthcare, to provide excellent service, and to keep their information confidential and secure.

We are obligated to protect our members’ privacy, to conduct ourselves with integrity, and to adhere to federal and state laws and regulations. Code Blue, the BCBSAZ code of conduct, includes guidance to help you do your part. Inside Code Blue, you’ll find:

- The BCBSAZ Mission, Vision, and Values
- Guiding principles
- Specific legal requirements
- Policy information
- Examples of acceptable and unacceptable behavior
- Ways to ask questions and report concerns

As a BCBSAZ employee, officer or board member, you are responsible for studying and knowing Code Blue, for completing the annual mandatory training, and for helping to ensure we all adhere to the expectations described in this document.

If you see behavior that is unethical or potentially harmful to the company, we ask that you report it. Depending on how you’re most comfortable communicating the issue, you can:

- Contact Compliance Officer Mary Semma (Ext. 4432) or the Corporate Integrity Department (compliance@azblue.com) with your questions or concerns.
- Talk to your manager about any issues.
- Call the Compliance Hotline at (800) 500-0333.

While the BCBSAZ No Retaliation policy protects employees who report unethical behaviors, you may also choose to remain anonymous when you call the hotline.

Code Blue is integral to our daily work and to our enduring reputation as a trustworthy organization. Thank you for helping BCBSAZ maintain the highest ethical standards.

Pam Kehaly
President and CEO

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
The Spirit of Blue and Compliance & Ethics

It is our Vision to be recognized as Arizona’s trusted and effective leader in health insurance and related health services, operating as an independent non-profit, local Blue Cross Blue Shield Plan. In order to achieve this vision, we build honest relationships with our customers, suppliers, vendors, providers and regulators.

Building honest relationships means we live our Values. We keep promises, treat others the way we want to be treated and take pride in doing the right thing. We are also responsible stewards of our customers’ premium dollars and maintain BCBSAZ’s heritage of service to the community.

We conduct our business activities in an honest, open and fair manner. We do not sacrifice our ethics and compliance concerns in order to achieve personal or corporate goals.

By making ethics and compliance a part of the day-to-day performance of our jobs, we can provide the best value in health insurance and improve the quality of life for Arizonans.

MISSION
It is our mission to provide the best value in health insurance and related health services to improve the quality of life for Arizonans.

VISION
We will be recognized as Arizona’s trusted and effective leader in health insurance and related health services, operating as an independent, not-for-profit, local Blue Cross Blue Shield Plan.

VALUES
We keep promises
We take pride in doing the right thing
We treat others the way we want to be treated
We are responsible stewards of our customers’ premium dollars
We are responsible for maintaining BCBSAZ’s heritage of service to the customer and community

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Introduction

As a part of our commitment to compliance, BCBSAZ has developed and implemented standards, applicable to all employees, officers, and board members, that detail the manner in which we conduct business on behalf of BCBSAZ and its wholly owned subsidiaries. These standards are described in the various sections of Code Blue, BCBSAZ’s Code of Conduct. Code Blue is based on a strong commitment to compliance and ethical practices by BCBSAZ’s board of directors and senior management and offers a clear and concise collection of company-wide principles and standards. Code Blue is the cornerstone of BCBSAZ’s Compliance & Ethics Program.

Code Blue details the fundamental principles, values and framework for conducting business properly and professionally at BCBSAZ and in our interactions with customers, vendors, government regulators, local communities and the environment. Code Blue affirms BCBSAZ’s commitment to comply with all federal and state laws and regulations. Code Blue is reviewed annually and updated as needed. Code Blue and the Compliance & Ethics Program are available on Planet Blue, BCBSAZ’s intranet site. Code Blue is also available on our public website azblue.com.

Code Blue is a set of general principles based on the laws, regulations and corporate policies that affect us. These policies apply to all employees, officers, and our board members of Blue Cross Blue Shield of Arizona and its wholly owned subsidiaries. They describe the behavior required for initial and continued employment.

We are expected to perform our jobs consistent with Code Blue. Nothing in Code Blue precludes lawful, concerted action by employees. BCBSAZ looks at how we apply the principles of Code Blue in our everyday activities as part of our annual performance evaluations and promotion decisions.

In order to have a corporate-wide culture of ethical behavior, we must understand what to do when we face an ethical or compliance dilemma. Code Blue provides the foundation for making ethical decisions and includes the many ways we can report known and suspected inappropriate behavior, actions, fraud, waste and abuse.

Ways to report:

- Speak to your supervisor, manager, director or vice president.
- Ask to meet with the Compliance Officer, Privacy Officer, or a member of the Compliance Committee, Corporate Integrity, Legal or Human Resources.
- Send a letter, email or memo to the Compliance Officer, Mary Semma.
- Call the Compliance Hotline at (800) 500-0333 (you can remain anonymous).
- Email compliance@azblue.com.
- For privacy questions or issues call (602) 864-2255.

To report potential fraud and abuse fill out the Fraud Referral Form (Word template). The Special Investigations Unit (SIU) also maintains a hotline where you can report suspected fraud or abuse. The SIU hotline number is (602) 864-4875. These phone numbers are on posters throughout BCBSAZ facilities.

Code Blue covers:

- Legal Compliance
- Accurate Data
- Record Retention
- Protection of Non-Public Information
- Conflicts of Interest
- Relationships with Vendors, Contractors, Customers
- Government Contracts
- Anticompetitive or Unfair Trade Practices
- Government Investigations
- Fraud, Waste and Abuse Prevention and Detection
- Corporate Assets
- Political Activity
- Workplace Issues
- Reporting Requirements and our No Retaliation Policy

Our Role:

- Know the laws and regulations that apply to our jobs.
- Ask questions when in doubt.
- Treat others with honesty and respect.
- Take responsibility for our actions.
- Report known or suspected inappropriate behavior, actions, fraud, waste and abuse.
Reporting Violations of the Code

As BCBSAZ team members, we all have a responsibility to report potential or actual violations of Code Blue. We have many ways to report suspected violations of Code Blue without fear of punishment or retaliation from BCBSAZ or its management. We can discuss matters with our management or use another method to report, such as the Compliance Hotline. The hotline is staffed by an external vendor, 24 hours a day, seven days a week. When making a report, we need to give specific details, when possible, so a proper investigation may be conducted.

BCBSAZ’s Responsibility to Respond

The Compliance Office will investigate all reported Code Blue violations. The Compliance Officer will report the results to the board of directors. BCBSAZ may limit the feedback it provides after an investigation.

The Compliance Officer, an officer of BCBSAZ, or the Chief Executive Officer (CEO) will report actual violations of federal or state law to the appropriate authorities. BCBSAZ and our board of directors will cooperate fully with all government investigations.

No Retaliation Policy

Live Fearless: If you make a report in good faith of a suspected violation of Code Blue or the Affordable Care Act, you will be protected from retaliation. Know that you will not lose your job or be disciplined just because you make a report or ask a question. BCBSAZ will do its best to protect the confidentiality and anonymity of anyone who makes a report. However, under certain circumstances, BCBSAZ may have to supply the name of the person making the report.

Did you know? We do the right thing when we report potential or actual violations of Code Blue as soon as we become aware of them.

Reporting misconduct immediately protects our ethical culture, our reputation and our ability to do business.

BCBSAZ protects us from any form of retaliation if we make a good-faith report of a suspected violation.

There is a quick reference to the Compliance Hotline on the back of your badge.

Questions About Code Blue?

Call the Compliance Officer, Mary Semma (x4432), the Corporate Integrity Team, or a member of the Compliance Committee (listed at the end of this document).

Reporting to the Government

The U.S. False Claims Act contains reporting provisions protecting individuals who report concerns to the government. Ways to report to the government include:

- A member of Congress or congressional staff;
- The Office of Personnel Management (OPM) Office of the Inspector General;
- The Centers for Medicare & Medicaid Services (CMS)
- The Government Accountability Office;
- A federal employee responsible for contract oversight or management at the OPM;
- An authorized official of the Department of Justice or other law enforcement agency;
- A court or grand jury;
- A management official or other employee of the Plan or subcontractor who has the responsibility to investigate, discover, or address misconduct.

Employees should report:

- Known or suspected instances of gross mismanagement of a federal contract or grant;
- Gross waste of federal funds;
- An abuse of authority relating to a federal contract;
- A substantial and specific danger to public health or safety;
- A violation of law, rule or regulation related to a federal contractor.

Issues can be reported to Compliance Officer Mary Semma, the Corporate Integrity Team, or the Compliance Hotline. Employees who report misconduct to the government are protected from retaliation. While the False Claims Act was enacted as a way for people to report wrongdoing to the government, we have a Compliance & Ethics Program in place at BCBSAZ so employees can report potential wrongdoing internally.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Ethical Professionalism Requires Legal Compliance

We take pride in doing the right thing; therefore, we obey the law at all times when conducting BCBSAZ business.

Code Blue is part of our Compliance & Ethics Program. This program was created to help us understand our duty under and beyond the law.

There are many laws and regulations that affect the way we do business. Some of these laws control:

- Arizona Department of Insurance licensing;
- Accuracy in record keeping;
- Privacy;
- Unfair trade practices; and/or
- Participation in federal medical programs like the Marketplace and Small Business Health Options (SHOP) for Qualified Health Plans, the Federal Employee Program® (FEP®), and Medicare Part D.

We must all know about the laws and regulations that apply to our jobs.

We must follow established BCBSAZ Corporate Policies and Procedures. These policies are available on Planet Blue, BCBSAZ’s intranet. BCBSAZ provides training on general policies and compliance issues through live and online training, and as part of departmental meetings. Specific programs are also offered for each of our individual lines of business, as needed.

Beyond legal requirements, policies and procedures, we live our Values. The Values are listed on page 4.

Code Requirements

We are each responsible for:

- Following the laws and regulations that apply to BCBSAZ.
- Following our Corporate Policies and Procedures.
- Adhering to our Corporate Values.
- Asking questions when we are uncertain about something.
- Reporting known and suspected violations of laws, regulations or BCBSAZ Corporate Policies and Procedures.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Report Data Truthfully and Accurately

Record and report all financial data and transactions accurately and honestly. Follow proper accounting rules at all times.

As we are responsible stewards of our customers’ premium dollars, we each have a responsibility to ensure we record truthful and accurate information. Examples of truthful and accurate reporting include:

- Correct timecard reporting;
- Accurate business expenses;
- Our production or performance data;
- The production and performance data of BCBSAZ; and
- Any other business-related activities we record and/or report on.

We must report and record information in connection with BCBSAZ contracts accurately and truthfully. Do not:

- Distribute or assign costs to contracts that violate the contract’s provisions or do not follow applicable accounting rules;
- Inaccurately report labor costs records, or submit or instruct another employee to submit false time charges or assign costs to the wrong contract;
- Alter or falsify any information in any record or document that misrepresents the facts; or
- Try to influence, pressure or manipulate an auditor to make financial statements that are misleading.

Risks of Inaccurate Data

Inaccurate data can lead to fines for BCBSAZ, restrictions on our ability to do business and, in the most egregious circumstances, prosecution.

Did you know?

Even if you are asked to do so by a supervisor or co-worker:

- Do not report data that is not accurate or truthful.
- Do not alter or falsify data in any BCBSAZ record or document.

Use one of the options listed under “Reporting Requirements” to ask questions or report incidents.
Follow Record Retention Policies

Keep or destroy all business records based on the law and our record retention policies. This includes all record types:

- Paper records;
- Computer files;
- Email; and
- Information stored any other way (on CDs, tape, discs, etc.).

Do not tamper with, remove or destroy business records contrary to BCBSAZ’s record retention policies.

A government investigation, lawsuit or court order may impose additional record retention requirements. When this occurs, carefully follow the instructions from the BCBSAZ Legal Department. Inappropriate destruction of records could constitute a crime.

Know Where to Find Record Retention Information

A link to the Record Retention page is located on Planet Blue, BCBSAZ’s intranet. The page has the following:

- A link to the Records Retention Policy A-002;
- A Record Management Manual;
- A retention schedule;
- A dedicated mailbox to contact the Record Retention Office; and
- Other tools designed to assist with the proper creation, storage and destruction activities related to both paper and electronic records stored on our local area network.

For more information on Record Retention, see Records Management Policy A-002 on the Record Retention page on Planet Blue, BCBSAZ’s intranet.

Did you know?

We do the right thing when we report potential or actual violations of Code Blue as soon as we become aware of them.

BCBSAZ protects us from any form of retaliation if we make a good-faith report of a suspected violation.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Protect Non-Public Information

We have a responsibility to protect Non-Public Information at all times.

Do not use or give out Non-Public Information to anyone without approval. Non-Public Information includes:

Protected Health Information (PHI):

- Medical records
- Patient information
- Other personal information:
  - Social Security numbers
  - Addresses
  - Phone numbers
  - Financial information (e.g., bank checking account routing information)

Access and use of PHI is limited to when it is necessary to complete our job functions. Accessing PHI when it is not needed to complete our job tasks or accessing PHI out of curiosity is strictly prohibited.

If PHI is released accidentally or inappropriately please notify your supervisor and the Privacy Office right away. BCBSAZ is often required to report inappropriate release of or access to PHI under very short timeframes.

Company Non-Public/Trade Secret Information:

- BCBSAZ’s business plans and operations
- Pricing and financial data
- Marketing plans
- Computer software
- Inventions
- Planned business transactions
- Information about our fellow employees or board members
- Underwriting information
- Information about our subcontractors and vendors
- Information from a third-party vendor that we agreed to keep confidential

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Data Security and Software License Obligations

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

Sometimes contractors from other companies are brought on site or are given access so they can perform work for us. It is important for business owners of these projects to follow the contract requirements and then discontinue access and ensure that BCBSAZ work papers and equipment are returned when the contract ends.

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

Social Engineering

Be aware of social engineering and phishing scams. People try to obtain access to non-public information by pretending—in person, on the phone or through email—to be legitimate. They may pretend to be from Information Technology and ask for your password or try to enter a building under false pretenses. If you suspect phishing, check the Safe Email List on Planet Blue and use the Report Phishing option in Outlook.

Unsure if the information is non-public information?

Contact your management, the Legal Department or Corporate Integrity before releasing the information.

Privacy Audits

The Privacy Office and Information Security Services (ISS) perform after-hours walkthroughs to monitor compliance with the Privacy and Information Technology policies.

Corporate information technology policies are also available in the Document Center on Planet Blue. If you have a question related to information security, please call the Service Desk at ext. 4099.

Helpful Hints:

When sending PHI outside of the company by email, type SECURE in the subject line to encrypt the information. This also encrypts any attachments.

Place PHI only in the body of the email or as an attachment, since the subject line is not encrypted.

When sending faxes, use a cover sheet that does not have PHI. Double-check the number before hitting the Send button.

To prevent unauthorized access, protect system passwords the same way we do our Social Security numbers.

Did you know?

There are multiple policies dealing with privacy. They are located in the Document Center on Planet Blue, BCBSAZ’s intranet. The BCBSAZ Identity Verification and PHI Disclosure Grid is a great tool to determine the information we can disclose and to whom.

Questions about privacy? Call the Privacy Hotline at ext. 2255 or email the Privacy mailbox: privacy@azblue.com.

Disclose information only if a valid need exists and you have received proper approval, such as a Confidential Information Release Form (CIRF) or a contract with a vendor. In addition, use, disclose or request the minimum necessary PHI required to perform the given task. Review all policies and procedures related to disclosure prior to giving out the information.

It is imperative that we are careful to prevent disclosures of non-public information to unauthorized people outside of BCBSAZ.

Here are ways we can help prevent unauthorized disclosures of non-public information:

- Ensure that all non-public information is properly stored.
- Do not discuss non-public information with co-workers in public areas, such as elevators, restrooms, restaurants, etc.
- Remember that our duty not to disclose continues after termination of employment.
- Consult BCBSAZ’s Privacy and Security Policies for further information.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Avoid Conflicts of Interest

Act in the best interest of BCBSAZ. We must not take part in activities that conflict with our responsibilities as employees, officers and board members. We should not compete with or benefit personally from opportunities we discover while using company property. This includes information we learn while on the job. This does not preclude participation in our board of directors by a representative of a hospital or physician, as required by Arizona law.

A conflict of interest is a situation that occurs when our personal interests or activities could influence our decisions. It could prevent us from acting in the best interests of BCBSAZ. A conflict of interest includes activities that may only appear to influence our judgment or decisions. Even the appearance of a potential conflict of interest can cause our vendors and customers to question our motives. Our personal interests should not create such a situation.

For this reason, even if a part of our regular job duties, we are prohibited from processing claims, testing systems or working on cases that involve information about people we know, such as family or friends. In such instances, always notify your supervisor and hand off the work to someone else.

Conflicts can occur when someone with whom we have a personal relationship works for or applies to work for BCBSAZ. For instance, if your sibling or in-law applied for work at the company, he/she may not be eligible to become a new employee. Another example would be if a mother and son both work here and one wants to change jobs within the company, he/she may not be allowed to move to a different job. This can occur, for example:

- If together they would have the ability to complete an entire transaction;
- If one wants to move to a department where sensitive issues may arise;
- If one would be reporting to the other; or
- If one is in a position to review or approve the other’s work.

Other interpersonal relationships may not improperly influence our business decisions but may have the potential to result in inappropriate workplace conduct. These situations will be referred to the Human Resources Department for appropriate action.

It is not unusual or necessarily wrong to have a conflict of interest. Sometimes just the act of disclosing and formally recording the potential conflict is sufficient in order to resolve it.

Did you know?

Employees who work in departments that handle sensitive issues are not allowed to have someone with whom they have a personal relationship also working for BCBSAZ. The departments include:

- Human Resources
- Internal Audit
- Legal
- Corporate Integrity
- Information Security Services
- Payroll

The Compliance Office will review and approve all employee moves and new-hire situations involving personal relationships.

A conflict of interest also exists if you or someone with whom you have a personal relationship receives a financial or other personal benefit because of your actions at BCBSAZ.

For this reason, BCBSAZ will not purchase goods or services from:

- Officers or employees; or
- A business in which BCBSAZ is aware that an employee, or someone with whom an employee has a personal relationship, has a substantial interest.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
In addition, to avoid these conflicts, board members, officers and employees must disclose any financial interests that they have in competitors or in companies doing business (or seeking to do business) with BCBSAZ. If any person with whom an employee has a personal relationship has financial interests in competitors or in companies doing business (or seeking to do business) with BCBSAZ, that information would also have to be disclosed.

Laws prohibit loans or extensions of credit of any kind to officers and board members.

**Examples:**

- If your spouse has a financial interest (5 percent or more ownership) in a company seeking to do business with BCBSAZ, your loyalty to BCBSAZ would conflict with your personal financial interests.
- The same conflict would exist if you or your parent has a financial interest in a BCBSAZ vendor.
- A company seeking to do business with BCBSAZ offers you a gift or loan. The acceptance of a gift or loan from a potential business partner could compromise your ability to act in the best interests of BCBSAZ, and must be refused.

See Section 6 for rules on the acceptance of routine business courtesies.

We also must make sure that any second jobs we take do not create any conflicts of interests.

**Second jobs we cannot accept**

We cannot accept jobs as a consultant, director, officer or part-time employee of any of the following:

- Competitors;
- Subcontractors;
- Providers;
- Vendors; or
- Others seeking to do business with BCBSAZ.

As an example, an employee cannot work part-time for a hospital, physician, or care facility. However, the Compliance Officer may approve exceptions if allowed under state or federal law. This includes having BCBSAZ board members who represent hospitals and physicians, since state law requires these representatives on our board.

Board members of BCBSAZ should also refer to the Corporate Governance Guidelines.

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**Did you know?**

A Personal Relationship includes any individual living in your home or your spouse, parent, child, sibling, grandparent, grandchild, in-laws (mother, father, brother, sister, daughter, son), step-child, step-parent or domestic partner.

To avoid potential conflicts of interest, employees are not permitted to, or to ask others to, process claims, test systems or work on cases that involve people they know, such as family or friends. They should notify their supervisor and hand off the work to someone else.
How Does the Conflict of Interest Disclosure Form Process Work?

- At least once per year the Compliance Officer will distribute a Conflict of Interest Disclosure Form to all board members, officers and employees.

- Answer all questions fully and accurately. You must answer all the questions even if you have given this information before.

- Corporate Integrity reviews the answers to the Conflict of Interest Disclosure Form and prepares a report of any potential conflicts identified.

- The Compliance Officer, with advice from the Legal Department, then determines what recommendations to make to management and/or the board to eliminate or avoid any identified conflicts of interest.

- The Compliance Officer documents decisions and recommendations regarding any actual or potential conflicts.

Did you know?

Report any second jobs to your supervisor, regardless of whether they may pose a potential conflict.

Q&A

Q: “Do we report any job changes by a family member or other personal relationship that could be a conflict right away or do we wait for the annual form process?”

A: Report the change right away to the Compliance Officer by filling out a new form.

The Conflict of Interest Disclosure Form is available under Our Integrity/Forms You Need on Planet Blue, BCBSAZ’s intranet.

Example

Q: “My brother lives in Texas and works for a hospital there. He does not live with me. Do I have to disclose this information on my Conflict of Interest Disclosure Form?”

A: Yes, a brother is considered to be a personal relationship under the Code, regardless of where he lives. Please describe what he does at the hospital.
Dealing with Suppliers, Contractors and Customers

Conducting business with suppliers, customers, and contractors can pose ethical or even legal problems. The following guidelines can help us take pride in doing the right thing and making the right decisions in potentially inappropriate situations.

Kickbacks and Rebates

Do not accept any kickbacks or rebates connected to a purchase or sale of goods and services. This restriction also applies to your Personal Relationships, as described in Section 5. Kickbacks or rebates can take many forms and are not limited to direct cash payments or credits. In general, if you or someone with whom you have a personal relationship could gain personally through the transaction, it is prohibited.

For example, a kickback could be disguised as:

- An offer for a large discount on a new air conditioner for your home or your parent’s home, in exchange for contracting with an air conditioner company for BCBSAZ.
- Use of ABC company’s condo in San Diego for a weeklong vacation after you renew ABC’s group.
- A free night’s stay at a hotel for you, after booking a convention on behalf of BCBSAZ.

Reciprocity

Often BCBSAZ 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 BCBSAZ supplier. Likewise, the sale of our products and services will not be dependent upon an agreement that we purchase goods and services from the potential member or account.

Charitable Contributions

BCBSAZ follows applicable anti-kickback rules when making charitable contributions. Anti-kickback rules prohibit money or gifts from going into personal accounts of plan group benefit administrators in exchange for consideration for becoming or remaining a customer. We as a company and you as an individual are not allowed to make or imply that charitable contributions are in exchange for becoming or remaining a BCBSAZ customer.
Appropriate Coverage
At BCBSAZ, we gain our members’ trust and business because of the quality and value we offer. We thoughtfully make decisions about our members’ coverage and base them on appropriateness of the care and the terms of their health insurance policy. BCBSAZ does not compensate for denial of coverage or services or offer incentives to providers, officers or employees that are against any laws or regulation or with the intent to reduce or deny appropriate care or service.

Q&A

Q: “BCBSAZ is very interested in purchasing a computer vendor’s software. I was invited to a first-class, all-expenses-paid trip to San Diego for a training class to learn more about the product. Can I accept this all-expenses-paid trip to San Diego?”

A: Each situation is different, so consult with your management or the Compliance Officer. In this scenario, it appears that attending this training class would be in the best interest of BCBSAZ. It would be appropriate to attend, but only if BCBSAZ pays for the travel expenses based on our corporate policies. We cannot allow vendors to pay for travel expenses without prior approval by the CEO or CFO.

See Corporate Policy F-001 for further guidance on travel.

Business Courtesies
A business courtesy is a gift or favor for which we pay nothing or less than fair market value. It may include such items as:

- Gifts
- Transportation
- Discounts
- Tickets
- Passes
- Promotional items
- Use of a giver’s time, materials or equipment

If you or your management is uncertain about accepting or giving a business courtesy, you should decline to do so. The Compliance Officer and the Corporate Integrity Team are available to assist you, should you need additional guidance.

What May We Accept?

Yes: Infrequent, inexpensive promotional items, company mugs or T-shirts, etc., under $100, and prize items won as raffles from vendors at conferences.

No: Cash, checks, expensive gifts, computers, cell phones, lottery tickets, etc. Gift certificates and gift cards to restaurants or retail stores may be accepted, as long as they are not from a member. All gift certificates and gift cards should be reported to the Corporate Integrity Team.

No: Repetitive gifts from the same vendor, provider or customer for which the accumulative value exceeds $100 (for example, event tickets worth $75 each that are received more than once in a year). You are expected to decline or return such items when the accumulative value reaches $100. You cannot accept the gift and then give it to someone else.

Others: Ask your management or contact Mary Semma, Compliance Officer, or the Corporate Integrity Team.

Remember, government programs have special rules on gifts. See Section 7 for more information.
Acceptance of Business Courtesies
We can never accept gifts of money or solicit gifts or favors for personal use from suppliers, customers, contractors or providers. We or someone with whom we have a Personal Relationship are permitted to accept business courtesies from a business firm or individual doing or seeking to do business with BCBSAZ only if it is:

- Unsolicited;
- Non-monetary;
- Infrequent;
- Inexpensive (generally no more than $100 retail – individual situations may vary and should be discussed with the Compliance Officer); and
- Acceptance is approved in advance, when possible, by management.

There are times that we may be able to accept expensive business courtesies of more than $100 retail value if protocol, courtesy or other special circumstances exist. These should be reported right away to your management, the Compliance Officer and in writing by filling out a new Conflict of Interest Disclosure Form. The Compliance Officer will determine if we may personally accept, refuse or return a gift, or whether it should become BCBSAZ property.

Holiday Gifts
Gift giving increases during the winter holidays. Members, vendors and others express their appreciation for exemplary service and good working relationships. Guidance material on acceptable gifts and ways to handle unacceptable gifts is available on Planet Blue on the Corporate Integrity page under Compliance Toolkit. If you are not sure about a gift, contact the Corporate Integrity Team.

Did you know?

What May We Accept?

Yes: Once each year a key vendor invites us to their hospitality suite for a Phoenix Suns game. The vendor is attending and has invited at least 20 other people from different companies. The cost is unknown.

Depends: Once each year a key vendor offers general admission tickets or admission to a skybox at the Phoenix Open golf tournament. It is best to contact the Compliance Officer for specific guidance on the Open. Value, other attendees and special circumstances will be taken into consideration.

No: A key vendor gives us several tickets to the Super Bowl valued at $500. Even if the vendor intends to accompany us, we should decline. Our customers would not view this as a routine business courtesy.
Honoraria

At BCBSAZ, we have a long-standing and recognized heritage of service to our customers and community. There are occasions when a third party asks for BCBSAZ representatives to make a presentation, participate on a panel or focus group, or participate in other such activities related to the work we do for BCBSAZ. Compensation for these types of activities is often referred to as an honorarium.

While representing BCBSAZ, we must remember that we are acting on behalf of BCBSAZ and are responsible for maintaining our heritage and reputation. We do not personally accept honoraria for activities that relate to our duties with or representation of the corporation. The honoraria may, however, be accepted by the corporation (as opposed to the employee) and credited to the cost center of the employee participating in the event.

Usually, travel and lodging must be approved by management and paid for by BCBSAZ. Conference/seminar fees must also be approved by management and paid for by BCBSAZ.

When speaking or presenting at a conference, it is acceptable for conference fees to be waived or reduced if conference fees are waived/reduced for other speakers/presenters at that conference. All other related expenses (travel, lodging, meals) still need to be approved by management and paid for by BCBSAZ. Any exceptions need to be approved by management.

An unsolicited donation by the third party that is not delivered to you but is made directly to a bona fide charitable or similar tax-exempt, nonprofit health-related organization is acceptable but only under all of the following conditions:

- You may not make the donation a condition for your presentation, participation or other activity;
- You may not claim the donation as a deduction for income tax purposes; and
- You may not be identified to the recipient charitable or non-profit health-related organization in connection with the donation.

We may personally accept honoraria for appearances, speeches or written works that involve outside interests, knowledge or expertise unrelated to duties with, or representation of, BCBSAZ. In such circumstances, we are responsible for all arrangements associated with such honoraria and must perform these activities on personal time.
Offering of Business Courtesies
We may offer a business courtesy to non-government employees and representatives under the following conditions:

• It does not violate any law, regulation or known policy of the recipient.
• It does not give the appearance of attempting to gain an unfair business advantage or otherwise reflect negatively on the reputation of BCBSAZ.
• The business courtesy is approved by our management, properly reflected on the books and records of the company, and is in accordance with our procurement and reimbursement policies. See Corporate Policy F-004 Purchasing Goods Services Procedures for information on procurement and F-003 Petty Cash for information on reimbursements, available in the Document Center on Planet Blue.

Exceptions
• We may distribute items, such as pens or coffee mugs, to local health plan customers or potential customers, as long as the value of the items is $10 or less.
• We may not give gifts to union members or union officers.

Further Questions About Business Courtesies?
Contact the Compliance Officer, the Corporate Integrity Department or the Legal Department.

Did you know?
There are additional special rules in Section 7 on offering business courtesies to government employees.

Entertainment
Board members, officers and employees of BCBSAZ and its wholly owned subsidiaries may not encourage or solicit entertainment, meals or recreation (“entertainment”) from any company or individual with whom BCBSAZ does business. We do not offer or accept entertainment that is intended to gain favor or influence.

From time to time, we may provide or accept entertainment, but only if the entertainment is:
• Reasonable;
• Occurs infrequently; and
• Does not involve lavish expenditures

A representative from each company is expected to attend the entertainment; it may not simply be a gift.

See Section 7 for other gift exceptions.
The Government is a Unique Customer

We conduct our government business with the highest degree of integrity and honesty.

An important part of our business is the work we do for the government. This includes the Federal Employee Program and Medicare Part D, along with our contracts with state and local government agencies. When we act as a government contractor, we have a duty to the government (along with the public at large) to perform with the highest degree of integrity. In addition, we must comply with not only the letter, but also the spirit, of the laws and regulations that apply to our government contract business.

Doing business with the government involves unique laws and regulations that do not normally apply to our commercial business.

The False Claims Act is a federal statute that establishes “liability for certain acts” by any person who “knowingly presents or causes to be presented” a false or fraudulent claim to the government. A false claim is not just the act of submitting a false claim for services to the government. Under this law, a false claim can include any action tied to seeking payment from the government. Violators of the False Claims Act may be required to pay up to three times the amount of damages sustained by the government and may be prohibited from participation in federal healthcare programs.

It is a crime to knowingly:

• Make a false claim for payment from the government
• Make a false statement to the government

Not following laws or regulations may result in criminal prosecution.

If you falsify data submitted to the government, even if you are not attempting to obtain payment, you and BCBSAZ may have committed a crime.

You, as an individual, and BCBSAZ, as a company, could be subject to:

• Criminal prosecution for the violation;
• Large penalties and fines; and
• Inability to work on government projects in the future.

Did you know?

Improperly charging labor or material costs or overhead to the wrong contract, falsifying time cards or improperly destroying or altering records, violates this and other sections of Code Blue.

Do the Right Thing

Follow a policy of full disclosure in negotiations for government contracts or subcontracts, but avoid discussions with anyone outside BCBSAZ’s need to know group regarding competitive bidding to prevent any allegations of inappropriate insider information and anti-trust violations (see Section 8 Compete Ethically and Fairly).

“Unallowable” costs under government contracts include items such as:

• Advertising
• Public relations
• Donations
• Entertainment
• Fines and penalties
• Lobbying
• Defense of fraud proceedings
• Goodwill

Take special care to seek reimbursement only for allowable costs.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
The federal government has special laws and regulations regarding cost accounting and cost charging. The following are examples of situations when you cannot violate Code Blue or the special rules that apply to government contracts.

1. **Cost Records, Price Estimates and Time Charging**

We are required to keep and provide the government with access to accounting and other records. This lets the government verify its payments to us for work done on existing contracts. This also helps verify our cost and pricing estimates on future contracts. Therefore, we shall:

- Maintain accurate and truthful records;
- Keep records for the period of time required by applicable laws and contract provisions; and
- Charge all costs and labor accurately, to the appropriate account, regardless of the status of the budget for that account.

2. **Cost or Pricing Data**

We may be required to submit cost or pricing data to the government or to prime contractors. We also may be required to certify that the data is current, accurate and complete. The definition of the “data” that must be disclosed is very broad. It includes not only hard facts but also management decisions and estimates.

3. **Unallowable Costs**

We may submit proposals for reimbursement of indirect costs to the government either under cost reimbursement contracts or as part of overhead rates. We will not ask for reimbursement of unallowable costs from government contractors.

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**Certifications and Representations**

Contracts and subcontracts on government projects often require BCBSAZ to submit various certifications. These contracts also usually contain clauses that require BCBSAZ to certify a variety of matters, such as our compliance with:

- Socioeconomic programs;
- Contract specifications;
- Environmental laws; and
- Procurement regulations.

All submissions to the government must be accurate and timely, and must meet any applicable government healthcare program requirements. All employees who prepare, sign or in any way support certifications and representations share the responsibility for careful and accurate document preparation.
Although some of the subjects below are discussed more fully in other sections, we must ensure that BCBSAZ is in full compliance with the following when dealing with the government:

• **Meals and Entertainment.** Do not offer or give government employees entertainment, including transportation or meals at business meetings, that those employees are prohibited from receiving by their agencies’ regulations. Generally, a single meal valued at more than $15 or a number of meals valued at more than $75 are prohibited. It is important to verify the rules applicable to the affected government agency. Also, see Section 12 for guidelines for dealing with elected officials and political candidates.

• **Bribes, Kickbacks and Gratuities.** Requesting or accepting any of the following from our subcontractors or suppliers when any part of a subcontractor’s or supplier’s services are charged to a government program is prohibited:
  – Fees
  – Commissions
  – Compensation
  – Gifts
  – Gratuities

Never pay or offer to pay kickbacks to any person or offer or give anything of value to government personnel which creates an appearance that we are seeking to gain special treatment or pay a reward for placing business with BCBSAZ.

Did you know?

Because of the significant cost allotted to the Federal Employee Program (FEP), employees who are 100 percent allocated to FEP are not allowed to accept routine business courtesies from customers, suppliers or vendors.

Employees who work on the Medicare Part D contract also have special rules about accepting gifts. The Medicare program requires annual reporting of all gifts or entertainment valued at $75 (aggregate value) or more.

BCBSAZ may give FEP members and Medicare Part D beneficiaries small novelty items at open enrollments, as long as:

• The value does not exceed $10 (local and FEP) and $15 (Medicare Part D); and

• The cost of the items is not charged to the government.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Code Blue does not allow us to accept or give anything of value to government contractors, employees and personnel (i.e., FEP, the Veterans Administration, etc.).

We are not to give anything to union members or union officers.

In addition, local governments such as cities, counties, school districts or any other local and state government agencies may have special conflict of interest policies. Therefore, we should ask before providing anything to them. When in doubt, please contact the Compliance Officer Mary Semma or the Corporate Integrity Team for clarification.

• **Classified Information and Confidential Data.** Do not accept classified government information from any source when we suspect that the release is unauthorized. In addition, do not solicit or accept confidential government information or a competitor’s non-public data in connection with any procurement. Federal procurement integrity law specifically prohibits competing companies from seeking or obtaining proprietary information about their competitors during a federal procurement. Therefore, we must never obtain, from any source, federal government information that is procurement-sensitive or unauthorized information about a federal government procurement.

• **Former Government Employees.** Special restrictions apply to recruiting former government personnel and the activities of former government employees retained by BCBSAZ as employees or consultants. The Legal Department must provide clearance before even mentioning possible employment to a current government employee and before retaining any former government employee.

• **Federal Sanction Program.** BCBSAZ cannot employ or continue employment with anyone who appears on the U.S. Department of Health & Human Services Office of Inspector General’s list of individuals and companies excluded from any federal healthcare program. All employees are required to immediately notify the Vice President of Human Resources, Greg Wells, if they are debarred, excluded or otherwise ineligible to perform work directly or indirectly on federal healthcare programs. This also applies to companies we contract with and vendors of BCBSAZ. BCBSAZ conducts periodic screenings of the sanction list.

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To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Compete Ethically and Fairly

In all we do, we live the Spirit of Blue. Not engaging in anti-competitive activities or unfair trade practices is a great reflection of our ethics and values. We believe in treating others the way we want to be treated. One way to do this is to deal fairly with all of BCBSAZ’s:

- Customers;
- Contractors;
- Suppliers;
- Providers;
- Competitors; and
- Employees.

Our ethical behavior allows us to conduct our business in a manner that maintains a free and competitive market for our goods and services. In turn, we are able to keep our promise to our customers and provide Arizonans with the best value in health insurance and related services to improve their quality of life. Furthermore, activities that would prevent a competitive marketplace are against federal laws. Our goal is to compete vigorously with our business competitors on a level playing field.

Activities that could jeopardize – or give the appearance of jeopardizing – that goal include:

- Agreements about pricing or other elements of competition (including non-price terms of service, business strategy, or costs) with a competitor
- Agreements to allocate the market for our goods and services among ourselves and our competitors
- Agreements among competitors to refuse to deal with particular suppliers or vendors
- Discussions about competitively sensitive information (including pricing, strategy, or supplier relationships) with a competitor
- Bringing non-public information to us from a previous employer

As it is unethical, we do not solicit or obtain confidential information about a competitor in a manner that would be illegal or would require a person to violate a contractual agreement, such as a confidentiality agreement with a prior employer. Do not take advantage of anyone through:

- Manipulation
- Concealment
- Abuse of privileged or confidential information

Finally, all information we provide to our customers and the community at large about our products and services must be truthful and accurate, and must not contain misleading or deceptive information.

Did you know?

Be careful when attending gatherings such as trade association meetings and informal events with peers from competitors. Do not get drawn into discussions of inappropriate topics, such as discussions concerning pricing. If you find yourself in such a situation, immediately end the conversation and, if appropriate, ask that your refusal to participate be documented in the meeting minutes. Immediately report any such incident to the Compliance Officer and the Legal Department.
Treat Government Investigations as Serious Matters

Occasionally, BCBSAZ may be asked to cooperate with a government investigation, or respond to a request for information from the government about how we conduct our business. The request may come through official channels from the government to BCBSAZ management. It could also come from a member of an enforcement agency, such as the Federal Bureau of Investigation, the Office of Inspector General, the Department of Justice or the state Attorney General, to an employee individually.

How Should We Respond?

- When BCBSAZ receives official requests for information or cooperation, we will notify the appropriate employees of their responsibilities and duties to cooperate and provide such information.

- If you are contacted individually by government investigators and are asked to meet with them individually to discuss activities in connection with your employment, you may do so. The decision of whether to cooperate with their inquiry is up to you alone, and you will not be disciplined, punished or otherwise retaliated against if you decide to do so.

- As BCBSAZ may have certain rights and privileges concerning the information you may be asked to provide, you should contact the Compliance Officer or the Legal Department to let them know you have been contacted.

- If you decide to speak with government investigators, you must be accurate and truthful in all your answers to their questions, because, if you are not, you and BCBSAZ could be subject to criminal prosecution.

Did you know?

You are free to cooperate individually with government investigators. Before you provide BCBSAZ documents or data in response to a government request, obtain authorization from the Compliance Officer and the Legal Department.

BCBSAZ will cooperate fully with Medicare Drug Integrity Contractors (MEDICs) in any investigation of the company’s involvement in the Part D program. If any employee other than the Compliance Officer receives an information request or other inquiry from any MEDIC, the employee should immediately notify the Compliance Officer who will coordinate the company’s response to the request. In the Compliance Officer’s absence, the employee may notify any member of the Compliance Committee about the contact from the MEDIC.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
BCBSAZ is committed to being responsible stewards of our customers’ premium dollars. This is reflected by detecting, correcting and preventing 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 Investigations Units (SIU) and more. All activities are consistent with applicable laws, regulations and government healthcare program requirements. It is everyone’s responsibility to immediately report suspected fraud, waste or abuse.

The SIU investigates allegations of fraud, waste and abuse with respect to:

- Provider and member claims
- Over- and under-utilization
- Misrepresentation of member application information

Suspected fraud, waste and abuse for the above circumstances can be reported by sending an email to SIU. Simply type “Special Investigations Unit” in the Outlook address box. You may attach any supporting documentation or evidence. You may also report fraud, waste and abuse by filling out the internal Fraud Referral Form. To access the form, open MS Word, select the File tab at the top then New, My Templates, BCBS Forms and SIU Referral & FPR Referral. After completing the information, select the option in the gray box at the top of the screen to send the form. The SIU also maintains a dedicated hotline where members and employees can report suspected fraud, waste and abuse.

The Fraud, Waste and Abuse Hotline number is (800) 232-2345 ext. 4875 or (602) 864-4875. This is a message only line and is available 24 hours per day. While we encourage callers to leave as much information as possible, they may choose to remain anonymous.
Q: I am a customer service representative. I received a call from a member asking for a pharmacy override to fill his prescription early, as the member will be out of the country. Previous customer service records indicate the member has called on multiple occasions asking for the same override. What should I do?

A: Call the Fraud, Waste and Abuse Hotline at (800) 232-2345 ext. 4875 or (602) 864-4875 right away to report this activity.

Q: A staff member from a provider’s office calls and tells me they have received an “Explanation of Benefits” and payment for members who are not their patients, yet their physician is listed as the rendering physician. What should I do?

A: Transfer the caller to the BCBSAZ Fraud, Waste and Abuse Hotline to report this activity. The SIU will determine if this should also be reported to the Privacy Office as a potential privacy incident.

Q: What are some examples of other types of fraud, waste and abuse that I should report to the Fraud, Waste and Abuse Hotline?

A: Examples of other types of fraud, waste and abuse include:

- Falsification of timecards or other corporate documents
- Inaccurate expense reporting
- Using company assets to run a side or home business (see Section 11 for more information on company assets)
Safeguard BCBSAZ Assets

Do not use company assets or BCBSAZ’s electronic communication systems for personal reasons unless corporate policies allow it.

In general, company assets and electronic communication systems should be used for BCBSAZ business purposes. Corporate policy allows use for incidental personal use on a break or lunch hour in certain cases. Using company assets and electronic communication systems for personal financial gain is prohibited and goes against our values.

Electronic Communications

“Electronic communication systems” include, but are not limited to, the following:

- Electronic mail (email) from the desktop and on mobile devices
- Internet use, including social media such as Facebook, Twitter, YouTube and Pinterest
- Faxes (over Internet Protocol or analog phone line)
- Voice over Internet Protocol (VoIP)
- Instant Messaging (IM)
- Simple Messaging System (SMS)
- Media Messaging System (MMS)
- Secure File Transfer Protocol (SFTP)
- Any other electronic communication method employed by BCBSAZ

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.

Did you know?

BCBSAZ assets include:
- Our time
- Office supplies
- Computers
- Telephones
- Copying machines
- Computer software

Please use these assets according to corporate policies, which, in certain cases, may permit incidental personal use on a break or lunch hour or when you receive prior management approval.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.

Do not use company electronic systems for personal use, except as permitted in the Internet and Company Computer and Internet User Responsibility Agreement (signed by employees upon employment) and the Corporate Internet Policies (located in the Employee Guide on the Human Resources page on Planet Blue, BCBSAZ’s intranet). Do not use company electronic systems to conduct any business other than BCBSAZ business.

Communicate professionally and respectfully when using the company’s electronic communication systems. This applies to communications with employees, customers and the public.

By using the company’s electronic communication systems, all employees consent to monitoring at the discretion of BCBSAZ.

Did you know?

BCBSAZ monitors employees’ use of electronic communications consistent with applicable state and federal law. Monitoring is conducted by BCBSAZ-authorized personnel to protect the company’s legitimate business interests.

Streaming media consumes too much bandwidth and makes the Internet unavailable for business use. Examples include Google video, sports, television shows, online radio stations, etc. Internet streaming for personal use is not allowed, not even during breaks, lunch and before/after hours.

Visiting websites with inappropriate content is not allowed, even during lunch, breaks or before/after hours.
Do Not Engage in Improper Political Activities

BCBSAZ’s ability to participate in political activities is controlled by federal, state and local law. Our Government Relations Department and the Legal Department must clear all organizational political activity, including use of BCBSAZ assets, before any engagement in political activity.

The organization’s political activities must be conducted in accordance with applicable law.

With prior approval from the Government Relations Department, we may use company time and assets to support BCBSAZ’s political action committee activities.

Before a government official or candidate is invited to a sporting, cultural or charitable event or other function as a guest of BCBSAZ, it must be coordinated with the Government Relations Department.

**Do not include political contributions directly or indirectly on expense accounts or in any way that would cause BCBSAZ to reimburse for political contributions.** If your position with BCBSAZ requires you to have personal contact with governmental entities and officials on the company’s behalf, be aware of and understand all relevant regulatory provisions regarding such contacts. Make sure that the Government Relations Department and the Legal Department are aware of your activities because we may be required to register you as a lobbyist and report expenditures.

If you have questions about your actions, get in touch with the Compliance Officer or the Legal Department before you act.

Did you know?

We are free to participate in the political process on our own time and at our own expense. This means individuals must make it clear that they are speaking or acting on their own behalf.

Do not conduct activities in a way that gives others the impression that you are speaking on behalf of BCBSAZ or otherwise representing BCBSAZ.
Did you know?

The Anti-Harassment Policy covers behavior at the workplace and in any work-related setting outside the workplace such as during business trips or business-related social events. Harassment includes but is not limited to:

- Offensive comments based upon racial or ethnic characteristics of co-workers
- Degrading or humiliating jokes and slurs
- Intimidation in any form
- Unwelcome sexual advances or requests for sexual favors in connection with job decisions
- Offensive, and those perceived as offensive, words, writing, pictures (print and computer images), sounds, electronic mail, text messages, etc., no matter what the source
- Conduct that unreasonably interferes with an employee’s work performance or creates an intimidating, hostile, or offensive working environment

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Inappropriate conduct also includes workplace violence, such as threats of violence or violence directed against co-workers, or BCBSAZ, or “stalking” behavior committed by or directed at employees.

While on BCBSAZ work premises (buildings, parking lots, company vehicles), we are prohibited from possessing weapons (including lawfully authorized concealed weapons), explosive devices, or other items that could reasonably be used to harm others. In accordance with state law, a limited exception exists for lawfully transported firearms. These may be kept in private vehicles when the vehicle is locked and the weapon is stored in a manner that it is not visible from outside the vehicle.

All officers, directors, board members and employees of BCBSAZ and its wholly owned subsidiaries are also prohibited by federal law from continuing employment or service with the company if they have been indicted or convicted on certain types of criminal or misdemeanor charges, on either the state or federal level without written approval of the Arizona Department of Insurance.

For this reason, all officers, directors, board members and employees of BCBSAZ and its wholly owned subsidiaries are required to report any criminal felony charge, indictments, plea agreements, convictions or violations of insurance law to the vice president of human resources or the compliance officer within 10 days.

All officers, directors, employees of BCBSAZ and its wholly owned subsidiaries who hold medical credentials, such as MD, RN, PT, R.Ph who have a change in status for that license must report the change immediately to the vice president of human resources.

Board members and officers of BCBSAZ must report bankruptcy, receivership or license revocation proceedings for any business in which they serve as an officer or board member to the CEO or General Counsel within 10 days, to meet state reporting requirements.

Did you know?

If you believe you have been subjected to unlawful discrimination or harassment, you should immediately report the incident to your supervisor, Human Resources or the Compliance Officer, Mary Semma.

BCBSAZ disciplines anyone who violates Code Blue. This could consist of a verbal warning to dismissal.

Treat others the way you want to be treated. It’s a BCBSAZ Value.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Reporting Requirements

Special Reporting Requirements for Management-Level Employees
If a management-level employee is advised of a potential violation of Code Blue, the manager is required to submit this information to either the Compliance Hotline or the Compliance Officer immediately.

Reporting Requirements for Attorneys
Attorneys for BCBSAZ have special reporting obligations. An attorney who suspects material violation of law or breach of fiduciary duty by BCBSAZ, an affiliate, or a contractor of BCBSAZ shall report it to the General Counsel. If the General Counsel does not take appropriate action or if the General Counsel is directly involved in the violation, the attorney shall report the findings to the Audit and Compliance Committee of the board or the board of directors as a whole.

General Reporting Requirements
It is our obligation to know and understand Code Blue. We have an obligation to report all suspected violations of this code to one of the following:

• Your department supervisor, manager, director or an officer of BCBSAZ (Vice President or above);
• The Compliance Officer Mary Semma;
• A member of the Compliance Committee, or the Corporate Integrity, Legal or Human Resources departments;
• The Audit and Compliance Committee of the board (financial and audit-related issues); or
• The Compliance Hotline at (800) 500-0333 (you can remain anonymous).

Compliance Committee Members:
Bill Arthur
Dan Aspery
Michele Boggs
Jim Brutlag
Katy Forseth
Terri Gades
Audrey Halvorson
Cathy Huskey
Jennifer Kaufman
Marcus Montoya
Erik Ryer
Mary Semma
Risa Simonis
Mike Tilton
Greg Wells

Corporate Integrity Team:
Mary Semma, Vice President
Internal Audit and Corporate Integrity, Compliance and Privacy Officer, x4432
Veronica Moore, Manager, Compliance and Privacy, x7600
Steve Gelbart, Compliance Administrator, x5274
Kam Pebler, Compliance Administrator, x4180
Dawn Morgan, Manager, Special Investigations, x4178
Kent Linser, Special Investigator, x4227
Scott Lusher, Special Investigator, x7643
Dale Niehaus, Special Investigator, x5324

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.
Obligation to Report and No Retaliation

We all contribute to an ethical culture for BCBSAZ when we report misconduct. When making a report, you will not be required to reveal your name, and if you do, you are protected from retaliation if you make the report in good faith. If you know or should have known of an actual violation of this Code, law or regulation and you fail to report it, you will be subject to appropriate discipline, up to and including dismissal.

Code Blue is not a complete list of potential legal or ethical situations you may encounter. It should be liberally interpreted in favor of the highest standards of behavior.

If at any time you have questions about a section in Code Blue and how it applies specifically to your job, please ask. The Compliance Officer, the Corporate Integrity Team and management will help you determine the right actions to take.

Did you know?

With everyone’s help, we can make BCBSAZ a place where we are proud to work and a company that is respected in the community for its integrity.

Ask questions and report in good faith without fear of retaliation.

To report a Code Blue violation, call the Compliance Hotline at (800) 500–0333.