



2023 CODE OF BUSINESS CONDUCT

JANUARY 2023

NASCO



Over the years, NASCO has made significant impacts on the health and health care of our members we serve and as a trusted partner to our customers. We are committed to ensuring our workforce is as diverse as the communities we serve. This assurance, along with our dedication to compliance and integrity-based business practices have enhanced the quality of care for our members, driven innovation in our products and strengthened our reputation.

Our Code of Business Conduct establishes a culture of integrity and promotes an environment of “doing the right thing.” It is more than a set of rules, it allows us to put our values into action and helps us make the right decisions every day.

Our individual and collective actions uphold and support our culture of organizational ethics which helps us serve our customers with integrity, respect our co-workers, seek guidance and share concerns without fear. Thank you for helping us to adopt and put into action the principles which will continue to support our success long into the future.

Sincerely,

A handwritten signature in black ink that reads "John Ladaga".

John Ladaga
Chief Executive Officer
NASCO



Dear Workforce Members,

At NASCO, Inc., we maintain our commitment to compliance and conducting our business with integrity. These are fundamental elements to the long-term success of our businesses where upholding our reputation and securing the respect and trust of our clients is everyone's responsibility.

We are also strongly committed to creating and maintaining a culture of inclusion and diversity that supports a collaborative and respectful environment for our company, workforce members, and the people and communities we serve. Our primary goal is to foster a proactive culture centered on trust and accountability, in which workforce members have the tools they need to act respectfully and ethically in their decisions.

Our Code of Business Conduct is an opportunity to demonstrate and document our unwavering commitment to a culture of compliance and integrity and serves as a valuable guide to ethical decision making. Workforce members are expected to adhere to the letter and spirit of this code. It is up to each workforce member to support and promote an ethical culture, to use sound judgment, and to do the right thing.

Thank you for making ethics and compliance a priority.

Tara Roberts
Compliance & Privacy Official
NASCO

Quick Reference Guide

Compliance Leadership



Michele Samuels

Senior Vice President,
Corporate Auditor and
Enterprise Compliance
Officer



Kelly Lange

Vice President, Enterprise
Compliance, Privacy
Official, Medicare and
Medicaid Compliance Officer



Tara Roberts

Compliance and
Privacy Official,
NASCO

Quick Reference Guide

Key Compliance Topics

Disclosing potential and actual conflicts of interest ([page 12](#))

Employees must disclose potential and actual conflicts of interest at the time they arise

How to resolve potential conflicts ([page 12](#))

- Employees have a duty to disclose to their leadership, at the time it arises, any situation, transaction or relationship that may be viewed as a conflict of interest.

Gifts and Entertainment ([page 12](#))

- You should exercise good judgment in offering or accepting meals, entertainment or other gratuities to avoid any improper influence or the appearance of a conflict. For more information see the guidelines for acceptance and disclosure of gifts and entertainment.

The use of Company Email and Internet ([page 9](#))

- Following the guidelines for company email and internet usage helps to protect the company.

Safeguarding the confidentiality of personal and protected health information ([page 9](#))

- The Company is required by state and federal law, and is strongly committed to, safeguarding the confidentiality of personal and protected health information.

How we solve ethical problems ([page 17](#))

- We encourage you to think about ethical dilemmas, report problems or concerns, and ensure your behavior conforms to the standards in the Code.

Compliance is Everyone's Responsibility!

| For guidance, issues, or concerns regarding: | Contact: |
|--|---|
| The Code of Business Conduct or General Compliance | Email: compliance@nasco.com Anonymous Hotline: 844.STOP.FWA |
| Fraud, Waste, or Abuse | Email: stopfraud@bcbsm.com Anonymous Hotline: 844.STOP.FWA Online Fraud Form |
| Privacy | Email: privacy@nasco.com Anonymous Hotline: 800.552.8278 Online Privacy Form |
| Medicare business | 888.650.8136 TTY 800.588.2711 or dial 711 |

**Workforce members
should feel free to raise
ethical concerns in good
faith without fear of retaliation
or intimidation**

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Standards of Business Conduct

Ethical Business Practices

MISSION [CLICK HERE](#)

We collaboratively provide exceptional value and service through our unique expertise in developing and delivering solutions that enable Blue plans to enhance the member experience.

1.0 Scope

For purposes of this policy, “Company” means National Account Service Company, LLC (NASCO)

By board resolution, this policy applies to Company Boards of Managers.

The term “workforce member” refers to individuals who perform duties or render services for or on behalf of the Company regardless of the type of employment or contractual agreement, including, but not limited to: full-time employees, part-time employees, temporary employees, contingent workers, interns, volunteers, contractors and consultants.

Third parties, including vendors and agents will have access to the Company Code of Business Conduct. All are expected to comply with this policy.

1.1 High Ethical Standards: The Key to Our Success

Our Code of Business Conduct is part of the Company’s way of life. Ethics and compliance are related concepts, but not identical. Ethics are part of the culture of an organization. They provide a framework for decision making by guiding workforce members to always consider and do the “right thing.” This framework focuses on guiding workforce members on how and why to follow the rules.

Compliance is the requirement that team members abide by contractual obligations, Company policies, and all applicable laws.

The Company strives to maintain high ethical and compliance standards when conducting business. Maintaining these high standards is the key to our success. The Company requires those acting on its behalf to be respectful, fair, and courteous to each other and those affiliated with the Company.

All employees are expected to conduct themselves in a respectful and businesslike manner in the workplace, during work-related activities, and in their dealings with co-workers, leadership, and customers.

The company is committed to providing a safe working environment free of intimidation, retaliation, discrimination, threatening speech or behavior, threats of harm, or violence, whether engaged in by another workforce member or a third party, such as vendors or volunteers.

This Code requires those acting on behalf of the Company to act with honesty, integrity, and impartiality when dealing with customers, providers, vendors, regulators, competitors, community, fellow workforce members, and board and council members. Workforce members are expected to practice due diligence when selecting vendors and other third parties. To earn and keep their trust, the Company makes every effort to avoid even the appearance of unethical or non-compliant conduct.

Leadership and the boards of directors are committed to providing avenues through which ethical issues may be raised, reviewed, and resolved openly and honestly. Help is available when there are questions about how to maintain ethical standards. Anyone who is in a situation that raises an ethical concern should follow the guidelines in **How We Solve Ethical Problems** section of this policy ([p. 17](#)).

1.2 Accounting and Reporting

To verify the integrity of Company financial records, everyone is required to abide by established accounting and business practices which include accurately and truthfully recording accounting data, corporate information, and operating data. False or artificial entries are not allowed for any reason in Company financial records.

Examples of improper conduct include:

- Causing records to appear as though a transaction occurred when it did not

- Causing records to appear as though a transaction occurred at a different time or at a different amount than it truly did
- Failing to report suspected financial fraud, waste, or abuse
- Fraudulently influencing, coercing, manipulating, or misleading any accountant/auditor engaged in an audit of the financial statements of the Company

1.3 Antitrust Laws

The Company strives to conduct its business in a manner that helps maintain a free and competitive market. Activities that would restrain a competitive market, even artificially, are contrary to that philosophy and to antitrust laws, including:

- Entering into any agreement or joint conduct with competitors that would harm competition
- Collaborating with a competitor to decide what to charge for products or services
- Collaborating with a competitor to decide what to pay for services

To avoid any implication of an antitrust violation, Company workforce members should:

- Never discuss sensitive business information with a competitor
- Never exchange price information or communicate with a competitor about prices, anything that may affect prices, or customers
- Take extra care when attending trade association meetings or other events where interactions with competitors occur

Antitrust laws are very complex. Any questions about permissible or impermissible conduct should be directed to the General Counsel

1.4 Fair Dealing

The Company is committed to dealing fairly with customers, vendors, competitors, and workforce members. We will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of facts, or any other unfair business practice.

1.5 Prior Criminal Convictions and Delegation of Authority

The Company has a legal duty to identify and consider for exclusion from its operations workforce members whose prior conduct was illegal or inconsistent with the administration of an effective compliance and ethics program. How that conduct is related to the specific responsibilities of the workforce member, as well as how recently the conduct occurred will be taken into consideration when making hiring, contracting, or retention decisions.

Workforce members will be subject to periodic background checks and to verification against government sanction lists. The Company will not do business with any individual or organization whose name appears on government sanction lists, as may be required by law, rule, or regulation. Disclosure requirements will be incorporated into applicable vendor, contractor, and provider agreements.

The Company's Human Resources department makes decisions regarding the hiring or retention of individuals or organizations with histories of:

- Felony convictions
- Convictions for crimes of fraud, dishonesty, or other health care crimes
- Reported or discovered misconduct

Issues regarding contracting with any organizations that have felony convictions or other misconduct will be discussed and resolved by the Compliance and Privacy Official.

The Company will not delegate substantial discretionary authority to individuals whom it knows have a tendency to engage in inappropriate, improper, or illegal conduct.

1.6 Records Management

The Company requires compliance with the Records Retention, Document Retention and Destruction Guidelines and NASCO Data Retention Policy-Plan Data policies that in accordance with applicable laws, establish uniform procedures for storing, retaining, and destroying corporate records. Exceptions to the policies may be made by the General Counsel during investigations of alleged wrongdoing or as required by law to preserve relevant corporate records.

1.7 Nondiscrimination

The Company strictly prohibits any form of harassment or discrimination against an individual or a group based upon sex, race, color, national origin, religion, physical or mental disability, protected activity, age, veteran status, height, weight, genetic information, gender identity, sexual orientation, marital status, familial status, citizenship, arrest record, membership in a historically under represented group, pregnancy, childbirth or a related medical condition and any other characteristics protected by law, in the workplace and during work-related activities.

The term “discrimination” includes but is not limited to treating an individual less favorably than others because they belongs to one of the protected classifications identified above. Additional information, including responsibilities, definitions and examples can be found in the Harassment/Discrimination policy. Instances of discrimination should be reported to your leader, Human Resources, or the Privacy and Compliance. The Company prohibits retaliation against any workforce member who utilizes such resources in good faith to make complaints of discriminatory conduct.

1.8 Government Investigations

If you are contacted at work or outside of work by a governmental agency concerning a work-related matter, you should immediately contact your leadership, the Office of the General Counsel, and Legal and Compliance Office.

The General Counsel can aid in determining how to respond to the request for information. If you receive a subpoena from a government agency, you should immediately contact the Office of the General Counsel and Compliance Office at compliance@nasco.com.

1.9 Government Programs

Additional compliance requirements and procedures apply to the Company’s participation in government programs. Please refer to the Federal and State Programs Addendum in the *Corporate Ethics and Compliance Policy* for more information.

1.10 Participation in Conferences or Meetings

You may not solicit customers, vendors, providers, consultants, or agents to pay for the costs of travel, lodging, registration fees or other personal expenses related to conference or meeting attendance.

Cash honorariums or any other financial consideration received related to your position with the Company may not be accepted. Should any such payment be received, you must process it per the guidelines in the *NASCO Contractor Travel Policy and Reimbursement Procedures*, *NetSuite Expense Report Procedures* and *Travel and Reimbursement Policy and Procedure policies*.

In most situations payment for travel-related expenses will be reimbursed by the Company in accordance with applicable *Business NASCO Contractor Travel Policy and Reimbursement Procedures*, *NetSuite Expense Report Procedures* and *Travel and Reimbursement Policy and Procedure policies*.

Attendance at or participation in conferences or meetings unrelated to current or potential Company business are not subject to this code.

If a current or potential customer, vendor, provider, consultant or agent offers to pay for travel, lodging or registration fees associated with a meeting or conference the following requirements must be met:

- Vice president or above approval must be obtained prior to attending the conference or meeting
- The expenses paid by the vendor must be reasonable and consistent with the Company expense reimbursement guidance e.g., do not involve lavish accommodations or expenditures
- Lodging and airfare may be considered excessive expenditures
- Your attendance must be for a valid business purpose and a reasonable adjunct to a business relationship
- The expenses for attendance are reasonable considering the benefits afforded to the Company and unlikely to compromise your ability to carry out your duties

You must make a reasonable effort to determine the value of the travel expenses associated with the conference(s) or meeting(s) and disclose the amount on your disclosure form as they arise.

Note: Workforce members with responsibility for administration of Company workforce member benefit plans such as pension funds, 401k plans, life insurance or workforce member health plans are subject to additional legal requirements. These workforce members (including their relatives) may not accept any gifts, gratuities or other considerations from a customer, vendor, provider, consultant or agent about any transaction involving Company assets having an annual aggregate value of \$250 or more. Workforce members with these responsibilities may attend educational conferences related to workforce member benefit plans but shall be subject to the same guidelines as listed above.

Protecting Corporate Assets

2.0 Use of Company Assets and Funds

Company assets are to be used for reasonable and bona fide business purposes. Company assets include, but are not limited to:

- equipment
- funds
- office supplies
- concepts
- business strategies and plans
- financial data
- other information about Company business

These assets may not be used to derive personal gain for you or for others. You must not transmit Company information to personal emails or unauthorized external parties. Workforce members shall refer to *NASCO Technology Resource Policy* (IIS2016001) for requirements and guidelines on appropriate use of assets. Workforce Members and those who represent NASCO are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

We will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations.

In order to protect the interests of the NASCO network and our fellow Workforce Members, NASCO reserves the right to monitor or review all data and information contained on an associate's company-issued computer or electronic device, the use of the Internet or NASCO's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

The Company should not directly or indirectly extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company.

2.1 Use of Company E-mail and Internet

The Company's internal e-mail systems are acceptable for transmitting confidential data within the enterprise. Protected health information may be shared using internal e-mail systems provided the recipient has a business need-to-know and the minimum necessary rule is applied. Our internal electronic mail systems, however, are not secured sources of data transmission and should not be used to send data over the public network unless appropriately encrypted.

Encryption is required when sending sensitive data outside the Company. Messages traveling through the internet are subject to potential public disclosure through innocent misdirection or deliberate intervention if not encrypted.

When sending sensitive data outside the Company, you must comply with applicable corporate policies, including the *Health Information Privacy Policy*, Information Security policies and related Corporate Standards. An encryption option is available to secure messages that are being sent over the Internet. You should avoid sending Protected Health Information (PHI), Personally Identifiable Information (PII) or corporate sensitive information by email outside of the Company whenever possible.

It is a violation of the Code of Business Conduct to create, access or exchange messages or information on or through the Company's electronic mail systems or computer networks that is offensive, harassing, obscene, threatening or disparaging to others. Simply stated, do not send anything via the electronic mail systems that you would not want

disclosed publicly. In addition, do not access such information using business computer systems.

It is a violation of the Code of Business Conduct to use the Company's internal e-mail systems to create or share information that is offensive, harassing, obscene, threatening, or disparaging to others.

2.2 Cyber Security

Workforce members must understand their security roles and responsibilities in accordance with information security policies to protect assets and data from unauthorized access, disclosure, modification, or destruction. Security events or potential events or other security risks to the organization must be reported to leadership, information security department or Help Desk.

2.3 Adherence to Fraud, Waste and Abuse Guidelines

The Company is committed to preventing and detecting fraud, waste, and abuse. The Company promotes an ethical culture of compliance with all federal and state regulatory requirements and requires the reporting of any suspected fraud, waste, or abuse. *The Detection and Prevention of Fraud, Waste, and Abuse Policy* is available on the corporate intranet and sets forth the requirements.

2.4 Confidentiality

The Company is required by state and federal law, and is strongly committed to, safeguarding the confidentiality of personal and protected health information. Such information includes, but is not limited to, a member's medical history, treatment records, age, or marital status. You may have access to this information only if you need it to perform your job. You may use and disclose it only as permitted or required by law and by our corporate Health Information Privacy policy and/or consistent with the Intellectual Property policy. Any breach of this obligation to maintain the confidentiality of protected health information will be viewed very seriously and will result in discipline, up to and including termination of employment.

You must vigorously safeguard the Company's confidential, proprietary information, PHI, or PII including, but not limited to information regarding members or insureds. This type of information includes, but not limited to, any information

that is not generally disclosed outside the Company and that may be useful or helpful to our competitors. Examples could include financial data, source code, customer lists, business strategies, and information or data that we have agreed by contract to maintain confidentially. Any breach of this obligation to maintain the confidentiality of company information will be viewed very seriously and will result in discipline, up to and including termination of employment. To protect this confidential information from improper disclosure, follow these guidelines:

- Share confidential information with others within the enterprise only on a need-to-know basis
- Do not transmit corporate information to personal emails or unauthorized external parties
- Do not use a workforce member-owned device to capture or disseminate images or audio of any corporate data
- Ensure that disclosure of any confidential information to outsiders is approved by leadership and protected by an appropriate confidentiality agreement
- Avoid incidental disclosures of confidential information in conversations with customers and others. All employees, regardless of work location (Off-Campus, Mobile or On-Campus), must follow company confidentiality guidelines. Additional information can be found in the *Remote Worker* and *Teleworking policies*

You must also respect and protect the trade secrets, proprietary and confidential information of other entities acquired prior to working for the Company. Confidential or protected information includes, but is not limited to the following:

- Customer lists
- Patented products, methods, processes or copyrighted materials
- The trade or service marks of others

Questions regarding the use of confidential or protected information should be directed to privacy@nasco.com

2.5 Political Activities

Political Contributions and Activities. You may not contribute money or resources to candidates, elected officials, or political organization on behalf of NASCO, nor may you use Company assets to support a candidate or issue. This restriction applies to services and facilities, such as office space, photocopying, administrative help, or telephone use. Although Workforce Members are

encouraged to be active participants in the political process, Workforce Members should take care that their personal support for a candidate or issue not be mistaken for the position of the Company.

Conflicts of Interest

3.0 Identifying Potential Conflicts of Interest

You have a duty to be entirely free from influence of any conflicts interests when representing the Company in business dealings or making recommendations that may influence an action of the Company.

The Company respects your privacy in personal activities and financial affairs. This code is intended to help you avoid situations that may represent a conflict of interest (COI).

The Company cannot foresee or define every situation that might be considered a conflict of interest. A conflict exists when an obligation or a situation resulting from your personal activities or financial affairs, or those of a close relative or cohabitant may influence his or her judgment in performing his or her duty to the Company. In some cases, an apparent conflict of interest is more theoretical than real, but it is important to disclose and resolve such cases promptly.

If you are not certain whether to report a potential conflict, contact the Compliance Office at for guidance.

Conditions in which potential conflicts of interest may arise include, but are not limited to:

3.0.1 Financial Interests – A conflict may exist when a workforce member, directly or indirectly, or one of his or her relatives or cohabitant owns any beneficial interest in an organization which is a competitor of the Company or which has current or prospective business with the Company as a vendor, customer or contractor. A conflict is not likely to exist, however, where the financial interest consists of stock holdings of under five percent in a publicly traded company.

3.0.2 Outside Work – A conflict may exist when a workforce member or one of his or her relatives

or cohabitant serves in any capacity with an organization, including board participation, which is a competitor of the Company or which has current or prospective business with the Company as a provider, customer, vendor or contractor.

A conflict may exist when a workforce member engages in an independent business venture or performs work or services for another business, community, civic, or charitable organization to the extent that the activity prevents the workforce member from devoting the time and effort to the Company's business or impairs the workforce member's ability to act in the best interests of the enterprise.

All employees are expressly prohibited from engaging in any activity that competes with the company, compromises its interest and/or objectives, or creates an impermissible conflict of interest between the outside employment and the employee's employment at the company.

3.0.3 Trading with the Company – A conflict may exist when a workforce member, or one of his or her relatives or cohabitant is involved in a transaction with the Company, involving rental or purchase of real estate or other property, equipment or supplies or the provision or receipt of other goods or services. An example of conflict of this kind would exist when an employee, or their relative or cohabitant, owns a computer refurbishing company and the employee, or relative or cohabitant, purchases NASCO surplus computer equipment through the refurbishing company.

3.0.4 Confidential Information – Any confidential information or proprietary information, PHI, or PII including, but not limited to information regarding members or insureds obtained as a result of his or her employment for personal gain or for the benefit of others. An example of a conflict of this kind would exist when an employee, or their relative or cohabitant, uses the product pricing information obtained through the work performed for NASCO to gain a competitive edge for the advisory services they provide to others in the healthcare market outside of work.

3.0.5 Business Opportunities – A conflict may exist when a workforce member, without knowledge and consent of the Company, assumes the benefit of any business venture, opportunity or potential opportunity from the course of his or her employment, and which is related to any current or prospective business of the Company. An example of a conflict of this kind would exist when an employee learns information about a third-party partner's anticipated financial performance through their oversight responsibilities. They decide to make a personal investment in the company based on that information. Using insider knowledge for personal gain or investment purposes is not allowed.

3.0.6 Relatives or Cohabitants – A conflict may exist if a relative or cohabitant works for the enterprise, vendor, customer, or competitor depending on the reporting relationship or job functions performed. Likewise, a conflict of interest may exist when a workforce member processes claim payments for relatives or cohabitants who are subscribers or members of the Company.

3.0.7 Gifts and Entertainment – A conflict may arise when a workforce member, or one of his or her relatives or cohabitant:

- Accepts a gift or entertainment from a person or organization that is a competitor, or that has current or prospective business with the Company as a provider, vendor, customer, agent or contractor.
- Where the acceptance, or the prospect of future gifts or entertainment, may limit the workforce member from acting solely in the best interests of the Company.

A "gift" or "entertainment" includes any gratuitous service, loan, discount, money, free membership, article of value or favor, but does not include loans from financial institutions on customary terms, articles of nominal value ordinarily used for sales promotion, ordinary business lunches, or reasonable entertainment consistent with local social and business custom, which may be part of your job duties and responsibilities.

The temporary receipt by a workforce member of a donation to a corporate sponsored charitable

event shall not constitute the acceptance/receipt of a gift. Workforce members may not receive cash even if it is intended for a corporate sponsored charitable event but should encourage cash donations to be made directly to the charitable organization. For purposes of this section, corporate sponsored event is an event which the Company is an official sponsor, one where a Company executive serves on the board as part of his/her corporate responsibilities, or an event that has been approved by management.

3.0.8 Other – Any other situation where a conflict may exist regardless of whether identified above.

3.1 Disclosing Potential Conflicts of Interest

In addition to the annual formal statement, employees have a duty to disclose to their leadership, at the time it arises, any situation, transaction or relationship that may be viewed as a conflict of interest, by amending their conflicts of interest disclosure form. Associates can amend their disclosure form by logging onto the compliance training website and amending their previous disclosure form.

3.2 Guidelines for Acceptance and Disclosure of Gifts and Entertainment

The following are guidelines for acceptance and disclosure of gifts:

- You may not accept any gift or entertainment that would influence your business judgment in favor of a customer, vendor, provider, consultant, agent or competitor.
- You are required to disclose receipt of any gifts or entertainment exceeding \$100 in value for a single gift. You are encouraged to obtain leadership approval prior to accepting gifts or entertainment exceeding \$100 in value. Examples of gifts that are typically acceptable to receive include, but are not limited to: a fruit basket, a raffle prize, or an umbrella.
- You may not give or receive monetary gifts or cash equivalents, including gift cards and certificates, except for corporate approved programs. Articles of nominal value ordinarily used for sales promotion may be exchanged. Also, the exchange of business courtesies, including reasonable meals and entertainment consistent with social and business

custom is permissible. You should exercise good judgment in offering or accepting meals, entertainment or other gratuities to avoid any improper influence or the appearance of a conflict.

- When dealing with other individuals and entities whose standards are more restrictive than ours, we will follow their standards to the extent we are aware of them. Federal law prohibits gifts to federal workforce members, certain union leaders and to members of Congress, including any vendor, agent, provider, consultant or government official affiliated with government health programs. We must follow the law as it applies to gifts to these individuals. No inducements may be offered to or accepted from state or federal government workforce members. No marketing gifts may be given to prospective government health program members valued at more than \$15.
- When in doubt as to whether gifts and entertainment are appropriate, consult your leadership or contact compliance@nasco.com.

3.3 Anti-bribery and Anti-corruption

Corruption and bribery are both state and federal crimes; engaging in unlawful acts creates risk for both the Company as well as you as an individual. Corruption broadly means giving a benefit or advantage to someone contrary to the rights of others. Bribery, which is a type of corruption, is the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official, or other person, in charge of a public or legal duty. Both bribery of government officials as well as private sector bribery is unlawful and prohibited. Participation in activity in violation of this statement will be subject to disciplinary action up to and including termination.



YES

Gifts or other business courtesies that comply with U.S. and foreign law, reasonable/nominal value, not used to influence business decisions and in accordance with applicable procurement and reimbursement policies.

NO

Bribes, gifts of cash (or cash equivalent) or other business courtesies that may improperly influence government or business relationships or are otherwise in violation of U.S. or foreign laws.

ASK

Gifts or other business courtesies of more than nominal value; gifts or business courtesies in foreign countries.

On at least an annual basis, employees will be asked to submit a formal statement for disclosure of any information relating to the possibility of a conflict of interest. Amendments must be made if changes or other potential or actual conflicts occur during the year.

Conflict of Interest Q&A's

Q: Who is required to complete a COI Form?

A: In accordance with the Corporate Ethics and Compliance policy, all employees (exempt, non- exempt or bargaining unit) must complete the conflict of interest form upon hire and annually thereafter. All Associates and Contractors are not required to complete the COI form upon hire and annually thereafter. Disclosures must be made any time an actual or potential conflict arises.

Q: How do I know if a conflict of interest is present?

A: In some cases, the conflict may be easy to identify. You should contemplate if the relationship or transaction impacts conflict with the best interests of the company. For instance, it is almost always a conflict of interest for you to work at the same time for NASCO and on behalf of a competitor, vendor, or customer. Likewise, it is usually a conflict of interest for you or members of your immediate family to have substantial financial or business interests with a competitor, customer or vendor of NASCO or its subsidiaries and affiliates of BCBSM. You must contact your leader or the Compliance Office if you are not certain a situation is a conflict of interest.

Q: Can I wait to report gifts and entertainments I receive until annual Compliance Training?

A: No. You are required to disclose gift(s) or entertainment as they are offered and received.

Q: Do I need to disclose my relative who works for the enterprise, and with whom I have no direct reporting relationship?

A: Yes. According to policy, a conflict may exist if a relative or cohabitant works for the Company, depending on the reporting relationship or job functions performed.

Are you a Leader?

Use the 5 R's Methodology to help resolve a potential conflict of interest.



Record: Confirm that potential conflicts are formally disclosed to maintain transparency. For example, a workforce member indicates on their conflict of interest disclosure form that their spouse also works at NASCO but in a different division and there is no reporting relationship. Leaders are required to review the disclosure, via the compliance training platform, and provide rationale for confirming a conflict either does not exist or was effectively resolved.

Restrict: Effectively separate workforce members from certain parts of an activity/process to avoid a conflict. For example, if a workforce member has a relationship with a vendor, they may not make or participate in any business decisions with respect to that vendor, or potential vendor.

Remove: An workforce member from duties/responsibilities related to the conflict. Examples include transferring the workforce member to another project or to another area of the Company

Relinquish: workforce member gives up private interest that is creating the conflict. An example would be giving up a second job.

Resign: Is the most extreme solution to a serious conflict. It will only be considered if the conflict of interest cannot be resolved in any other way.

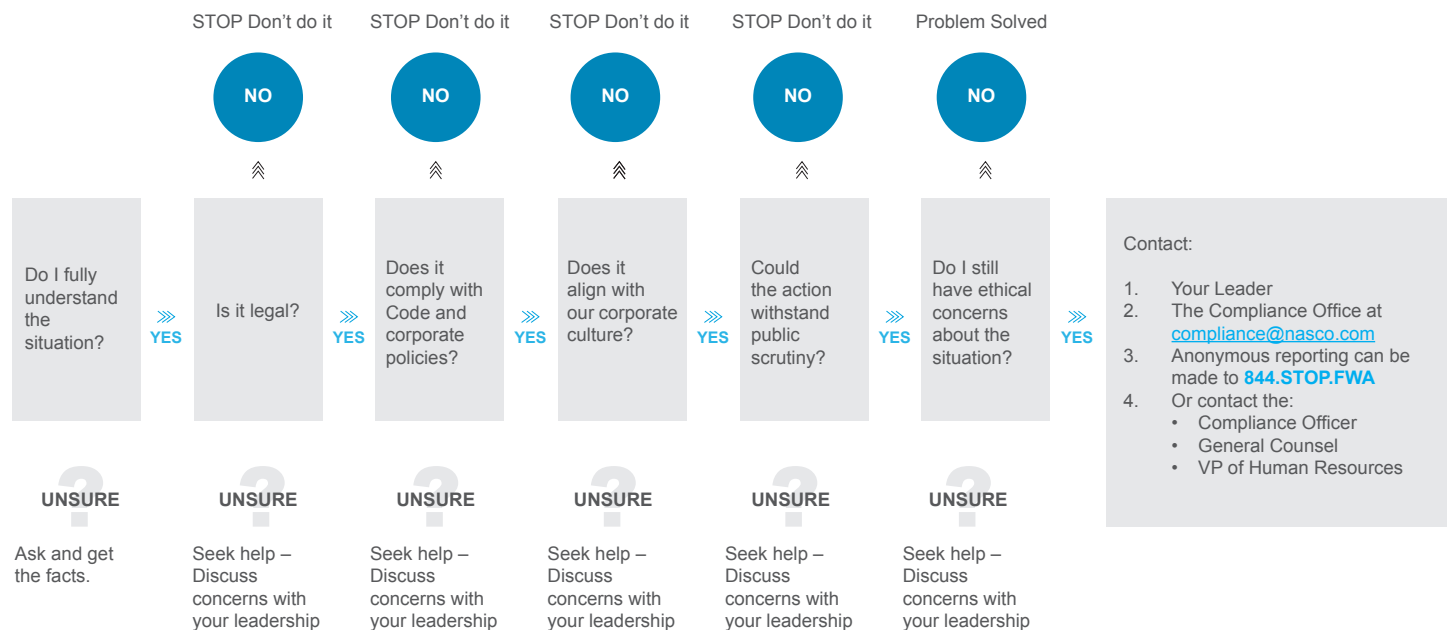
How We Solve Ethical Problems

Some ethical issues have clear solutions. Other ethical questions are not as clear and present difficult choices. It is pertinent that leadership takes reasonable steps to resolve ethical dilemmas.

The Code of Business Conduct cannot list every potential dilemma; however, it can provide guidelines. If you are faced with an ethical problem, use the guide below as frequently as needed.

Ethical Decision Making Guide

When faced with an ethical situation, ask yourself:



We encourage you to think about ethical dilemmas, report problems or concerns, and verify your behavior conforms to the standards in the Code.

Because you are encouraged to act as a good corporate citizen and raise issues about questionable activities, negative actions will not be taken against you for making a complaint or disclosing information about an activity that you believe in good faith may violate this Code or any laws, even if your belief is mistaken. Anyone who attempts to retaliate against you for reporting problems or concerns will be disciplined. The expectation is that you will feel free to demonstrate good faith reporting of compliance concerns without fear of retaliation or intimidation.

Any known or suspected violation of this Code or any laws need to be reported. You are obligated to immediately report instances of potential misconduct or non-compliance. Participation in internal and external investigations is required. Failure to report or cooperate in an investigation will subject you to discipline, including possible termination of employment.

Issues related to board members may be raised through the above channels.

Issues related to possible Medicare fraud may also be reported to the Health and Human Services Office of the Inspector General at **800.447.8477** or **TTY 800.377.4950**.

How We Respond to Inquiries and Reports Involving the Code of Business Conduct and Compliance Issues

The Company is committed to creating a work environment that encourages and accepts inquiries and reports involving the Code of Business Conduct, suspected compliance issues, suspected violations of federal or state law, or suspected fraud, waste, or abuse. Anyone may report a compliance concern and reports may be made confidentially or anonymously.

We will review and investigate reports of potential violations as appropriate. If criminal conduct is confirmed, our response may include actions to mitigate any harm caused. Mitigating actions could include making appropriate restitutions and assessing the Company's compliance program to ensure the program is effective and consistent with applicable regulations.

If you are involved in reported potential violation, you will be treated fairly and given an opportunity to explain your actions.

Remember that when you make an inquiry or report, it will be handled as confidentially and discreetly as possible, according to corporate policy. You will be notified once resolved, though the details of the resolution may be confidential. We may, however, be required to substantiate any allegations of wrongdoing. A record of your inquiry and our response will be made and forwarded to the Human Resources leadership, Corporate and Financial Investigations leadership (if related to fraud) or Compliance Office leadership for review and follow-up as required.

Workforce members should feel free to raise ethical concerns in good faith without fear of retaliation or intimidation

Disciplinary Action for Violations

Appropriate disciplinary actions may be taken against any anyone who:

- Violates the law
- Violates the Code of Business Conduct or Corporate Ethics and Compliance policy
- Fails to report a violation of law, Code, or policy
- Fails to cooperate in internal or external investigations of alleged violations
- Fails to participate in required compliance training

Workforce members who fail to take reasonable steps to identify, prevent, discontinue and report misconduct as soon as it is suspected or discovered will be subject to discipline.

These behaviors are examples of situations that can lead to discipline, and do not constitute an all-inclusive list of infractions. Each situation will be evaluated individually.

Appropriate disciplinary action may include termination and referral for criminal prosecution.



Addendum:

The federal False Claims Act (FCA), as amended by the Fraud Enforcement and Recovery Act of 2009, prohibits anyone from knowingly submitting false or fraudulent claims to the federal government and from making false or fraudulent records or statements to a recipient of federal funds (i.e. any entity that contracts with the federal government for any purpose). The FCA also requires recipients of federal funds to return any overpayment to the federal government. The FCA can be enforced by the Department of Justice, the United States Attorney's Office, or through qui tam actions, where an individual sues on behalf of the government

Definitions

Abuse – activities that are inconsistent with sound fiscal, business or medical practices, that may result in unnecessary cost to the Company or its customers, including but not limited to payment for services not medically necessary or that fail to meet professionally recognized standards for health care

ACA – Affordable Care Act or National Health Care Reform law

BCBSA – Blue Cross Blue Shield Association

Bribery – the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty

CCIIO – The Center for Consumer Information and Insurance Oversight, which is the government agency primarily responsible for overseeing the implementation of the provisions related to ACA

CMS – the Centers for Medicare & Medicaid Services

Cohabitation – two persons living together in the same household

Corruption – dishonest or fraudulent conduct that gives an unwarranted benefit or advantage to a person or entity

Enterprise – Blue Cross Blue Shield of Michigan, its affiliates, and subsidiaries

Fraud – intentional deception or misrepresentation made by a person or entity, including but not limited to workforce members, contractors, affiliated providers, vendors, authorized agents, enrollees, members or other third persons with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person or entity. It includes any act that constitutes fraud under applicable Federal or State law

Government Programs – includes Medicare, Medicaid, Federal Workforce Member Plan and Federal Workforce Member Health Benefit programs

HIPAA – the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations

Minimum Necessary Rule – a key component of the HIPAA Privacy Rule requiring that the Company and its workforce members take reasonable precautions to only collect, use, and disclose the minimum amount of PHI needed to carry out a permissible business purpose or function

NASCO – A limited liability company established to provide claims and membership processing services for commercial and government health programs to NASCO's Blue Cross/Blue Shield client health Plans.

OCR – Office for Civil Rights

OPM – Office of Personnel Management

Personally Identifiable Information (PII) – Any information that alone, or in combination with other information, identifies, or could reasonably identify, an individual and/or his or her relatives, employers, or household members. Not all PII is PHI. Information that is not obtained for medical purposes or as a result of health care operations is generally not PHI.

Confidential Information – Information that is classified as confidential is of high value and carries high levels of risk associated with its unauthorized use and disclosure. Confidential information requires the application of administrative and technical controls and its use and disclosure within and outside the organization must be properly authorized and safeguarded per the Information Classification Levels. Examples of confidential information include PHI, PII, and workforce member information. It also includes other non-public information such as bid and proposal information, customer lists, personnel records, financial information, etc.

Definitions *(continued)*

Protected Health Information (PHI) – Individually identifiable health information, including demographic information collected from an individual, that is transmitted or maintained in electronic or any other form or medium.

Public Network – A network that can be freely accessed by anyone, e.g., the internet.

Relative – family members, such as a spouse, parent, child, cousin, sibling, including step- relative and in-law. Family members also include domestic partners and any person who is part of your household

Waste – activities involving the Company's payment or reimbursement, or attempts to receive payment or reimbursement, for items or services where there was no intent to deceive or misrepresent, but rather the Company incurred unnecessary costs because of poor, inaccurate, or inefficient invoicing, billing, processes, or treatment methods

Workforce Members – individuals who perform duties or render services for or on behalf of the Company regardless of the type of employment or contractual agreement, including but not limited to full-time employees, part-time employees, temporary employees, contingent workers, interns, contractors, consultants, and volunteers