

2025 CODE OF BUSINESS CONDUCT



An Independent Licensee of the Blue Cross and Blue Shield Association

May 2025



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A Message from the President and Chair



Aloha,

Whether you've been an HMSA employee for one week or more than 20 years, you should know that we're committed to conducting our business with integrity, respect, and honesty. Each of us has a personal responsibility to uphold these values on behalf of HMSA.

The Code of Business Conduct is our playbook to help you understand the importance of performing your job responsibilities to the highest degree of integrity. This playbook can help you recognize questionable incidents and empower you to report them without fear of retaliation. Please read it and ask your manager about anything in it that's unclear.



A well-founded reputation for integrity is itself a priceless company asset. We thank you for doing your part to help ensure that HMSA continues to be the health organization of choice for all of Hawaii.

Mahalo,

A stylized, handwritten signature in black ink, appearing to be 'M. Mugiishi'.

Mark M. Mugiishi, M.D., F.A.C.S.
President and Chief Executive Officer

A stylized, handwritten signature in black ink, appearing to be 'Bob'.

Robert S. Harrison
Board Chair

HMSA's Vision and Purpose

Vision

A Hawaii where families and communities enjoy ever-healthier lives.

Purpose

Together, we improve the lives of our members and the health of Hawaii. Caring for our families, friends, and neighbors is our privilege.

HMSA's Values

Remember why we're here. We're here for one reason — serving the people of Hawaii. We're essential to a healthier Hawaii and we don't take our responsibility lightly. It's our duty, our passion, and the driving force behind everything we do.

Open and honest. Always. We're honest and forthright in everything we do and say. We don't reveal all, but we always explain why. With us, there's no hidden agenda — what you see is what you get.

Embrace partnership. We know that the best results come when we work together. Both internally and externally, we motivate and inspire each other. Together, we can do more for our community.

Have courage to make it better. We're creative thinkers who take initiative to find new and better ways and we believe the best answer can often be a brand-new idea. Never satisfied with the status quo, we're constantly pushing ourselves and pushing the envelope.



Our Commitment to Compliance and Ethics

HMSA works with our members, employer groups, providers, vendors, community, and the government to build a sustainable health care system. We all share the responsibility of conducting business with integrity and making sure that federal and state laws and regulations are followed. Our Code of Business Conduct ("Code") and Compliance and Ethics (C&E) Program were established to demonstrate that we take that shared responsibility seriously.

Everyone who works for or with HMSA must be committed to our Code, C&E Program, and the ethical values of integrity, fairness, trustworthiness, and respect. Our ethical values are to be upheld in addition to HMSA's values. This commitment applies to employees at every level as well as temporary agency hires, contractors, vendors, partners, and board members.

Doing the right thing, the right way

Since 1938, we've worked diligently to earn the community's trust not only by complying with the letter of the law, but also by making decisions in the best interests of our members and proceeding with rightful actions. This is possible because of our dedicated employees and business partners. Our continued success relies on everyone doing their part.

This Code is a resource for employees, contractors, members, vendors, partners, and board members relating to their everyday work behavior. It's not meant to be a rulebook, but instead serves as a roadmap. When you understand the Code, you stand behind HMSA's morals and values.

Putting our Code to work

The Code is the driving force behind our C&E Program. Compliance with all aspects of the C&E Program is a condition of employment. You're required to participate in the C&E Program, complete all relevant training, and adhere to the Code, company policies, and procedures. Use the Code to conduct your business dealings ethically and professionally. We all must:

- Comply with laws and regulations that apply to our business.
- Report possible compliance and ethical issues promptly, completely, and fairly.
- Exercise integrity and honesty at all times for our members and our community.

Questions about this section?

Contact C&E or refer to the following policies on BlueWire:

- Compliance & Ethics Program Policy
- Investigations Policy
- Nonretaliation Policy
- Disciplinary Policy

- Foster a culture of transparency.

It's vital that you speak up, ask questions, and raise issues if you have concerns. You play the most important role in upholding our reputation as an ethical company. We expect you to seek guidance when you have doubts about whether a situation may be improper or if you believe an action may violate laws, regulations, policies, or the Code.

Periodically, the chief compliance officer reports the number and nature of reported issues to HMSA's Board of Directors who may assess the status and effectiveness of our C&E Program.

RIGHT principles

Lean on the RIGHT principles when faced with difficult situations:

R – Read the Code.

First, read the Code. Remember that it's your guide and may already have the solution. While not intended to address all problems, you'll have a better idea if there's an issue to raise.

I – Identify potential issues.

Identify and gather all the information you have related to your concern. Think about why it's an issue. Is there a violation of HMSA policy or the law, or does it bring up questions about fairness, honesty, or ethics?

G – Go with your gut feeling. Does it feel right?

Do you just have a bad feeling that you can't put your finger on? When something doesn't feel right, it often isn't. Pay attention to your feelings and focus on why the situation is bothering you.

H – How are others affected?

Consider who the situation affects and how. Would it harm members, providers, employer groups, other departments, or other employees? Can anything embarrass HMSA or expose it to legal action if things were to become public?

T – Take responsibility for your actions.

Remember that you have an obligation to report suspected wrongdoing. If you see something, say something. Don't assume that your manager or others on your team will take care of things or that the issue will go away.

Leader expectations

While all HMSA employees are obligated to comply with the Code, we especially entrust and hold leaders to higher standards. It's your duty as a leader to model exceptional behavior. You also have a responsibility to demonstrate our company's commitment to doing business with honesty and integrity, setting clear expectations for your department and teams, and encouraging ethical business practices. As a leader, you should:

- Listen to concerns. For employees to feel comfortable expressing their concerns, it's vital that you create a safe and understanding environment. We encourage you to facilitate open and honest communication.
- Assure them that HMSA has a strict nonretaliation policy.
- Help employees understand the Code. This may require you to review the Code with employees to guide them in the appropriate direction.
- Show empathy toward others who may be struggling to navigate difficult situations. Actively discuss ethical conduct and challenges that employees may face.
- Report concerns or misconduct that you witness or that's reported to you.
- Model behaviors that mirror HMSA's values. Ultimately, this can improve employee morale, build mutual trust and respect, cultivate a positive work culture, and increase productivity.
- Encourage regular and candid communication with employees and leadership through meetings and frequent check-ins.

Contact Compliance & Ethics

Please contact C&E if you have a compliance question, see a potential compliance incident, or have a compliance concern. C&E reviews all reports and investigates all compliance and ethics issues. We're available:

- **In person:** 10th floor, HMSA Building
- **By email:** Compliance_Ethics@hmsa.com
- **By phone:** Carrie Nakamura, chief compliance officer, (808) 948-5369
- **Compliance & Ethics Anonymous hotline:** 1 (800) 749-4672



The hotline is operated by a third party 24 hours a day, seven days a week. Please note that you can remain anonymous; your call won't be traced and caller ID won't be used. Your question or concern will be respectfully handled with the appropriate level of confidentiality.

What happens after you contact us?

Your question or concern will be researched or investigated to completion. You may call the hotline at any time to follow-up on the progress of the investigation or to provide additional information. Sometimes, the investigation team may need more information to better assess your concern.

To respect the nature of the investigation, you might not receive information regarding the outcome. However, you'll receive confirmation that the issue was assessed and handled appropriately. Investigations are confidential and are subject to the nonretaliation policy.

Commitment to nonretaliation

To ensure you're comfortable communicating concerns, issues, or questions about compliance and ethics, HMSA prohibits intimidation or retaliation against anyone who:

- Reports an actual or suspected noncompliance issue in good faith.
- Participates in the investigation of an actual or suspected noncompliance issue.
- Conducts self-evaluations, audits, and remedial actions to find and mitigate noncompliance and other issues.
- Reports to appropriate officials.

Your confidentiality and anonymity will be safeguarded to the extent permissible by law and shared only with individuals assisting with your report on a need-to-know basis. Anyone who participates in retaliatory acts or knows of an occurrence of retaliation and either fails to stop such an act or fails to report it will be subject to discipline up to and including termination of employment. Intimidation or retaliation in any form will not be tolerated and will be dealt with severely.

Disciplinary action

You could face disciplinary action if you fail to comply with our Code or C&E Program. Disciplinary action may include referral to the government, suspension, termination of employment, and reimbursement to HMSA for any losses or damages resulting from the violation.

If you're suspected of violating the Code or C&E Program, you'll be given the opportunity to explain your actions during the investigation before any disciplinary actions are taken.

Disciplinary action will be taken when:

- An employee authorizes or participates in actions that violate the Code.
- An employee deliberately provides misleading information about violations of the Code.
- A supervisor's or manager's actions reflect poor judgment, inadequate supervision, or lack of diligence regarding a violation of the Code.
- Anyone retaliates, directly or indirectly, or encourages others to retaliate against an employee who reports a violation of the Code or participates in an investigation of a violation of the Code.

This Code will be enforced fairly at all levels and without prejudice.

Q&A

Q: I went to my manager with concerns about noncompliance in our department and now I feel he's retaliating.

A: Retaliation against any individual who participates in the C&E Program, including reporting actual or suspected noncompliance, is prohibited. Participation includes reporting actual, suspected or potential noncompliance; investigating issues; conducting self-evaluation, audits and remedial actions; and reporting to appropriate officials. Contact C&E or Human Resources to report your manager.

Q: I think my co-worker is violating the Code, but I don't want to get him in trouble. What should I do?

A: Your desire to protect your co-worker is understandable, but it's everyone's responsibility to report all potential compliance violations promptly. Contact your manager or C&E right away. Your confidentiality and anonymity will be protected to the extent permissible by law.

Q: How do I report concerns of misconduct in my department? Will I get in trouble if I'm wrong?

A: You may report in good faith any misconduct directly to your executive leader or C&E. A review will be conducted promptly. Your confidentiality will be protected as requested to the extent that's consistent with our investigations policy and as allowed by law. To make an anonymous report, call the C&E Hotline at 1 (800) 746-4672. If you make an anonymous report, be sure to provide enough information so that the issue can be investigated appropriately.

Doing Business with Integrity

Avoid Conflicts of Interest

Business decisions should be made fairly, objectively, and without bias. Maintaining the public's trust in us means we must identify and reduce the risks of actual or potential conflicts of interest.

A conflict of interest happens when our personal or financial interests, affiliations, or other employment influences or appears to influence our professional responsibilities or ability to act in HMSA's best interest. Even the appearance of a conflict of interest may cause others to question our motives. HMSA employees must not participate in activities that influence, could influence, or appear to influence their judgment or objectivity.

Conflicts of interest may not always be obvious or easy to spot. Usually, a conflict of interest can be resolved or mitigated if it's disclosed to your manager and C&E in advance. It's important to inform your manager and C&E of situations involving you or your family members such as:

- Working for a competing health plan or other insurance provider.
- Working as or for a health care provider, pharmacy, or any organization or association of such providers as a volunteer, contractor, consultant, or board member.
- Working for a vendor or supplier of goods or services to HMSA such as health care organizations, health insurance brokerage firms, law firms, auditing firms, consulting firms, banks and financial institutions, equipment and supplies vendors, and other vendors of products.
- Working for an organization that sells the same or similar insurance products as HMSA, such as life and accidental death and dismemberment insurance products and services.
- Accepting gifts, payments, or services that exceed our gifts and entertainment limits from people who do business with HMSA or would like to do business with HMSA.
- Doing business on behalf of HMSA with a company that's owned or controlled by an HMSA employee, an employee's family member, or someone with whom you have an actual or perceived personal relationship.

Questions about this section?

Contact C&E or refer to the Conflict of Interest Policy on BlueWire.

- Owning or having a substantial financial interest in a business that competes with or provides services or goods to HMSA.
- Acting as an employer group leader or consultant to an HMSA employer group, provider, vendor, partner, or similar entity.

Many factors can play a role in a conflict of interest. Your manager and C&E will work together to examine the situation from all angles. That's why you must notify your manager and C&E of potential conflicts of interest even if you don't think that your judgment will be affected.

Outside employment and other activities

Your primary employment obligation is to HMSA. Any outside activities you pursue such as a second job, volunteer work, position on a board of directors, or a side business must not conflict with your obligation to HMSA. You may engage in these activities as long as they don't:

- Directly or indirectly compete with HMSA.
- Require use of HMSA assets or confidential information.
- Affect your work at HMSA or interfere with your normal work hours.
- Negatively affect HMSA's brand, image, or community standing.
- Impact or appear to impact your ability to work in HMSA's best interest.

There may be other considerations that are specific to your job, so check with your manager and C&E before accepting any outside work.

Financial interests

You should avoid any outside financial interests that might influence your decisions or actions on behalf of HMSA such as personal or family investment or involvement in organizations that do business or compete with HMSA.

You're allowed portfolio ownership of stock or other securities in publicly traded companies. However, you shouldn't hold stock in known vendors of HMSA if your objectivity in dealing with the vendor may be questioned. Please talk to C&E if you have questions.

Annual disclosure statement

Employees are required to disclose possible conflicts of interest each year in a questionnaire. If your circumstances change after filling out and submitting the questionnaire, you must inform your manager and C&E right away.

Q&A

Q: I work at HMSA Monday through Friday and also have a weekend job at another health plan in a different function. Is this a conflict of interest?

A: Yes. Though you're doing different types of work, your weekend job is working for a competing health plan. This is a conflict of interest and must be reported to your manager and C&E.

Q: I'd like to do some consulting or volunteer work during my off time. When would this be a conflict of interest?

A: It's best to discuss this with your manager and C&E first. There may be a conflict of interest depending on the type of work you do at HMSA and its connection or similarity to the outside work you want to do.

Q: I've been working at HMSA for 10 years and recently learned that my brother is applying for a job in my department. Will this create a conflict of interest if he gets the job?

A: It depends on several factors such as your and your brother's job responsibilities, whether there's a management/subordinate relationship, and if there's any potential for fraud. Human Resources will work with C&E and department managers to assess the situation on a case-by-case basis.

Responsible Gift and Entertainment Practices

Giving and accepting gifts are common while doing business. They're intended to build relationships and create goodwill with our vendors, suppliers, business partners, and customers. However, exchanging gifts cannot influence our decision-making or create situations where conflicts of interest arise.

We often buy goods or services from a supplier that also buys goods or services from us. For example, we may purchase printing services from a printer who purchases health plans from HMSA. While this is a normal and acceptable business practice, we must avoid any form of pressure for reciprocity.

Giving and receiving gifts

Any gift you give or receive must be reasonable and appropriate to the occasion and given infrequently regardless of the value. Cash gifts or cash equivalents such as gift cards, checks, loans, stock, or stock options are never allowed.

When accepting or offering a gift, make sure it meets all of the following criteria:

- It's not solicited.
- The value doesn't exceed \$150 per occasion.
- The total value from the same source doesn't exceed \$400 per calendar year.
- It's not given with the intent to obtain or reward favorable treatment.
- It's not extravagant or excessive, is reasonable and appropriate for the occasion, and is given infrequently regardless of the value.
- Doesn't violate any policy of the recipient's company or organization.

Business entertainment

Entertainment connected to a business relationship is allowed provided that:

- Representatives of the host company are present at the event.
- The value doesn't exceed \$400 per occasion, where the value is calculated by the amount of benefit that goes to the person attending, not a charitable cause.

Questions about this section?

Contact C&E or refer to the Conflict of Interest Policy on BlueWire.

- HMSA and the other party are not in active contract negotiations.
- It occurs infrequently and is reasonable, appropriate, and proper for the occasion.
- It does not violate any policy of either the host's or guest's company or organization.

Tickets, productions, and other forms of entertainment in which the host will not accompany the employee are subject to the \$150 limit.

Exceptions

You can accept a gift with a value that exceeds \$150 if all the following apply:

- It's flowers, a food basket, or other perishable gift.
- It can be shared with your department.
- The appropriate management has approved.

If there's an instance when you feel receiving gifts or entertainment beyond the \$150/\$400 rule may be appropriate, contact your manager to get approval from your department's senior officer or C&E. You must also note it on your annual conflict of interest disclosure form.

Government prohibitions

Dealing with government officials requires special attention. Government agencies may have requirements that exceed HMSA's internal policies. For example, you cannot give or receive any gift from an employee or contractor of the federal or state government. There are no exceptions to this rule. If your interaction involves a government official and you are unsure of the applicable policy, contact C&E for clarification.

Anti-bribery

Giving, offering, authorizing, or taking bribes is strictly prohibited. Bribes include money, favors, gifts, or entertainment provided to obtain or retain business.

Personal gifts

Personal gifts are gifts that are exchanged through a personal relationship. They're not given or received by you in your role at HMSA or in connection with HMSA business. The gift isn't a company asset and isn't purchased using company funds. Therefore, it's not subject to HMSA's gifts policy.

Companywide benefits

A vendor or supplier may offer benefits company-wide such as discounts, rebates, or credits. C&E must approve these benefits in advance to make sure we're compliant with anti-kickback restrictions. For more information about kickbacks, go to the Fraud, Waste, and Abuse section of this Code.

Accepting honoraria

Honoraria are payments for services such as a speech, appearance, panel participation, article, or similar items or activities in connection with HMSA-related business. It can come in the form of cash, gifts, paying for or reimbursing travel and lodging expenses, or anything of value.

Employees and family or household members should not personally accept or solicit honoraria from any third party where there is an expectation or appearance of wanting to sell to or purchase from HMSA goods or services. Accepting or soliciting honoraria may create an actual or perceived conflict of interest and compromise your ability to act in HMSA's best interest. If you have questions about accepting honoraria, refer to HMSA's Conflict of Interest Policy or talk with your manager and C&E.

Q&A

Q: I was invited on an all-expenses-paid trip to San Francisco to learn more about a vendor's product that HMSA is interested in buying. Can I accept this offer?

A: No, accepting a vendor's offer of a free trip may make it difficult to objectively evaluate their product or services. There may be a perception that the free trip influenced your business decision. However, you may go if HMSA determines that the trip is an appropriate business expense and is in HMSA's best interest. HMSA must pay for the travel and accommodations, which are subject to your manager's approval. Each situation is different, so you should always consult your manager and C&E.

Q: A federal auditor recently completed an audit of HMSA. I wanted to give her an HMSA promotional item with a value of \$10. Since it's a promotional item, is it OK to give it to the auditor?

A: HMSA policy prohibits giving or receiving gifts or entertainment of any kind when dealing with federal or state government employees and their contractors.

Q: I received a request to complete an online survey about how HMSA makes formulary decisions. In exchange, the company offered me a gift card. Can I participate in the survey?

A: If the offer was made through your work as an employee, it's considered an honorarium. You may participate in the survey but may not accept the gift card.

Accurate Recordkeeping

We provide a variety of performance reports, financial statements, proposals, budgets, and other reports to government agencies, auditors, employer groups, accreditation organizations, and other entities. These reports often include management certification or attestations of the validity of the information.

If you prepare, sign, or support these reports and their underlying records, you must ensure that they're prepared carefully, accurately, timely, and ethically. Late or inaccurate reports submitted to government agencies can result in corrective actions, increased agency scrutiny, fines, and other penalties.

Recordkeeping policies

- Labor, material, and other costs must always be charged accurately to the proper account regardless of the financial status of the program, project, or contract. Labor timesheets and other cost records must be accurate and complete.
- HMSA's records must accurately reflect the true nature of transactions that they represent. Employees must never cause HMSA's records to be misleading or inaccurate.
- Costs that aren't reimbursable to HMSA by the federal government must be identified, properly accounted for, and excluded from proposals, bids, and reimbursement requests submitted to the federal government.

Contact C&E or call the C&E hotline at 1 (800) 749-4672 to report any concerns related to financial reporting irregularities or questionable accounting practices.

Record retention

Records must be kept for a required duration of time to comply with federal and state regulations as well as meet our business needs. To this end, we use effective, cost-efficient management methods to maintain complete and accurate records. Retention can vary based on the type of record and the line of business involved.

Records connected to anticipated or pending litigation must be kept beyond normal retention periods. Legal Affairs issues special notices called "litigation holds" directly to applicable individuals to ensure that relevant records are retained and preserved until the litigation holds are released.

Questions about this section?

Contact your manager or refer to the Record Retention Policy on BlueWire.



Records should only be destroyed after the record retention period has ended and there are no outstanding litigation holds that apply to them.

Refer to BlueWire or ask your manager for more information, definitions, and guidelines on record retention.

Our Work Environment

Inclusion and Diversity

HMSA is committed to creating a culture of inclusion and diversity where all employees are able to contribute at their highest levels.

We recognize that differences exist among us. These differences shape our view of the world, influence how we treat one another, impact how we work together, and make us stronger as an organization. Our differences make up our diversity. When we celebrate the things that make us different and value and support everyone equally, that's inclusion.

At HMSA:

- Diversity is our commitment to the representation of many different groups of people and the individually unique backgrounds and perspectives they bring to our workplace.
- Inclusion reflects how we value and integrate the contributions and perspectives of our diverse people equally and in a way that makes them feel welcome to be their true selves.

We expect our employees to behave in an inclusive, respectful, and collaborative manner at all times. HMSA will provide opportunities to learn about and celebrate our diverse workforce and practice inclusion through engagement with our Inclusion & Diversity Program. The program's mission is to build and execute a strategic program that leverages our rich diversity and employees' voices to create a more inclusive workplace that aligns with HMSA's business and community goals.

If you have questions or want to learn more about inclusion and diversity at HMSA, email inclusionanddiversityprogram@hmsa.com.

Questions about this section?

Contact the ID Program or refer to the group page on BlueWire.



Protecting You at Work

We have policies to ensure a safe, supportive, respectful workplace. We are committed to a safe and healthy work environment. Creating an atmosphere of honesty, respect, and trust enhances our relationships with our co-workers, customers, and business partners. To see the complete policies, go to the HMSA Employee Handbook available on BlueWire. Some of the policies are summarized below. If you have questions about or suspect a violation of these policies, talk to your manager or Human Resources.

Nondiscrimination

HMSA is committed to maintaining a workplace environment free from discrimination. We don't tolerate discrimination or harassment of any employee because of age, sex, pregnancy, religion, race, color, national origin, ancestry, disability, marital status, sexual orientation, gender identity or expression, domestic or sexual violence victim status, veteran status, citizenship, genetic information, arrest and court record, credit history or credit report, reproductive health decision, or other grounds protected under applicable federal and state laws.

Individuals with disabilities

We support and comply with the Americans with Disabilities Act and related federal and state laws. We're committed to:

- Employing qualified individuals with disabilities.
- Developing and retaining qualified individuals with disabilities in employment.
- Treating qualified individuals without discrimination on the basis of their disability in all employment practices.
- Reviewing reasonable accommodation requests so qualified individuals can perform their essential job functions.

Protected veterans

We comply with the Vietnam Era Veterans' Readjustment Assistance Act and related federal and state laws. We're committed to taking affirmative action to employ, advance in employment, and otherwise treat qualified individuals without discrimination based on their status as a protected veteran in all employment practices.

Questions about this section?

Contact HR or refer to the HMSA Employee Handbook on BlueWire.



Sexual harassment

You're expected to treat your fellow employees with professional respect and courtesy. Any form of sexual harassment in the workplace is strictly prohibited whether by a supervisor, manager, co-worker, consultant/contractor, vendor, or temporary employee.

If you participate in sexual harassment, you will be subject to disciplinary action up to and including termination of employment.

Drug-free workplace

We're committed to keeping our workplace drug free. Engaging in any activity related to the unlawful possession, manufacture, distribution, dispensation, or use of a controlled substance in the workplace is strictly prohibited. This applies to activities that occur anywhere on company property or while on work time outside the workplace.

If you participate in a prohibited activity, you will be placed on an unpaid suspension pending an investigation and final decision on disciplinary action, which may include termination of employment.

Protecting Information and Assets

Our members, providers, and employer groups entrust us with their confidential information. It's our duty to protect that information and keep the trust they've placed in us.

Confidential member information (CMI):

Information that can be used to identify an HMSA member, their health conditions, or their nonpublic financial information.

Protected health information (PHI):

Information about a member's health condition, health care services, and payments. PHI is a subset of CMI.

HIPAA and HITECH: Acts that protect members' information

The Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act of 2009 protect our members' CMI. The federal and state governments can impose fines and criminal penalties on HMSA or HMSA's employees when CMI is mishandled.

This means we must:

- Conduct business using HIPAA and HITECH standards for privacy and security.
- Follow applicable federal and state laws on privacy and confidentiality as well as HMSA's Privacy Policy, Cybersecurity Policy, and Physical Security Policy.
- Disclose CMI on a need-to-know basis in the minimum amount necessary if your role permits you to do so and as authorized by HMSA.

If you have questions about disclosing CMI, contact the Privacy Office, Cybersecurity department or C&E.

Confidential business information

If you have access to any of HMSA's confidential business information, you're responsible for protecting it. This responsibility continues even after your employment, contract, or affiliation with HMSA ends.

Questions about this section?

Contact the Privacy office or Cybersecurity department or refer to the following and accompanying policies on BlueWire:

- Information Security Policy
- Privacy Policy

Confidential business information:

- Requires a high level of protection.
- May harm employees, members, business associates, providers, employers, or HMSA if disclosed or altered.
- Can generally be disclosed only to others outside or inside HMSA when management or an information steward properly authorizes it.

Work that you produce, create, or author as an HMSA employee is HMSA property. You may not take customer or member lists, formulas, processes, contracts, trade secrets, intellectual property, sales-related information, or any other confidential or proprietary company information when your employment with HMSA ends.

Disclosing confidential business information

Before disclosing information to anyone outside of HMSA, make sure you:

- Aren't violating any federal or state laws. Check with the Privacy Office or Cybersecurity department or C&E if you're not sure.
- Get approval from an HMSA director or officer.
- Have a nondisclosure and confidentiality agreement that Legal Affairs has approved.
- Know and follow HMSA's External Data Sharing Policy, including the Third-party Data Request process.
- Label the document "Confidential."

Before disclosing confidential business or member information through internal or external communications, make sure to:

- Encrypt external emails.
- Label reports, spreadsheets, and other documents with the appropriate restrictive legend. Restrictive legends such as "Confidential" make third parties aware that HMSA considers the information to be protected.
- Arrange for delivery of any paper documents so that a signature is required on receipt.

Be aware of your surroundings

Being careful of people and devices nearby can help reduce the risk of accidentally disclosing confidential business information through a telephone call or casual conversation. This applies whether you're in an HMSA office or in a public setting like in an elevator.

Using HMSA assets

Company assets are more than computers and paper clips. They also include:

- Intellectual property.
- Business strategies and plans.
- Trade secrets.
- Financial or proprietary information.
- Software or hardware.

Use HMSA assets for valid company purposes only.

Follow these guidelines for using HMSA assets responsibly:

- Never use HMSA assets for your second job or outside business.
- Limit personal use of company telephones, computers, fax machines, and emails. Never use them for personal gain, illegal purposes, or your second job or outside business.
- Transfer company assets to other persons or entities to support a business need only in accordance with company policy. HMSA assets that aren't needed any longer may be disposed of or, in certain cases, sold to employees at market value. Such disposals or sales must be properly approved with signed documentation.

Safeguarding HMSA information and assets

Many HMSA devices you use, like computers and laptops, external hard drives and thumb drives, and smartphones and tablets, may contain confidential business information and must be carefully safeguarded. If these devices are lost or stolen, they may expose confidential information and may result in government sanctions and financial penalties. It may also damage HMSA's reputation.



If you use HMSA devices, it's your responsibility to:

- Store them in a secure location, preferably in an HMSA facility.
- Never leave them unattended in a public area or non-HMSA facility.
- Never allow non-HMSA employees to borrow or use them.
- Always treat them as a carry-on item when traveling. Never place them in checked-in baggage.
- Ensure the device is encrypted to protect confidential information in case of theft or loss.

Disclosing HMSA information as a whistleblower

Under 18 U.S.C. § 1833(b) of the Defend Trade Secrets Act, an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

For more information about trade secrets and confidential information, go to BlueWire and visit the C&E document library to view the *Agreement Regarding Confidential Information, Work Product and Physical Security*.

If you have questions or want to report suspected misconduct or violation of a law, contact C&E or call the Compliance, Privacy & Security hotline at 1 (800) 749-4672.

Q&A

Q: My co-worker is out sick and he's holding up the approval process for a project. He gave me permission to log into the system with his user ID and password to approve the work so there's no holdup. Is this allowed?

A: No. You may not use someone else's user ID and password even if the person gave you permission. If you need to access a system without the person being present, contact your manager, the Help Desk, the Privacy office, or Cybersecurity department.

Q: Do I still need to guard HMSA confidential business information and CMI if I work remotely?

A: Yes. Employees who work remotely are still required to practice the same safeguards as employees who work on site. Records must be properly stored and locked away in a secured area. Work-related conversations should be held in a private setting.

Q: I work in Customer Relations and my job duties allow me to access member information. My mother asked for copies of her Report to Member for the current year. I'm also interested in looking at my own information. Can I use my access to retrieve information for personal reasons?

A: No. If you, your family, or friends have a question about their plan, they must follow the same procedures as any HMSA member. Although you have access, you and your mother should contact Customer Relations or use My Account on hmsa.com.

Fraud, Waste, and Abuse

Health care fraud, waste, and abuse (FWA) raises health care costs — it's everyone's responsibility to help prevent, detect, and report it.

Anyone can commit FWA — individual providers, provider groups, clinics, hospitals, vendors, employers, community members, employees, and members.

FWA takes many forms, such as:

- Billing for medical services, items, or prescriptions that weren't provided.
- Upcoding (i.e., billing for a more-expensive service than what was performed).
- Presenting another person's health insurance information to get services.
- Providing medically unnecessary services to members.

Laws that help prevent FWA

FWA greatly harms our health care system. Federal and state governments have passed several laws aimed at fighting FWA.

Federal False Claims Act

It is illegal to submit or bill false or fraudulent claims under Medicare and Medicaid programs for payment. Persons involved can be criminally charged and are subject to administrative actions and imprisonment. They may also be charged with paying three times the amount of damages that the federal government sustains because of the false claim.

Hawaii False Claims Act

This act penalizes people and organizations (such as HMSA) for:

- Submitting a false claim for payment to an officer, employee, or agent of the state.
- Making or using a false record to get paid for a false claim.
- Conspiring to make a false claim or get paid for one.
- Making or using a false record to avoid payments owed to the state government.

Questions about this section?

Contact the SIU or refer to the *Comprehensive Fraud, Waste, and Abuse Policy Manual*.



Anti-kickback Statute

A kickback is payment of money or a fee, commission, credit, gift or gratuity, thing of value, or compensation that's provided directly or indirectly to induce or reward patient referrals or the generation of business involving any item or service payable by federal health care programs (e.g., drugs, medical supplies, or health care services for Medicare or Medicaid patients). Under this statute, people who offer, solicit, or accept kickbacks can be fined, jailed, and/or excluded from participating in federal health care programs.

Stark Law

This law prohibits physicians from referring patients for designated health services payable by federal health care programs to other entities that have direct or indirect financial relationships with the physician unless an exception applies. Penalties include fines and exclusion from participation in federal health care programs.

Employee responsibilities for internal fraud

We're all responsible for preventing and detecting internal fraud, which is the intentional misrepresentation or concealment of information within HMSA for financial, reputational, or other gain.

If you're aware of internal fraud and don't report it immediately, you may be subject to disciplinary actions up to and including termination of employment. If you report suspected fraud in good faith, you'll be protected from retaliation and your confidentiality will be maintained to the extent permitted by law.

Examples of internal fraud include:

- Intentional alteration of HMSA claims processing procedures (e.g., improper payment of claims for noncovered services).
- Cash and/or benefit bribes related to enrollment or sales transactions.
- Impropriety when handling or reporting financial transactions.
- Manipulation of information used to prepare HMSA financial statements.
- Inappropriate financial and regulatory submissions (e.g., risk adjustments).
- Forgery or alteration of an official HMSA document.
- Fictitious or altered receipts, invoices, purchase orders, mileage reimbursement requests.
- Falsified work-related documents or timecards (e.g., unrecorded vacation or sick leave, falsified overtime).
- Theft or misuse of HMSA's property such as funds, inventory, equipment, and supplies.
- Unauthorized use of company credit cards or other funds for personal purchases.
- Entertainment purchases without a legitimate business purpose.
- Unauthorized use of company information or resources for personal gain.
- Unauthorized disclosure of confidential and proprietary information to outside parties or internal staff.
- Unauthorized alteration, manipulation, or misrepresentation of computer files, records, or reports.
- Unauthorized destruction, removal, or inappropriate use of files, records, or reports.

You're expected to recognize risks and exposures in your area of responsibility. Be alert for any indication of internal fraud. If you detect or suspect fraud, contact the Special Investigations Unit (SIU) right away at (808) 948-5166 or email Fraud&Abuse@hmsa.com. HMSA's SIU investigates complaints, conducts proactive reviews, reports FWA to law enforcement and regulatory entities, and raises awareness of FWA.

Protection for whistleblowers

The federal False Claims Act and Hawaii Whistleblower Protection Act both include a qui tam or "whistleblower" provision. They protect people from retaliation that might result from filing a lawsuit, investigating a claim, or providing testimony for alleged false claims or False Claims Act violations. Under the law, whistleblowers may get a percentage of the money recovered.

For more information about these laws, review the *Fraud, Waste, and Abuse Policy Manual* and appendices and C&E training materials on BlueWire or contact the SIU or C&E.

Q&A

Q: My job at HMSA involves processing claims. I noticed that a provider submitted several suspicious claims for the same patient. What should I do?

A: Report your suspicions to the SIU or C&E.

Honest Partnerships

Working with the Government

We partner with the federal and state governments on several programs, including Medicare, QUEST Integration, and the federal plan. Because of these partnerships, we must follow specific requirements when working on anything related to those contracts.

Helping in a government review

Like all health plans, HMSA must follow government regulations. The government requires certain information from health plans and may investigate HMSA through audits or studies to ensure expectations are met.

If HMSA undergoes an investigation or review, we will:

- Provide the government with appropriate information.
- Avoid contracting or discussing contracting with any potential vendor that the government has hired to participate in the review.
- Get a waiver of conflict of interest from the government if we want to negotiate or contract with a vendor that the government has hired to participate in the review.

It's a crime to knowingly give false information when working on a government contract. You and HMSA may also be liable for fines and other penalties.

Procuring government contracts

When we procure federal or state government contracts, there are laws and regulations we must follow. It's illegal to try to get a competitive advantage from a competitor's proposal or other documents.

During the federal procurement process, we don't try to obtain the following types of information unless it's released to all competitors:

- Competitors' cost or pricing data, indirect costs and direct labor rates, and underwriting processes, operations, or techniques.



- Government source selection bid prices or proposed costs, sources' election plans, technical evaluation plans, technical, cost, or price evaluations of proposals; competitive range determinations, rankings of bids, proposals, or competitors, panel, board, or advisory council reports and evaluations, and any other unauthorized information.

After the procurement process, we may request information that wasn't previously available. In certain situations, we'll provide documents that authorize us to receive such information. Whenever possible, we'll request information under the Freedom of Information Act to make sure we don't receive information that's protected.

During Medicaid procurement for services, HMSA employees cannot offer any state employee involved in the procurement an offer or promise of future employment or business opportunity or engage in any discussion of future employment or business opportunity. We also cannot offer, give, or promise to offer or give any money, gratuity, or any other thing of value.

If you have questions about this process, contact Legal Affairs.

Screening individuals and entities for exclusion

HMSA is required to screen current and prospective employees, temporary agency hires, contractors, vendors, partners, and board members for individuals and entities excluded by the government. Such exclusion can result in being deemed ineligible to do work involving federal health care programs. HMSA employees who become excluded must immediately report it to their manager and C&E.

Political activity and contributions

We encourage you to vote, be involved in civic affairs, and participate in political activities. You're free to make personal contributions to support candidates and political organizations. These activities should be done on your own time, and you must make it clear that you're speaking and acting on your own behalf. Never create the impression that you're speaking on behalf of or are otherwise representing HMSA. When engaging in these activities, avoid the use of HMSA's name or logo, funds, supplies, facilities, or other assets.

We comply with applicable federal, state, and local laws and regulations about using company resources for political activities. To provide a way for employees to support the political process through HMSA, our organization and subsidiaries established a political action committee that solicits and accepts voluntary contributions from employees.

Q&A

Q: Naomi recently volunteered to support a local candidate's campaign for Congress. She agrees with the candidate's ideas on addressing mental health issues and believes her co-workers at HMSA would support him, too. Can Naomi print flyers at work to distribute to employees and send a soft copy of the flyer in a mass email?

A: No. Naomi shouldn't do either of these things. Although HMSA encourages employees to get involved in political and civic affairs, you shouldn't use company resources or assets (such as printers, paper, and email systems) for those activities.

Working with Third Parties

HMSA believes in working with business partners that demonstrate high standards of ethical business conduct. We expect our providers, suppliers, vendors, contractors, temporary workers, board members, and anyone who may perform services on our behalf to uphold the standards set forth in this Code.

We have a legal and business obligation to ensure that we appropriately vet, select, and manage our vendors. To that end, all employees who manage our vendors should know and follow company policies related to vendor selection, contracting, and management. If you suspect any vendor misconduct, report the matter to the Vendor Management Office and C&E.

Vendor responsibilities

If you're a contracted vendor, you must conduct your business fairly, with integrity, and comply with applicable federal and state laws. If you work directly or indirectly on government contracts, you must know and comply with all the terms of the contract and related laws and regulations.

Depending on your scope of work, you may need to complete annual training for compliance; information security and privacy; civil rights and cultural competency; and fraud, waste, and abuse. You must cooperate with government requests for information and may be required to screen your employees regularly for individuals who are excluded from federal health care programs.

You must never offer gifts, entertainment, meals, or anything of value to a federal or state government employee. Follow our gifts and entertainment policy when offering anything of value to HMSA employees and to individuals and entities outside of HMSA.



HMSA's Code of Business Conduct must be followed even if your company has its own code of business conduct. If you're aware of an actual or potential violation of our Code, the terms or conditions of your vendor agreement, or applicable laws or regulations, you must immediately alert your HMSA business contact or call the Compliance Privacy & Security hotline.

Other Regulatory Requirements

Proper marketing practices

Superior products offered at a reasonable price with superior customer service are HMSA's primary marketing tools. It's against the Code to use deceptive, misleading, or other unethical methods to obtain business from prospective customers. Avoid marketing in a way that could cause confusion or misunderstanding. If a member or prospective customer misunderstands a sales point, the situation should be corrected right away.

Marketing to Medicare beneficiaries

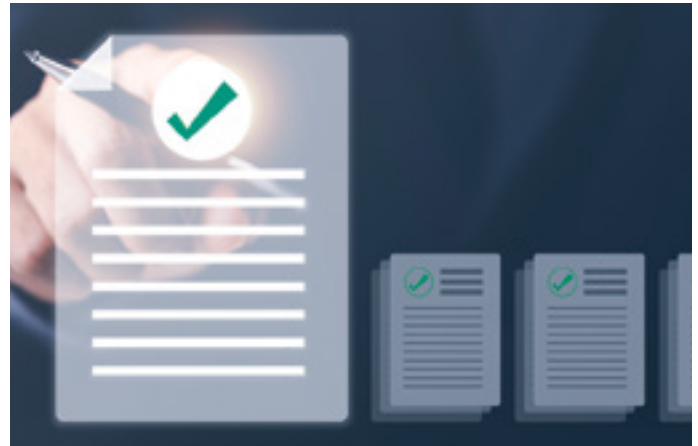
The Centers for Medicare & Medicaid Services (CMS) have guidelines that we must follow when we market to Medicare beneficiaries. These rules protect Medicare beneficiaries from misleading or unfair marketing practices.

To make sure we understand those rules, employees, contractors, temporary hires, and other individuals who support Medicare products must complete online training on Medicare fraud, waste, and abuse when they're hired and annually thereafter.

For more information about CMS marketing rules, contact Medicare Programs.

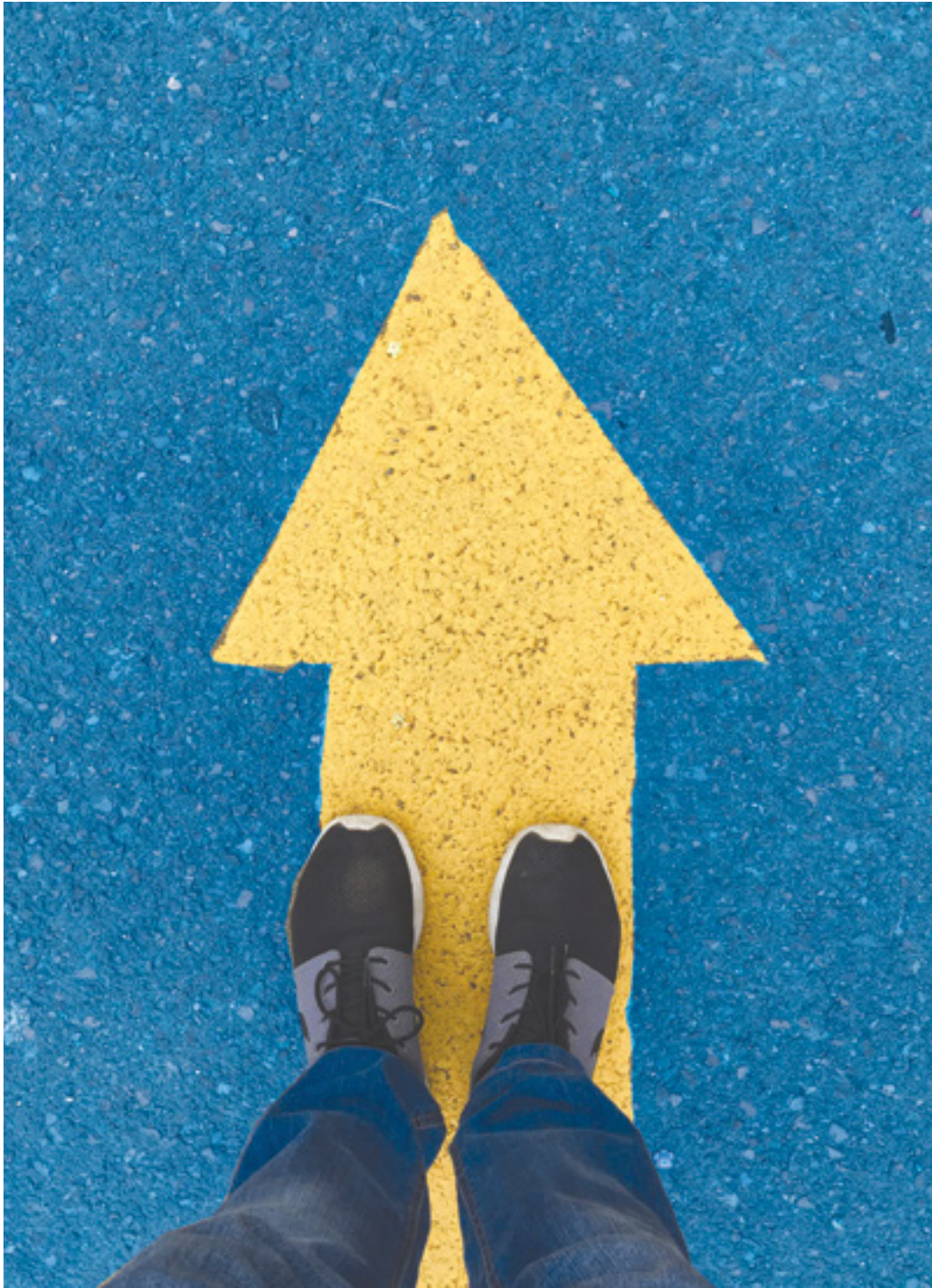
Discrimination provisions (Section 1557) of the Affordable Care Act

Section 1557 of the Affordable Care Act prohibits HMSA from discriminating against any person because of race, color, national origin, age, disability, sex, gender identity, or sexual orientation in health programs and activities.



Copyright laws

HMSA respects intellectual property rights and any use of copyrighted material must be in accordance with federal copyright laws. Copyright is the exclusive legal right that's given to an originator or an assignee to print, publish, perform, film, or record literary, artistic, or musical material and to authorize others to do the same. HMSA has obtained a license to allow employees to use and share certain copyrighted digital and print materials. If you're not sure if you may use or distribute copyrighted material, contact C&E.





Revised May 2025

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