CODE OF BUSINESS CONDUCT
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A Message from the President and Chair

Aloha,

Our evolution into a health organization requires strategizing, planning, and setting short- and long-term goals. At the heart of everything we do is conducting our business with honesty and integrity.

That’s why we’re sharing the Code of Business Conduct with you. It’s a guide to help you understand the importance of ethics, teamwork, a positive attitude, and continual improvement. It can help you recognize questionable situations and prevent a breach of trust.

We believe that the Code is the foundation of HMSA’s reputation as a trusted, experienced health plan that places a priority on caring for our members, providers, employers, and all of Hawaii.

You play an important role in keeping that foundation solid and stable. Thank you for always doing the right thing.

Mahalo,

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

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.
HMSA works with our members, employer groups, providers, vendors, community, and the government to build a sustainable health care system. With our position in the community, it’s important that we conduct our business with integrity and follow laws and regulations.

Everyone who works for or with HMSA must be committed to honesty, integrity, and ethical business conduct. This includes 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.

To maintain that trust, we:
- Comply with applicable laws and regulations.
- Make decisions that are based on the best interests of our members and our community, not personal gain.
- Proceed with actions that feel right.
- Uphold HMSA’s credibility and integrity in the community.

Putting our Code to work
Compliance is everyone’s responsibility. It’s important to speak up, ask questions, or raise issues if you have compliance or ethical concerns. You play an important role in upholding HMSA’s reputation as an ethical company. We expect you to raise questions 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.

As an HMSA employee, you’re required to participate in the Compliance & Ethics Program and adhere to the Code and company policies and procedures. Use the Code as a guide to conduct your business dealings ethically and professionally. We all share the responsibility to:
- Comply with laws and regulations that apply to our business.
- Report possible compliance and ethical issues promptly, completely, and fairly.
- Work with integrity and honesty in the best interests of our members and our community.

When you’re faced with a difficult situation, follow these guidelines:
R – Read the Code.
I – Identify potential issues.
G – Go with your gut feeling. Does it feel right?
H – How are others affected?
T – Take responsibility for your actions.
Leader expectations
While all HMSA employees are obligated to comply with the Code, we especially expect managers of all levels to practice its values, follow its guidelines, and to be role models. Managers have a responsibility to demonstrate the company’s commitment to conducting business practices with honesty and integrity, set clear expectations in their department, and encourage ethical business practices. As a manager, you should:

- Listen to concerns; encourage open and honest communication.
- Help employees understand the Code.
- Actively discuss ethical conduct and challenges that employees may face.
- Foster an environment where employees feel comfortable about raising issues without fear of retaliation.
- Report concerns or misconduct that you witness or that’s reported to you.
- Lead by example because accountability starts at the top.

Contact us
Please contact Compliance and Ethics if you have a compliance question, see a potential compliance incident, or have a compliance concern. C&E reviews all reports and investigates all issues.

- **In person:** 10th floor, HMSA Building.
- **Email:** Compliance_Ethics@hmsa.com.
- **Phone:** Carrie Nakamura, Chief Compliance Officer, (808) 948-5369.
- **Anonymous hotline:** 1 (800) 749-4672
  24 hours a day, seven days a week.

When you call:
- You can remain anonymous.
- Your call won’t be traced and caller ID isn’t used.
- Your question or concern will be respectfully handled with the appropriate level of confidentiality.

What happens next?
Your report will be investigated. You may be asked to provide more information. You may or may not receive information on the results of the investigation, but you will receive confirmation that the issue has been addressed. Be assured that we’ll protect your confidentiality. C&E investigates and addresses compliance issues promptly and fairly.

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.
- Reports to appropriate officials.

Your confidentiality and anonymity will be safeguarded to the extent permissible by law and shared with individuals 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.
Q&A

Q. I went to my supervisor 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 supervisor.

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.

Violations of the Code

You could face disciplinary action if you fail to comply with HMSA’s Code of Business Conduct. 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 charged with violating the Code, you’ll be given the opportunity to explain your actions 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.
Business decisions should be made fairly, objectively, and without bias. Maintaining the trust of our community means we have the responsibility to identify and reduce the risk of actual or potential conflicts of interest.

A conflict of interest occurs when 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. Because even the appearance of a conflict of interest may cause the public 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 resolve. Usually, a conflict of interest can be resolved or mitigated if it’s disclosed in advance.

Here are examples of situations involving you or your family members that must be disclosed in advance:

- Working for a competing health plan.
- Working as or for a health care provider, pharmacy, or any organizations or associations 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.
- 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.

If you’re unsure whether a conflict of interest exists, talk to your supervisor or check with C&E.
Outside employment and other activities

Your primary employment obligation is to HMSA. Any outside activities such as a second job, volunteer work, position as a board director, or a side business must not conflict with your obligation to HMSA. You may engage in any of these activities as long 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 supervisor and C&E before accepting any outside work.

Personal 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

Each year, you must complete a questionnaire to disclose possible conflicts of interest. If your circumstances change after filling out and submitting the questionnaire, let C&E know right away.
Q: I work at HMSA Monday through Friday. On weekends and evenings, I have another job at a restaurant. Is this a conflict of interest?
A: It depends on your employee status at HMSA.
   • For non-exempt employees: If you must work overtime for HMSA occasionally, a second job must not interfere with your overtime availability.
   • For exempt employees: You’re expected to put in the time needed to complete your responsibilities. Remember this requirement if you’re considering a second job and discuss it with your supervisor.

Q: I work at HMSA Monday through Friday. I also have a weekend job at another health plan. Is this a conflict of interest?
A: Yes. Because your weekend job is working for a competing health plan, this is a conflict of interest and must be reported to your supervisor and C&E.

Q: My family’s small business offers HMSA health plans to its employees. Can I be the group leader for my family’s company?
A: Acting as a group leader for your family business may be a conflict of interest. Contact C&E to discuss your situation and your role at HMSA.

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 supervisor 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 any potential for fraud. Human Resources will work with C&E and department managers to assess the situation on a case-by-case basis.

Q: I’m a claims benefit examiner at HMSA and my sister is a practicing physician at a hospital in Hawaii. Can this be considered a conflict of interest?
A: Potentially. Since your position at HMSA involves reviewing and making benefit determinations on claims, you may come across a claim that your sister submitted. You should discuss this with your supervisor and C&E. We may create a written agreement to ensure that this potential conflict is sufficiently managed.
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 gifts to and receiving gifts from individuals or entities outside of HMSA

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.

Entertainment connected to a business relationship is allowed if HMSA and the other party aren’t in active contract negotiations, the entertainment occurs infrequently, is reasonable and appropriate for the occasion, doesn’t involve expenses of more than $400, and representatives of the host company are present at the event. 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 still be appropriate, contact your supervisor 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.

Specific 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. Because the gift isn’t a company asset and wasn’t purchased with company funds, it’s not subject to HMSA’s gifts policy.

Companywide benefits

A vendor or supplier may offer benefits companywide 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: 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: While attending a work-related conference, I won an iPad in a random drawing. Can I accept this prize?
A: Typically, drawings offered to conference attendees and won purely by chance by an employee would be allowed. But if the value of the prize is excessive or if you’re concerned that you might be violating a policy, consult your supervisor 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 as well as 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.

Q: I was recently invited to speak at a conference with all expenses paid by the sponsor. Is this allowed under our policy?
A: You may accept the associated conference fee waiver offered to all presenters and panelists. The related travel and accommodations, however, must be paid by HMSA and approved by your manager.
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. 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, or 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**

We use effective, cost-efficient management methods to maintain complete and accurate records. We retain records to:

- Meet business needs.
- Comply with federal and state laws and regulations.

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. Records should only be destroyed after the record retention period has ended and there are no outstanding litigation holds that apply to them. Consult BlueWire for more information, definitions, and guidelines on record retention. Guidelines for departments are also available on BlueWire, but consult your manager for current information.
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:** Information that can be used to identify an HMSA member, their health conditions, or their nonpublic financial information.

**Protected health information:** 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 also 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 all applicable federal and state laws on privacy and confidentiality as well as HMSA’s Privacy Policy, Information Security 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 Information Protection & Privacy office 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.

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/member lists, formula, processes, contracts, trade secrets, intellectual property, sales-related information, or any other company confidential or proprietary 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 IPP 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.

Please contact C&E or call the C&E hotline at 1 (800) 749-4672 if you have any questions or want to report any concerns over suspected misconduct or violation of law related to the release of trade secrets or other confidential information.

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 in to 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, please contact your manager, the Help Desk, or IPP.

Q: We have a box of unused paper clips in our supply cabinet. Am I allowed to use them for my side business?

A: No. Taking property from HMSA is prohibited. Also, personal use of company telephones, computers, fax machines, and emails should be limited and never used for personal gain, illegal purposes, or your second job or outside business.

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. Can I get these for her?

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 your mother has given you permission, she should contact Customer Relations or use My Account on hmsa.com.

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 and work-related conversations should be held in a private setting.
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 C&E hotline at 1 (800) 749-4672.
We partner with the state and federal 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.

Cooperating with the government

Like all health plans, HMSA must follow government regulations. The government requires certain information from health plans and may investigate a health plan through audits or studies.

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. Also, you and HMSA may 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 won’t try to get 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.

**Individuals and entities excluded from participating in federal programs**

HMSA screens all current and prospective employees, temporary agency hires, contractors, vendors, partners, and board members against governmental lists to ensure that the excluded individuals are not employed by HMSA and excluded entities are not contracted to do work with HMSA that involves 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. Naomi agrees with his ideas on addressing mental health issues and believes that her co-workers at HMSA would support him, too. Would it be OK for Naomi to print flyers at work to distribute to employees? Can she 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.
Health care fraud, waste, and abuse 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**

**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 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.

**Anti-kickback Statute**

A kickback is payment of any money, 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 the financial statements.
- Inappropriate financial and regulatory submissions (e.g., risk adjustments).
- Forging or alteration of an official HMSA document.
- Fictitious or altered receipts, invoices, purchase orders, or 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, or supplies.
- Unauthorized use of company credit cards or other funds for personal purchases.
- Entertainment purchases without legitimate business purpose.
- Unauthorized use of company information or resources for personal gain.
- Unauthorized disclosure of confidential and proprietary information to external 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 right away. To report FWA, contact the SIU hotline 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.
Vendor responsibilities

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

Depending on the work, you may have to complete annual training for compliance and fraud, waste, and abuse. You must cooperate with any government requests for information and may also be required to screen for people 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.

Even if you have your own code of business conduct, you must follow HMSA’s Code of Business Conduct. If you’re aware of an actual or potential violation of our Code, the terms and/or conditions of your vendor agreement, or applicable laws or regulations, you must immediately alert your HMSA business contact or call the C&E hotline.

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 your supervisor, the SIU, or C&E.
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 unethical methods to obtain business from potential customers.

Marketing to Medicare beneficiaries
When we market to Medicare beneficiaries, we must follow rules from the Centers for Medicare & Medicaid Services. 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 during the annual Code of Business Conduct training.
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.

Vendors, business partners, and third parties
Relationships with business partners and third parties are integral to an organization's success. 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 Contract and Vendor Management and C&E.
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 choose to 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 the employee voice 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.
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 and respect enhances our relationships with our co-workers, customers, and business partners. To see the complete policies, go to the HMSA Employee Handbook, which is 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 supervisor 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 state and federal 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 state and federal 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.
**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, which may include termination of your employment.

**Drug-free workplace**

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 any prohibited activity, you will be immediately suspended without pay pending an investigation and final decision on disciplinary action, which may include termination of employment.