



## 2020 Standards of Conduct

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### I. Mission

Central Health Plan of California (CHPC) is committed to conducting its business operations with the highest ethical standards and in full compliance with all applicable Federal and State laws, rules and regulations. CHPC expects its employees and first-tier, downstream, and related entities (FDRs)<sup>1</sup> to perform their job duties and represent the organization in a manner that reflects and upholds this commitment. The CHPC Standards of Conduct is designed to clearly communicate the organization's expectations and provide guidance to its employees and FDRs in carrying out their daily activities within appropriate ethical and legal standards.

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### II. Purpose and Scope

All CHPC employees and FDRs must comply fully with the standards set forth in the CHPC Standards of Conduct as well as any additional parameters documented in department-specific policies and procedures. Employees and FDRs who violate the Standards of Conduct will be subject to disciplinary action.

The standards and requirements in these Standards of Conduct apply to all CHPC employees, including directors, officers, managers, and staff at all levels, and all CHPC FDRs, including but not limited to providers, brokers, and agents

These Standards of Conduct are not intended to and shall not be deemed or construed to provide any rights, contractual or otherwise, to any employees of CHPC or to any third parties.

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<sup>1</sup> First Tier Entity is any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. Downstream entity is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. Related entity means any entity that is related to an MAO or Part D sponsor by common ownership or control and (1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation; (2) Furnishes services to Medicare enrollees under an oral or written agreement; or (3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period. (See, 42 C.F.R. § 423.501).

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### **III. Standards of Conduct**

#### **General Principles**

All CHPC employees and FDRs shall conduct their daily activities in accordance with the following general principles of conduct:

1. Job duties must be performed in full compliance with both the letter and the spirit of Federal and State law. No employee shall take any action that he or she believes is in violation of any statute, rule or regulation. All employees are expected to have a practical working knowledge of Federal and State laws and regulations affecting their job responsibilities, and to inquire of their immediate supervisor when related questions arise.
2. Conduct activities with integrity and honesty. CHPC employees shall strive for excellence in performing their duties.
3. Avoid any conduct that could reasonably be expected to reflect adversely upon the integrity of the company, its officers, directors or other employees.
4. Be a positive influence and good corporate citizens in the communities where the company provides services. Treat members, providers, vendors, and fellow employees fairly and with respect.
5. Report to their supervisors or to the CHPC Compliance Officer any illegal or unethical practices of CHPC employees, FDRs or agents.
6. Abide by the CHPC Compliance Program, Anti-Fraud Plan, Conflict of Interest Policy, and all other applicable Policies and Procedures.

#### **Avoiding Conflicts of Interest**

CHPC employees and FDRs shall:

1. Understand and abide by CHPC's Conflict of Interest policy.
2. Avoid situations that could create, or appear to create, a conflict of interest unless such a situation has been reported to management, approved and properly disclosed as required by the Conflict of Interest policy.
3. Avoid any financial, business, or other activity that competes with CHPC's business interests, interferes or appears to interfere with the performance of their duties, or

involves the use of CHPC property, facilities, or resources, except to the extent consistent with the Conflict of Interest policy.

4. Not have a financial or other personal interest, other than compensation provided by CHPC, in a transaction between CHPC or any of its business units and vendors, suppliers, providers, or customers.

### **Business and Financial Practices**

CHPC employees and FDRs shall:

1. Conduct all CHPC business transactions in accordance with management's general or specific directives, as specified by applicable CHPC policies and procedures, and in full compliance with governing Federal and State laws, rules and regulations.
2. Avoid offering or accepting any form of bribe, payment, gift, or item of more than a nominal value to or from any person or entity with which CHPC has or is seeking a business or regulatory relationship.
3. Avoid unfair competition or deceptive trade practices, including misrepresentation of CHPC's products or operations. CHPC employees and FDRs shall not make false or disparaging statements about competitors or their products.
4. Comply with applicable antitrust laws. There shall be no discussions or agreements with competitors regarding price or other terms for products, prices paid to suppliers or providers, dividing up customers or geographic markets, or joint action to boycott or coerce certain customers, suppliers, or providers.

### **Preventing, Detecting and Correcting Fraud, Waste and Abuse**

CHPC is strongly committed to the detection and prevention of FWA. CHPC maintains ultimate responsibility for adhering to and fully complying with all applicable State and Federal statutory and regulatory requirements. CHPC will work in an ongoing manner with the appropriate entities to detect and prevent FWA as required by the CMS Compliance Program Guidelines.

CHPC employees and FDRs shall:

1. Comply with applicable laws, regulations, guidelines and CHPC policy, including CHPC's Anti-Fraud Plan.
2. Immediately report suspected FWA conduct to the CHPC Compliance Department.
3. Cooperate fully with, and disclose all pertinent information with regard to any CHPC investigation of suspected FWA conduct.

### **Marketing and Sales / Enrollment Activities**

CHPC will take all appropriate steps to ensure that its marketing personnel present clear, complete and accurate information to potential enrollees. This includes ensuring that the marketing information has been approved by, and complies with all requirements of, the Department of Managed Health Care, in the case of commercial business, or the Centers for Medicare and Medicaid Services, in the case of Medicare business.

CHPC employees and FDRs shall:

1. Comply with applicable Federal and State laws, regulations, guidelines and CHPC policy, including the Medicare Communications and Marketing Guidelines, with respect to all marketing, sales and enrollment activities.
2. Always place the best interests of potential enrollees and CHPC above personal financial interests.
3. Present clear, complete, accurate information, and ensure that potential enrollees have the opportunity to make a well informed enrollment decision. This includes utilizing only marketing materials and information that have been approved by, and comply with all requirements of, CHPC and CMS.
4. Avoid providing any information or engaging in conduct that might in any way misrepresent CHPC or its programs, or mislead, confuse, coerce or pressure potential enrollees. An example of misrepresentation by an agent would be to tell potential enrollees that the agent works for or is contracted with Social Security Administration or CMS.
5. Never offer cash payments, gifts, bribes or kickbacks to any person or entity to induce enrollment in CHPC plans or programs.
6. Never engage in door-to-door solicitation of Medicare contracted products or programs.

### **Quality and Accessibility of Health Care**

CHPC employees and FDRs shall:

1. Comply with applicable Federal and State laws, regulations, guidelines and CHPC policy with respect to provision of quality health care to CHPC members.
2. Make every effort to ensure that all covered services are available, accessible, and appropriately delivered to CHPC members, and that CHPC:
  - a. Contracts with providers in sufficient number and geographic location to service all CHPC members;
  - b. Maintains reasonable, understandable utilization review procedures that facilitate rather than discourage access to covered services; and

- c. Provides access to emergently needed services (according to the reasonable person standard) without prior authorization, and timely coordination of appropriate maintenance and post-stabilization stabilization care.
3. Make all decisions regarding provision of care or payment for services in a timely manner and in accordance with professionally recognized standards, without regard for fiscal concerns. Inappropriate delay or withholding of services is a violation of CHPC policy and will not be tolerated.
4. Never create or contribute to situations, either through action or failure to act, that could promote underutilization or poor quality of care, and immediately report any such situation or circumstance to the appropriate manager.
5. Ensure that contracts with providers meet all CHPC and regulatory requirements, and that incentives to promote efficient utilization of services do not include payments to reduce or limit medically necessary services to any particular enrollee.
6. Ensure at all times that providers are properly licensed and credentialed prior to providing services to CHPC members.
7. Avoid interference with health care providers' advice to their patients, including advice regarding health status, care and treatment options, risks, benefits and consequences of treatment vs. non-treatment, or the opportunity for the patient to refuse treatment and express a preference for future treatment options.
8. Ensure that CHPC members who are high utilizers of care continue to receive appropriate access to services are not in any way encouraged to disenroll from CHPC.

### **Confidentiality, Privacy, and Maintenance of Records**

CHPC employees and FDRs shall:

1. Ensure timely and appropriate creation, distribution, retention, storage, retrieval and destruction of records and documents, in any form (paper or electronic), in accordance with generally accepted accounting standards and other applicable Federal and State laws, regulations and policies, including but not limited to the Health Insurance Portability & Accountability Act (HIPAA) and the Confidentiality of Medical Information Act (CMIA).
2. Maintain the confidentiality and security of financial, medical, personnel, and other sensitive or proprietary information belonging to CHPC, and/or information belonging or related to CHPC's suppliers, FDRs, regulators, or customers.
3. Maintain the privacy and security of protected health information covered by HIPAA or other applicable patient/consumer privacy laws and regulations.

### **Workplace Conduct and Safety**

CHPC employees and FDRs shall, at all times while on the job or otherwise representing CHPC:

1. Conduct themselves professionally and treat all fellow employees, members, FDRs, or other individuals they encounter in the course of their duties, with appropriate courtesy, dignity, and respect.
2. Avoid any type of behavior or conduct that could be construed as discrimination or harassment due to age, ethnicity, gender, religion, national origin, disability, sexual orientation, or covered veteran status. Any form of harassment, sexual or otherwise, including the creation of a hostile working environment, is completely prohibited.
3. Follow safe work practices and comply with all applicable safety standards and health regulations.

### **Department-Specific Compliance Standards and Operational Policies and Procedures**

In addition to the standards and requirements described in these Standards of Conduct, compliance standards and operational policies and procedures specific to each CHPC department will continue to be incorporated into department-specific manuals (and/or other appropriate media), and kept current with applicable Federal and State laws and regulations. The department-specific policies and procedures are a resource for the employees of each department, designed to enhance their ability to perform their duties in accordance with CHPC's policies and applicable Federal and State laws and other requirements. Each department has defined and assigned responsibility for (i) the timely updating of the policies and procedures, (ii) the necessary training and education of affected personnel, and (iii) the completion of monitoring and audit work plans as designated by the Compliance Officer to ensure ongoing compliance.

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## **IV. Reporting and Investigation**

CHPC considers adherence to these Standards of Conduct to be of paramount importance, because establishing and maintaining a reputation for honest, ethical business practices is a key CHPC corporate value. Furthermore, engaging in illegal activity or improper conduct may subject CHPC to severe civil and criminal penalties, including large fines and exclusion from certain types of business. It is therefore crucial that any suspected illegal activity or improper conduct, including violation of these Standards or any other CHPC policy, be promptly reported and thoroughly investigated.

### **Duty to Report**

1. CHPC employees and FDRs who become aware of any suspected illegal activity or improper conduct are required to immediately report the illegal activity or improper conduct through appropriate channels.
2. CHPC employees should report suspected illegal activity or improper conduct to their supervisor, or directly to the CHPC Compliance Department.
3. CHPC FDRs should report suspected illegal activity or improper conduct directly to the CHPC Compliance Department.
4. Suspected illegal activity or improper conduct may be reported to the CHPC Compliance Department by sending an email to [compliance@centralhealthplan.com](mailto:compliance@centralhealthplan.com) or calling the Compliance Hotline at 626-388-2392.
5. Failure to report suspected illegal activity or improper conduct is a violation of these Standards, and may be a violation of Federal and/or State law.
6. CHPC has developed detailed reporting and investigation policies: Compliance Policy #5 – Reporting Possible Misconduct, Compliance Policy #7 – Internal Investigations of Alleged Violations, Compliance Policy #15 – Reporting Marketing Misrepresentation, and Compliance Policy #17 – Reporting FWA. All CHPC employees and FDRs are expected to be aware of and abide by the requirements of these reporting and investigation policies.

### **Anonymous Reporting**

CHPC employees and FDRs may report suspected illegal activity or improper conduct anonymously.

1. To the extent permitted by Federal and State law, CHPC will take reasonable precautions to maintain the confidentiality of those individuals who report illegal activity or improper conduct, and of those individuals involved in the alleged violation, whether or not it turns out that improper acts occurred.
2. Failure to abide by this confidentiality obligation is a violation of these Standards.

### **Investigations and Duty to Cooperate**

It is CHPC's policy to promptly and thoroughly investigate all reports of illegal activity or improper conduct. Detection of potential or actual issues related to compliance, ethical conduct, or other measurable areas of performance shall result in the initiation of appropriate corrective action. Any action, or lack of action, that prevents, hinders, or delays discovery and full investigation of suspected illegal activity or improper conduct is a violation of these Standards, and may be a violation of Federal and/or State law.

1. Internal investigations will include interviews and review of relevant documents. CHPC employees and FDRs are required to cooperate fully with, and disclose all pertinent information with regard to any CHPC investigation of suspected illegal activity or improper conduct.

2. CHPC, its employees and FDRs shall cooperate with appropriate government investigations into possible civil and criminal violations of Federal and/or State law. It is important, however, that in this process CHPC is able to protect the legal rights of the Company and its personnel. **To accomplish these objectives, any governmental inquiries or requests for information, documents, or interviews must be promptly referred to the CHPC Compliance Officer.**

### **Protection from Retaliation**

CHPC ensures that employees and FDRs may report or assist investigation of suspected illegal acts or improper conduct without threat of negative consequences.

1. No retaliation, reprisals or disciplinary action will be taken or permitted against CHPC employees or FDRs for good faith participation in the Compliance Program, including but not limited to reporting potential issues to appropriate authorities, cooperating in the investigation of suspected illegal activities or improper conduct, and conducting self-evaluations, audits and remedial actions.
2. Failure to abide by this prohibition against retaliation or reprisals is a violation of these Standards, and may be a violation of Federal and/or State law.

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## **V. Disciplinary Action**

CHPC employees and FDRs who engage in illegal activity or improper conduct, including violation of these Standards or any other CHPC policy, are subject to disciplinary action including oral or written warnings or reprimands, suspensions, termination, financial penalties and potential reporting of the conduct to law enforcement. If employees or FDRs self-report their own illegal actions or improper conduct, CHPC will take such self-reporting into account in determining appropriate disciplinary action.

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## Employee Statement of Understanding Certification

I hereby certify that:

- I have read and understand the CHPC Standards of Conduct, and agree to abide by it during the entire term of my employment.
- I have not been convicted of, or charged with, a criminal offense related to health care, nor have I been listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded health care programs.

I agree to report suspected violations of any Federal and/or State laws, regulations, the Standards of Conduct or the Anti-Fraud Plan to my supervisor or the Compliance Officer. I understand that any violation of any Federal and/or State laws, regulations, the Standards of Conduct, the Anti-Fraud Plan or any other CHPC compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment.

Unless otherwise noted in the space immediately below, I am not aware of any possible violations of any Federal and/or State laws, regulations, the Standards of Conduct or the Anti-Fraud Plan at this time.

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<hr/> <p>Date</p>	<hr/> <p>Signature</p> <hr/> <p>Print/Type Name</p> <hr/> <p>Position</p>
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