



BlueCross BlueShield
Of Illinois, New Mexico, Oklahoma and Texas

HCSC Vendor Code of Business Ethics & Conduct

Health Care Service Corporation (HCSC) and its subsidiaries are committed to the highest standards of business ethics and integrity as well as compliance with all applicable laws and regulations governing its business operations. HCSC expects all of its vendors to comply with the law and act ethically in all matters.

Legal Compliance

HCSC is committed to obeying the law whenever it conducts business. We expect our vendors to comply with all federal, state and local laws and regulations applicable to the vendor's business and the rendering of services to HCSC.

Employment and the Workplace

HCSC expects vendors to treat all of the vendor's and HCSC's employees with dignity and respect. Vendors must not discriminate against, sexually harass, mentally or physically coerce, verbally abuse or threaten any of its or HCSC's employees. Vendors must adhere to all laws pertaining to labor practices such as forced labor, child labor, minimum wages, working hours and freedom of association.

Vendors are also expected to cooperate with HCSC in maintaining a work environment free of possession, use or distribution of alcohol and illegal drugs and to adhere to all OSHA laws. While working on HCSC's premises, vendors' employees shall abide by HCSC's rules pertaining to safety and security. HCSC prohibits keeping weapons on HCSC property.

Gifts, Gratuities & Kickbacks

When doing business with HCSC, vendors are prohibited from exchanging gifts or gratuities with HCSC employees beyond common business courtesies of nominal value, and gifts or items of value must never be offered to or accepted from government employees. Under no circumstances is a vendor allowed to accept or give kickbacks when obtaining or awarding contracts, services, referrals, goods, or business. A kickback means to willfully offer, receive, request or pay anything of value, even nominal value, in order to induce or reward referrals of business including goods or services.

When doing business with HCSC, vendors may not offer or accept gifts of cash or cash equivalents. Cash equivalents include checks, honorariums, money orders, stocks and saving bonds. Gift certificates and gift cards are not considered cash equivalents, but are subject to the nominal limitation (\$150 per year) on common business courtesies.

Conflict of Interest

HCSC employees must act in the best interests of HCSC and must have no relationships, financial or otherwise, with any vendor that might conflict or appear to conflict with the employees' duty to act in HCSC's best interest. If a vendor's employee has a family or other personal relationship with an HCSC employee, or if a vendor has any other relationship with an HCSC employee that might represent a conflict of interest, the vendor should disclose this fact to HCSC. It is not possible to list every type of conflict of interest, however, when in doubt the vendor should timely notify HCSC with the facts of the situation so HCSC can mitigate or resolve the conflict.

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Privacy and Confidentiality

HCSC has a responsibility to protect the confidentiality of any data that is entrusted to it by its members, employees, vendors, or customers. This data may include Protected Health Information (PHI), Sensitive Personal Information (SPI), and other proprietary and confidential information. Vendors whose work requires the use and disclosure of PHI are considered Business Associates, and must execute a Business Associate Agreement in accordance with the Health Insurance Portability and Accountability Act (HIPAA) and any ensuing amendments. Vendors with access to any proprietary or confidential HCSC information, for example, product information, pricing, costs, operating systems and technology, and business plans or strategy, etc. must execute an appropriate confidentiality agreement, as requested by HCSC.

Use of HCSC Physical Assets

Vendors may use HCSC's property and physical assets only to provide services or fulfill its contractual obligations to HCSC, with permission from HCSC. This property includes but is not limited to computers, email, internet/intranet, fax, phone and copiers. Vendor and its employees are prohibited from using these assets to send, receive or view inappropriate material including offensive, threatening, biased, or sexually explicit material.

Vendor's employees will not download personal software to HCSC computers. Nor will vendor download any software to HCSC computers without prior written authorization from HCSC. Copying or unauthorized use of unauthorized software may be a violation of federal copyright laws resulting in civil and/or criminal liability.

User IDs and passwords issued to Vendor and its employees are for the exclusive use of the intended recipient, and for the specific business use for which they are issued. User IDs and passwords may not be shared with others. Vendors must also promptly report any activities that may compromise the security and confidentiality of HCSC's data and/or information systems. Violation of this policy may result in termination of the vendor's contract.

Accuracy of Records

Vendors must maintain accurate and complete records of all matters related to its business with HCSC. In addition, all records should be stored for the period of time required by applicable laws, contracts or company policy, whichever is longest.

Government Contracts

Vendors working directly or indirectly on government contracts (e.g. Medicare, Medicaid, Federal Employees Program, and Indian Health Service) have a special obligation to know and comply with all the terms of the government contract. In addition, Vendors must not submit false or fraudulent claims for payment, make any false statements or representations, or do business with debarred individuals or entities. Vendors must cooperate fully with any government requests for information. Vendors also must never offer gifts, entertainment, meals or anything of value to a government employee.

Reporting Potential Misconduct

Related to work performed for HCSC under this agreement, the Vendor or any vendor employee having knowledge of any actual or potential violations of the terms and conditions of the Vendor agreement, or this Code, or applicable laws and regulations must bring this to the attention of their HCSC business contact or call the HCSC Corporate Integrity Hotline (1-800-838-2552) Monday through Friday, 7:30 a.m. to 5 p.m., Central Time, excluding corporate holidays. (Concerns for wrongdoing not pertaining to work performed under this agreement should be reported according to the Vendor's Code of Conduct and company policies.)

HCSC strictly enforces its non-retaliation policy, protecting those who, in good faith, report suspected wrongdoing. Likewise, Vendors must also protect their employees, who in good faith, report potential wrongdoing.