

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

I. INTRODUCTION and APPLICABILITY

The Standards of Conduct are designed to provide a general framework to promote ethical and legal behavior. Peoples Health Network (PHN) expects its employees to act within the highest ethical and legal standards, and to demonstrate a commitment to quality and dedication to deliver excellent service. PHN employees and contractors will at all times act professionally and have the appropriate qualifications to perform job duties and perform those duties in a manner consistent with its professional standards. Employees will act honestly and, in good faith, strive for excellence. See Human Resources Policy and Procedure, *Employee Conduct and Work Rules*.

The Standards of Conduct applies to board members, employees and contractors of all health plans offered by Peoples Health, Inc. (PH) and administered by PHN as well as its contractors (i.e., First Tier, Downstream and Related Entities).

All new board members, employees and contractors will receive and review the PHN Standards of Conduct during orientation. The Standards will also be reviewed annually by all board members and employees during general compliance training.

The Standards of Conduct articulates PHN's commitment to follow applicable federal and state laws and regulations, including the following:

Title XVIII of the Social Security Act; Medicare regulations found in 42 C.F.R., sections 422 and 423; Patient Protection and Affordable Care Act (PPACA); Health Insurance Portability and Accountability Act (HIPAA) and as modified by HITECH Act; False Claims Act (FCA) and the Federal Criminal False Claims statutes; Anti-kickback statute; Beneficiary Inducement statute; Civil Monetary Penalties (CMP) of the SSA; Physician Self-referral (öStarkö) statute; Fraud Enforcement and Recovery Act of 2009; and sub-regulatory guidance provided by entities with oversight responsibilities.

PHN will not employ or contract with any person or entity determined (by either administrative or judicial action) to be ineligible to participate in federal or state healthcare programs. Employees shall immediately report any instance where an employed individual or a contracted entity is contracted and known to be ineligible to participate in Federal healthcare programs. See Human Resources Policy and Procedure, *Background Checks*; Network Development Policy and Procedure, *Monitoring Opt-Out and Excluded Medicare Providers* and Compliance Policy and Procedure, *OIG and GSA Exclusions*.

II. GENERAL OBLIGATIONS

All Employees

All PHN employees, including management [i.e., Supervisors, Managers, Directors, Vice Presidents and Chief Executive Officer (CEO)], and contractors are responsible for

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

understanding the rules, policies and procedures, Standards of Conduct and laws that impact their job. All employees receive general and specific training in order to complete their daily tasks in an ethical and legal manner. All employees and contractors are required to report potential or suspected violations of the Standards of Conduct, departmental or organizational policies and procedures or Federal or state laws. Ideally, reporting these issues up through management is the most effective method to address the issue; however, there may be times when the issue needs to be escalated to the Compliance Department. Failure to report suspected or potential violations, remaining silent, or actions perceived to disregard compliance in promotion of operational issues are violations in themselves. For additional information on reporting issues to the Compliance Department, review Compliance Policy and Procedures, *Reporting Potential Non-Compliance to Compliance* and *Reporting Potential FWA Issues to Compliance* or see section VI of this document.

Questions regarding our GENERAL OBLIGATIONS should be referred to your immediate supervisor or the Compliance Department.

III. OUR MISSION and VISION

The **Mission of PHN** is to provide high-quality, cost-effective healthcare services to the members we serve.

The **Vision of PHN** is to become the premier, fully-integrated healthcare delivery system of choice in the markets we serve.

Any reference in these Standards of Conduct to PHN shall include PH as well. All employees must follow the components in these Standards for PHN to grow and prosper in the future.

Questions regarding OUR MISSION and VISION should be referred to your immediate supervisor or the Human Resources Department.

IV. COMMITMENT to OUR MEMBERS

Ensure Member Access

PHN is committed to providing its members with the information necessary to promote high-quality care in the most appropriate setting. Each employee will ensure that PHN members have access to the best available care based on the identified needs of members.

Prevent Member Harm

PHN is committed to protecting from harm its members who are seeking or using covered health services. Each employee will ensure that PHN members are protected from any harm that PHN can reasonably prevent.

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

Organization Determinations (Medical), Coverage Determinations (Pharmacy), Appeals and Grievances

PHN respects its members, their families and their right to quality care. PHN will ensure a member's right to request payment for services he or she feels are covered or should be covered. PHN employees will respect the rights of patients and their designated representatives to participate in healthcare decisions and must inform them of their rights, as required by law. This includes the right to participate in decisions on whether to consent to or refuse treatment.

PHN will respond to member appeals (i.e., requests concerning denials or partial denials of services or payments) and grievances (i.e., expressions of dissatisfaction concerning plan benefit design, PHN staff or quality of care issues).

Each employee is responsible for being able to identify an organization or coverage determination, an appeal, or a grievance and for ensuring that it is forwarded, in a timely manner, to the appropriate department for resolution.

Quality Improvement Initiatives

Quality is not only an end, but also a means to an end, and PHN dedicates itself to continuous quality improvement to identify, adopt and disseminate best practices. PHN supports extensive use of training and use of effective policies and procedures to achieve quality.

Questions regarding our COMMITMENT to OUR MEMBERS should be referred to your immediate supervisor or the Compliance Department.

BUSINESS ETHICS

Law and Standards

PHN complies with all applicable Federal and state laws (i.e., statutes, regulations and sub-regulatory guidance) and obligatory standards and requirements. Any suspected violations (e.g., Anti-kickback, Stark, HIPAA, Generally Accepted Accounting Principles) must be reported. See Compliance Policy and Procedures, *Reporting Potential Non-Compliance to Compliance* and *Reporting Potential FWA Issues to Compliance* or section VI of this document.

Financial Practices

PHN requires financial documents and records to be accurate, complete and truthful. Employees must follow any legal requirements, established financial standards and generally accepted accounting principles in completing all financial records. See Finance Policy and Procedure, *Financial Reporting*.

Gifts or Gratuities

PHN does not permit any solicitation of gifts or gratuities or the acceptance of those with more than nominal value from vendors or others doing business with PHN. Likewise, PHN does not permit the giving of gifts of more than nominal value to vendors or others doing

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

business with the company unless approved by the CEO. See Compliance Policy and Procedure, *Ethics-Business Relationships*.

Payments to Government Officials

The company complies with the letter and spirit of all Federal and state anti-bribery and corruption laws and will not give anything of value to influence regulators and other government officials or to obtain business from government units. See Compliance Policy and Procedure, *Ethics-Business Relationships*.

Conflicts of Interest

Employees of PHN should not engage in any activities that conflict with the interests of PHN, its members or providers. Employees of PHN or their immediate family members may not benefit from business ventures involving PHN, or information that is proprietary and confidential to PHN, without authorization from the CEO. Potential conflicts of interest should be disclosed to the appropriate supervisor for consideration by the CEO. See Human Resources Policy and Procedure, *Conflict of Interest*.

Expression of Free Speech

PHN has established a federal Political Action Committee (PAC) to make contributions to candidates for federal office (Congress and the President). The company may make legal contributions in state and local elections in jurisdictions where corporate contributions are permitted, which is the case in Louisiana. PHN employees are free to make personal political contributions as permitted by law.

Independent Contractors

PHN is committed to maintaining integrity and quality when independent contractors provide services on behalf of PHN. Independent contractors must agree to adhere to all applicable laws, standards and PHN's Compliance Program requirements when providing services for PHN, its members or providers. See Compliance Policy and Procedures, *Evaluation and Designation of Prospective Entities as Administrative, First Tier, Downstream or Related Entities* and *Contract Review and Pre-Assessment of Delegated Entities*.

Questions regarding our BUSINESS ETHICS should be referred to your immediate supervisor or the Compliance Department.

WORKPLACE CONDUCT and DISCRIMINATION

PHN is an equal opportunity, affirmative action employer and administers its programs without regard to race, color, religion, sex, age, sexual orientation, genetics, national origin, disability or veteran status. PHN complies with applicable Federal, state and local laws governing nondiscrimination and harassment in employment, including recruitment, placement, promotion, transfer, retention and training. PHN employees share responsibility for preventing discrimination and harassment.

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

Questions regarding our WORKPLACE CONDUCT and DISCRIMINATION should be referred to your immediate supervisor or the Human Resources Department. See Human Resources Policy and Procedures, *Employee Conduct and Work Rules*, and *Equal Employment Opportunity*.

V. SAFEGUARDING RESOURCES

Confidential Information

PHN employees and business partners must maintain the confidentiality of all information related to its patients, employees and business affairs. Confidential information should not be shared with anyone inside or outside of PHN, except as necessary to perform assigned work and only when properly authorized. Care should be taken when electronic mail is used to communicate about confidential, proprietary, or sensitive legal or financial matters since this material could be accessed at a future time by third parties, even if the electronic mail has been deleted.

Patient Information ó Information relating to PHN members (whether Medicare enrollees, employees or dependents) is protected by Federal and state law.

Employee Information ó Information contained in PHN employee or other personnel files is also confidential. All information pertaining to employees, employee family members, contractors and related records is confidential.

Company Information - Information about PHN business strategies and operations is a valuable asset and is intended for use only within PHN. Unless required by CMS or Federal and/or state law, all information concerning PHN finances, operations, products, policies, customers, development plans, computer programs and related information is proprietary and confidential and should not be disclosed.

The use or disclosure of confidential information is highly regulated, and there are severe penalties for inappropriate or unauthorized use, including significant fines and periods of incarceration.

Questions regarding our SAFEGUARDING RESOURCES and the "Use and Disclosure of Confidential Information" should be referred to your immediate supervisor, the Privacy Officer or Chief Information Officer. See Human Resources Policy and Procedures, *Confidentiality* and *Confidentiality of Employee Records*; and Administration Policies and Procedures regarding *HIPAA*.

Business Resources

Work Time - Employees should spend work time to the advantage of PHN membership or for other work-related activities. It is not permissible to use work time for outside work, personal errands or any activity not related to PHN services.

PHN Funds - Employees entrusted with responsibility for direct handling of PHN funds will ensure the integrity and accuracy of those funds and records and will be responsible for their appropriate expenditure.

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

Property, Equipment and Supplies - Employees should use PHN resources for authorized business purposes. PHN assets, property, facilities, equipment and supplies will be protected to minimize against loss, theft, damage and misuse.

Computers and Computer Software - Employees will use PHN electronic resources responsibly and in support of PHN business needs. Access to telephones, computers, software and electronic mail provided by PHN should be used for work purposes. PHN may access or monitor any use of this equipment and related information as permitted by applicable law.

Questions regarding our SAFEGUARDING RESOURCES and use of "Business Resources" should be referred to your immediate supervisor, Human Resources, the Chief Financial Officer, the Chief Information Officer or the Compliance Officer.

VI. COMPLIANCE PROGRAM

Compliance and Fraud, Waste and Abuse Programs

PHN has established a Compliance Program that includes all of the following elements:

- Written Policies and Procedures and the Standards of Conduct
- Compliance Officer, Compliance Committee and High Level Oversight
- Effective Training and Education
- Effective Lines of Communication
- Well-Publicized Disciplinary Standards
- Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks
- Procedures and Systems for Prompt Response to Compliance Issues

PHN has also established a Fraud, Waste and Abuse (FWA) Program that builds upon the elements of the PHN Compliance Program to detect, correct and prevent FWA. The Compliance Officer and Department are responsible for administering the Compliance and FWA Programs for PHN. The Compliance and FWA Programs are reviewed at least annually and revised as required or appropriate.

While the Compliance and FWA Programs are administered by the Compliance Department, compliance with the laws and regulations applicable to our business is everyone's responsibility from the top down. PHN is committed to following all applicable laws and regulations. Participation in the Compliance and FWA Programs is mandatory, and PHN expects all employees to conduct themselves according to the Standards of Conduct. The Standards of Conduct is a component of the Compliance and FWA Programs and violating the Standards of Conduct is a violation of the Compliance and FWA Programs.

The Compliance and FWA Programs are essentially a group of policies and procedures that demonstrate our commitment to compliance and provide detailed information to employees on the operation of the Compliance and FWA Programs. The Policies and Procedures address issues such as the compliance reporting structure, training

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

requirements, how to report suspected or potential issues and how those issues will be investigated, documented, addressed and corrected, and disciplinary action for violations. In order to meet the expectation of participation, all employees at a minimum must understand and comply with the following:

Compliance Policies and Procedures and the Standards of Conduct

Upon hire (within 90 days), upon revision and annually thereafter, all employees must review the Standards of Conduct. The purpose is to ensure your commitment and understanding of the Standards of Conduct and all employees will document their receipt and understanding in ComplianceWire. Failure to complete the requirement will result in employee discipline in accordance with Compliance Policy and Procedure *Compliance Program Disciplinary Standards for Employees*; and Human Resources Policy and Procedures, *Employee Training Standards* and *Performance Management/Progressive Discipline*.

As indicated in Compliance Policy and Procedure, *Compliance Policies and Procedures Maintenance, Review, Approval, Publication and Distribution*, Compliance Program policies and procedures are distributed to all employees by posting them on the company intranet. The distribution is announced annually in conjunction with the Standards of Conduct requirements and mid-year revisions are communicated through email. Employees are expected to read and understand the policies and refer to them as needed.

Compliance Officer, Compliance Committee and High Level Oversight

The Compliance Officer is responsible for the implementation of the Compliance and FWA Programs, defining the program structure, educational requirements, reporting and complaint mechanisms, response and correction procedures, and compliance expectations. On a daily basis, the Compliance Officer, through the use of dedicated compliance staff, ensures the components of the programs are operational. The structure of the programs relies on real-time compliance within the operational department and oversight by the Compliance Department to implement all components of the programs. See Compliance Policy and Procedure, *Compliance Program Oversight Structure*.

The Compliance and FWA Programs are overseen by designated committees designed to provide the requisite support and expertise to support the programs. There are two committees: Compliance Committee at the organizational level and at the Board (or governing body) level, there is also a committee to address compliance and FWA issues. These committees are responsible for the oversight of the Programs and serve to advise the Compliance Officer. Reports on the activities and status of the Programs are reported to each committee. Each of these committees meets regularly but no less than quarterly. See Compliance Policy and Procedure, *Program Oversight Committees*.

Effective Training and Education

PHN maintains training associated with General Compliance, FWA and HIPAA. Additionally, PHN uses various methods to train staff, including online training through the ComplianceWire program, classroom-style training and one-on-one training. General

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

training is completed upon hire (within 90 days), upon revision and annually thereafter. Courses must be completed by their assigned due date or this is considered a compliance violation and is subject to the disciplinary process. Ad-hoc training conducted by the Compliance Department as a result of an identified compliance issue is mandatory and is documented and retained. The Compliance department measures the effectiveness of job specific training as defined by the risk assessments as well as when non-compliant trends are identified. See Compliance Policy and Procedures, *Compliance Training and Education Program, Measuring Effectiveness of Training and Education*, and *Compliance Program Disciplinary Standards for Employees*; and Human Resources Policy and Procedure, *Employee Training Standards* and *Performance Management/Progressive Discipline Process*.

Effective Lines of Communication

PHN has appropriate communication mechanisms in place to ensure two-way communication is possible between PHN employees, contractors and the Compliance Department. The Compliance Department ensures that information and/or interpretations regarding regulations, both new and revised, are available for all affected staff as indicated in Compliance Policy and Procedures, *Regulatory Inquiries, FWA Inquiries*, and *Regulatory Guidance Communication*. Compliance Department Policies and Procedures, *Reporting Potential Non-Compliance to Compliance, Reporting Potential FWA Issues to Compliance* and *Compliance, FWA and Privacy Hotline* require reporting of potential violations and provide for confidentiality (regardless of the mechanism used) and no tolerance of intimidation or retaliation. Violations can be reported in person, telephonically, in writing or anonymously through the toll-free hotline (1-877-662-5894). Compliance maintains Policy and Procedure, *Non-Intimidation and Non-Retaliation* to ensure that there are no obstacles to reporting potential violations. Employees who feel they are being retaliated against for participation in the Compliance program are required to report those violations. In addition, if an employee feels that their work environment is hostile towards identifying and reporting potential compliance violations, they should report that as well.

Well-Publicized Disciplinary Standards

Incidental or inadvertent issues are addressed in the operational department and not documented by the Compliance Department; however, they are reviewed periodically. This is not to condone any violations but it allows PHN to focus on areas of concern to both the Centers for Medicare & Medicaid Services (CMS) and PHN. These issues can be addressed through training and education or can be addressed through Human Resources Policy and Procedure, *Performance Management /Progressive Discipline Process*. As indicated in Compliance Policy and Procedures, *Compliance Program Disciplinary Standards for Employees, Reporting Potential Non-Compliance to Compliance* and *Reporting Potential FWA Issues to Compliance*, violations must be addressed through disciplinary standards and must be consistent and fair. Egregious violations ó issues that are due to willful or malicious neglect of duties ó are to be reported to the Compliance Officer immediately and may result in termination after appropriate consultation with the Vice President of Human Resources and/or any of the standing Compliance Committees.

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

If the Compliance Department becomes aware of any violation where the violation was known and appropriate disciplinary action was not taken or reported, this constitutes a serious violation and management is subject to disciplinary action as well. There is no level of employee that is not subject to this policy, including Company Officers. When determining appropriate disciplinary action, there are several factors that could either aggravate or mitigate the disciplinary action, including the nature of the violations; the impact both from a financial aspect as well as the potential for causing harm to the member; whether or not the violation was willful; whether it was self-reported or if there was an attempt to cover up the issue; and the extent to which the employee participates in the investigation and resolution. All disciplinary action for non-compliance must be included in the employee's performance appraisal as indicated in Human Resources Policy and Procedure, *Performance Appraisal Process*.

Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks

PHN uses regular risk assessments, as defined in Compliance Policy and Procedures, *Regulatory Compliance Risk Assessment* and *FWA Risk Assessment* to provide information for the auditing and monitoring program. The basis for the Regulatory Compliance Risk Assessment is CMS regulatory requirements, as indicated in audit protocols and/or CMS sub-regulatory guidance. For the FWA Risk Assessment, PHN uses its own utilization data and assesses risk by identifying unexpected variances associated with a cost to benefit ratio and actual costs by benefit category. Elements with the highest risk and/or elements with failures that cause a large impact are included in the monitoring or auditing work plans for the year. The Monitoring Work plan identifies areas where the Compliance Department will implement regular reviews as part of the normal operations to confirm ongoing compliance and to ensure that any corrective action that has been taken was effective. Additional consideration is given to the use of data analysis as it applies to the FWA Risk Assessment, and the need to analyze data for unusual utilization, unexpected claims data, and enrollment and disenrollment situations that do not follow common practice. The Auditing Work plan identifies areas when the Compliance department will perform a formal review of compliance with a particular set of standards (e.g., policies and procedures, laws and regulations). In addition to the high-risk elements, lower-risk elements may also be included in the work plans, depending on available resources. Monitoring and audit work plans are developed annually based on various factors, including the risk score, the strength of mitigating controls and operational departmental input.

As indicated in Compliance Policy and Procedures, *Regulatory Compliance Monitoring* and *FWA Monitoring*, monitoring is conducted by the Compliance department, based on a defined frequency, utilizing information provided by the operational departments. As indicated in the Compliance Policy and Procedures, *FWA Probe Audits*, *FWA Statistically Valid Audits*, *Regulatory Compliance Internal Auditing* and *Auditing First Tier, Downstream and Related Entities*, an audit schedule is developed and maintained throughout the year. All audits can be announced or unannounced (on-site audits at first tier entities are always announced).

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

Procedures and Systems for Prompt Response to Compliance Issues

Timely inquiries are conducted on all reports of potential non-compliance. Inquiries are initiated within two weeks of the reported incident as indicated in Compliance Policy and Procedures, *Regulatory Compliance Investigations* and *FWA Investigations*. If the result of the inquiry does not eliminate the potential violation completely, an investigation will occur to look into the issue. Investigations are conducted by staff in the Compliance Department if appropriate. If the Compliance Department does not have expertise to investigate an issue, the Compliance Officer contacts the Legal Department for advice on retaining an appropriate investigator. Because monitoring activities and audits are designed to confirm non-compliance, violations identified through these methods do not need an inquiry or investigation. Whether deficiencies are identified as a result of an investigation or identified by other means, some action is required. Some deficiencies do not lend themselves to anything other than documenting the issue (e.g., an act of nature that cannot be corrected with an action). As indicated in Compliance Policy and Procedures, *Compliance Actions* and *FWA Overpayment Recovery and Other Corrective Actions*, Compliance uses a tiered approach from a simple notification, to an in-depth corrective action plan or extrapolated overpayment recovery. Actions can be progressive but do not have to be. If the violation is one of a serious nature, an in-depth corrective action plan may be required or in the case of FWA, provider contract termination. In the Medicare Advantage Program, disclosing FWA or non-compliance to a regulatory authority is voluntary. PHN recognizes the importance of self-reporting as it gives PHN the opportunity to minimize the potential cost and impact of a full-scale audit and investigation by CMS or other regulatory authorities. See Compliance Policy and Procedures, *Coordination and Cooperation with Entities Designated to Support Health Oversight*, and *FWA MEDIC Requests and Referrals*.

Government Requests for Information

PHN will cooperate with governmental investigations and reasonable and lawful requests by federal, state and local government officials for information and documents. While PHN will comply with these requests, PHN legal counsel, the Senior Vice President of Audit and Compliance, or the Compliance Officer must review and authorize information or records prior to release. All information or responses submitted by PHN, its employees or contactors shall be correct, truthful and complete. See Compliance Policy and Procedures, *Coordination and Cooperation with Entities Designated to Support Health Oversight*, and *FWA MEDIC Requests and Referrals*.

Record Retention

PHN is required to retain certain business records (i.e., Patient Information, Employee Information and Company Information) by Federal law. As such, PHN employees and contractors shall follow PHN's record retention policy. See Administration Policy and Procedure, *Record Retention*.

Access to the Compliance Department

PEOPLES HEALTH NETWORK

2018 Standards of Conduct

If speaking to your immediate supervisor or other department management is inappropriate or ineffective, or if an employee desires confidentiality in seeking information or reporting a concern, the issue may be reported directly to the Compliance Department. The Compliance Department has established several communication channels available for reporting issues.

In-person - The Compliance Department is located on the 32nd floor of Three Lakeway Center.

USPS - Attn: Compliance Department
Peoples Health
3838 North Causeway, Suite 2200
Metairie, LA 70002

Telephone - (504) 849-4500 (Main)
(504) 681-8589 (Direct)

Hotline - (877) 662-5894 (permits anyone to call and report a compliance-related concern and remain anonymous, if desired)

Email - biu@peopleshealth.com - Fraud, Waste or Abuse
compliancenotification@peopleshealth.com ó Regulatory Compliance

Questions regarding our COMPLIANCE PROGRAM should be referred to your immediate supervisor or the Compliance Officer.