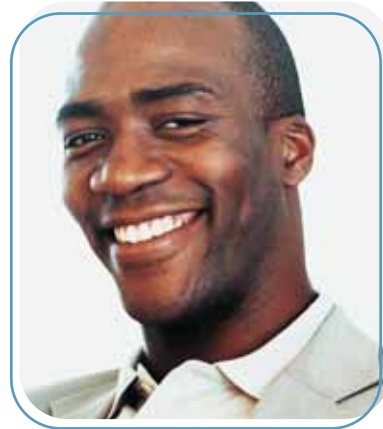




# standards of integrity



## CODE OF BUSINESS CONDUCT

Winner of 2002 best practice compliance award presented by Health Ethics Trust and the Council on Ethical Organizations.

Blue Cross and Blue Shield of Louisiana  
HMO Louisiana, Inc.

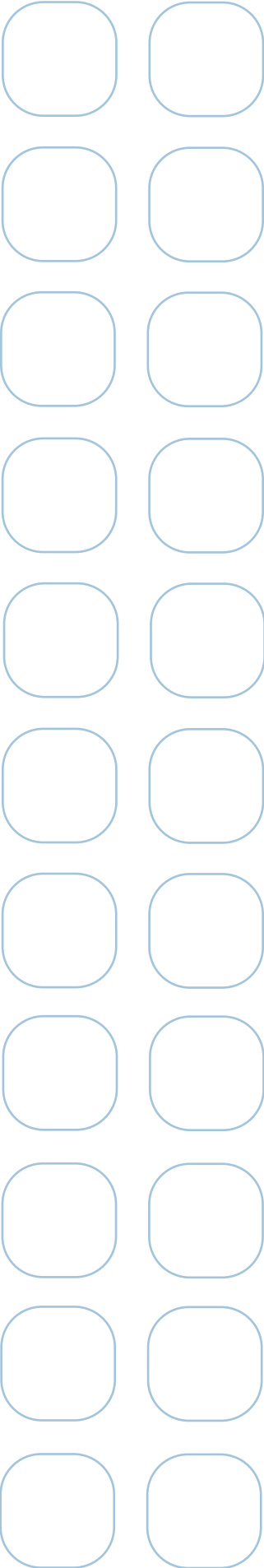
Southern National Life Insurance Company, Inc.  
Southern National Marketing Company, Inc.  
Louisiana Child Caring Foundation, Inc.



**BlueCross BlueShield  
of Louisiana**

An independent licensee of the  
Blue Cross and Blue Shield Association.

Blue Cross and Blue Shield of Louisiana incorporated as Louisiana Health Service & Indemnity Company



### OUR COMPANY'S MISSION

To improve the lives of Louisianians by providing health guidance and affordable access to quality care.

### OUR CORPORATE VISION

Blue Cross and Blue Shield of Louisiana will be the preeminent health insurance company leading the direction in healthcare economics in Louisiana.

### OUR COMPANY'S CORE VALUES

- Accountability
- Caring
- Diversity
- Excellence
- Innovation
- Integrity
- Leadership
- Loyalty
- Reliability
- Respect

#### What do our values mean?

**Accountability** — An obligation or willingness to accept responsibility or to account for one's actions.

**Caring** — Someone who cares demonstrates personal concern and consideration for others. At Blue Cross, caring extends to the needs of our customers, providers and employees.

**Diversity** — At Blue Cross and Blue Shield of Louisiana means a workplace in which employees are treated with respect and valued for their contributions to accomplish our vision of preeminence.

**Excellence** — What is excellence? To put it simply, it is being the best in all aspects of your job or life. At Blue Cross, we believe in excellence in the products we produce and the services we provide.

**Innovation** — An innovative person approaches a need, task or idea from a new perspective. At Blue Cross, we value innovation in technology, processes and efficiencies.

**Integrity** — Dr. James Reese defines integrity as looking forward to the consequences of your actions. At Blue Cross, it means being honest and straightforward in our business dealings.

**Leadership** — The mark of leadership is providing vision and direction by doing the right thing at the right time with humility. At Blue Cross, we strive to be leaders in everything we do.

**Loyalty** — The mark of loyalty is demonstrating commitment to serving others. At Blue Cross, we are committed to fairness in all business dealings.

**Reliability** — Being dependable, setting priorities and achieving results — that's reliability. At Blue Cross, reliability means we will be financially able to pay claims when called upon.

**Respect** — Showing respect is valuing the worth of a person or an environment. At Blue Cross, we are respectful of other people and their situations.

# A MESSAGE FROM THE BOARD

Blue Cross and Blue Shield of Louisiana and its subsidiaries – HMO Louisiana, Inc., Southern National Life Insurance Co., Inc., Southern National Marketing Co., Inc. and the Louisiana Child Caring Foundation, Inc. – are committed to conducting business with integrity and well within the bounds of all applicable laws.

Our Blue Cross and Blue Shield brand represents the integrity of America's oldest and largest health insurer. It also represents the collective integrity and professional reputations of thousands of people across the country who work under this brand. We take great pride in that. For that reason, at Blue Cross and Blue Shield of Louisiana, we care not only about providing quality services, but also about how we accomplish our goals.

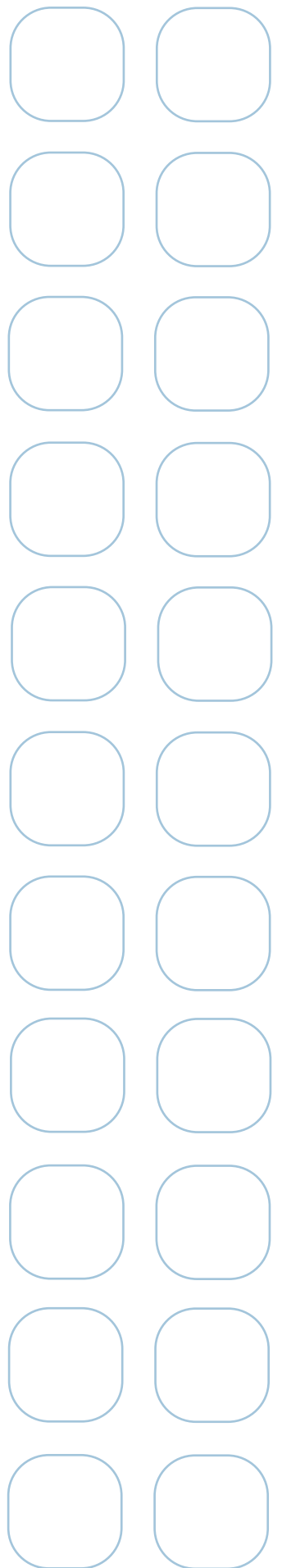
This Code of Business Conduct explains the business behavior that is expected of our employees, officers, Board of Directors and business partners. As the largest health insurer in Louisiana, it is absolutely necessary that we all adhere to the contents of this booklet, and remember that our greatest asset – our good name – is always on the line.

The Blue Cross and Blue Shield of Louisiana Board of Directors is pleased to represent this company and the people who run it. However, preserving the full faith and trust of our policyholders is first and foremost. If you are aware of any Code violation by our employees, officers or Board members, you are asked to report it immediately to our Compliance and Integrity Office or Legal Department. You may report a violation anonymously by calling 1-800-973-7707.

Thank you for your assistance and for your own compliance with this Code.

Sincerely,

Board of Directors  
Blue Cross and Blue Shield of Louisiana



# PRESIDENT'S MESSAGE TO EMPLOYEES

Dear Fellow Employee:

Our company is part of a dynamic and complex industry in which competition and continued challenges demand more from us each day. And at the same time, our organization, Blue Cross and Blue Shield of Louisiana, is committed to its core values. These include conducting all of our business-related activities with the utmost personal integrity and mutual respect.

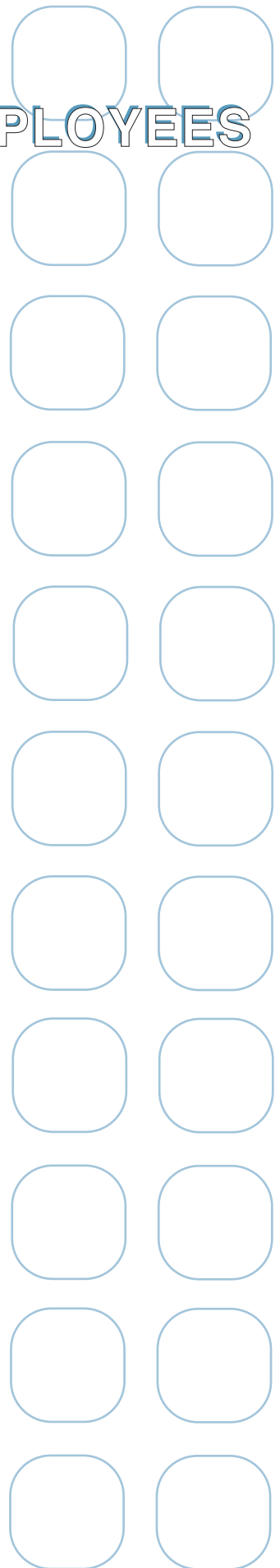
As employees, our obligation goes beyond simply stating that we intend to conduct ourselves professionally and ethically at work. We need to follow through on these intentions consistently and relentlessly. Beyond even that, we have a responsibility to make sure that others in our company are living up to the same high standard. I know that this can be difficult, and so to that end, several resources have been established to help you raise ethical concerns and report violations of our Code of Business Conduct. In such circumstances, you should be sure to speak to the manager of Human Resources, the Legal Department or the Compliance and Integrity Office. In addition, a special telephone line, 1-800-973-7707, has been created for employees to report potential violations or simply to seek assistance.

I ask you to join me and the rest of our organization in dedicating yourself to the company's Code of Business Conduct. This nationally recognized code and compliance program sets a high ethical tone for conducting business and creates a corporate culture that strengthens the reputation of Blue Cross and Blue Shield of Louisiana. Our company's continued success depends on your commitment and integrity. Thank you for your support, and remember: it's not just **your** good name; it's ours.

Sincerely,



Gery J. Barry, FSA  
President and Chief Executive Officer



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## INTRODUCTION

To ensure that we meet the highest standards of integrity, Blue Cross and Blue Shield of Louisiana has defined what it considers proper business practices.

This booklet on the Code of Business Conduct for Blue Cross and Blue Shield of Louisiana and its subsidiaries (Southern National Life Insurance Co., Inc., Southern National Marketing Co., Inc., HMO Louisiana, Inc. and the Louisiana Child Caring Foundation, Inc.), hereafter referred to collectively as “the Company,” provides guidelines to help you understand the standards and ethics that outline our business practices. This Code of Business Conduct applies to all employees and the Board of Directors (also referred to as “Board members”). It has the support and approval of the Board of Directors and executive officers.

The Company’s Compliance and Integrity Office includes a Compliance and Integrity Program to educate employees and the Board of Directors on ethical and legal issues and to ensure compliance with the Code of Business Conduct. Program procedures, including the method of reporting concerns to the Compliance and Integrity Office, are included in the Code of Business Conduct. Vendors, contractors and providers are made aware of the Code’s existence and of its requirements for employees and Board members.

This Code of Business Conduct is so important to the Company that every employee is required to review it, to acknowledge that he or she has read this code and to complete an annual conflict of interest disclosure. In addition, we require participation in a mandatory training class on the Code of Business Conduct.

The Code of Business Conduct does not contain all of our Company’s policies. You must also comply with all other corporate-wide policies, including those established within your specific department or work unit.

“The organization  
can never be  
something the  
people are not.”

- Price Prichett, Ph.D.  
ethics and integrity author

## STATEMENT OF ETHICS AND CODE OF BUSINESS CONDUCT



All companies have ethical and business responsibilities. It is important to fully understand these ethical and business responsibilities. This Statement of Ethics and Code of Business Conduct provides clear guidelines for our conduct as representatives of the Company.

We are expected to follow these ethical work principles:

- Deal professionally and honestly with others.
- Perform assigned duties using the highest ethical standards.
- Follow the laws, rules and regulations that apply to Company business and with Company policies, procedures and guidelines.
- Use good judgment and common sense and be sensitive to how others see us and how they might interpret our actions.
- Be loyal to the Company and conduct business without creating a conflict of interest with the Company's assigned duties.
- Use authority given by Blue Cross and Blue Shield of Louisiana in the best interest of the Company.

In considering what action to take, ask yourself:

- Is the action consistent with the Company's values and the Code of Business Conduct?
- Could this action appear improper to others? Am I proud of my actions?
- Is this action justifiable?
- Would I be embarrassed by my actions if I were questioned?

In rare or unusual circumstances, an employee may seek approval of actions that conflict with the Code's requirements. Approval of such action must be sought in advance for a waiver that must be approved by the Compliance Officer and General Counsel of the Company. Waivers for Board members or executive officers may be granted only by the Board of Directors or its responsible committee. If a waiver is granted, the Board or responsible committee must ensure that appropriate controls are in place to protect the Company and its policy holders. Employees or Board members cannot use anyone outside of the Company to circumvent any Company policy.

### I. CONFLICT OF INTEREST

Board members, officers and employees should act in the best interest of the Company to the exclusion of personal advantage in dealing with our current or potential customers, suppliers, contractors and competitors. Avoid any situation where a conflict could occur, exist or appear to exist between your personal interests and those of the Company. You should avoid acquiring or maintaining an interest in any financial concern that could influence your business decisions or actions. You should also avoid outside activities that interfere with your regular work duties and work time, adversely affect the quality of your work or could harm the Company's reputation. It is policy that all employees and Board members complete a Disclosure of Interest form at hire or upon election or appointment, and every year thereafter.

*If you find yourself in a situation in which there may be a possible conflict of interest, get advice from your manager, Human Resources Director, the Legal Department or the Compliance and Integrity Office before doing anything.*





**Kickbacks or Rebates** — The purchase or sale of goods and services must not benefit you or your family in the form of kickbacks or rebates. Kickbacks are “payment” back of a portion of the purchase price to induce purchase or payment to improperly influence future purchases or leases. Rebates are deductions from a stipulated premium on a policy of insurance, handed back to the payer after he has paid the full stipulated premium. Kickbacks may be considered a criminal offense under federal and state statutes. Premium rebates are considered unfair trade practices and are illegal.

Kickbacks or rebates can take many forms and are not limited to monetary gifts. They can include gifts, trips, services, use of property, meals, drinks, entertainment, hospitality, passes, promotional items, or use of a giver’s name, materials or equipment.

- **A Case in Point: Rebates**

A customer pays the stipulated policy premium of \$1,000, which includes the premium amount due the insurer along with the producer commissions and application fees. The producer makes an agreement with the customer that in return for buying the policy, he will issue her a payment of half his commission percentage, which is \$50. The \$50 payment by the producer is considered an illegal rebate.

- **Accepting Business Courtesies**

A *business courtesy* is a favor, hospitality, gift, service or entertainment for which you pay nothing or less than fair market value. It may be a tangible or intangible benefit, including but not limited to meals, drinks, entertainment, hospitality suites, recreation, transportation, personal discounts or personal purchases, free services, door prizes, tickets, passes, trips, gift certificates, or the giver’s time, use of property, materials or equipment.

In all circumstances, the value and nature of the business courtesy should fit easily within the bounds of customary business practice, given the responsibilities of the persons involved. If you or your manager are unsure of the appropriate conduct or if circumstances create doubt, you should decline the offer or seek guidance from your manager, the Human Resources Director, the Legal Department or the Compliance and Integrity Office.

*Business courtesy* refers to both business entertainment and gifts.

- *Business entertainment* is the act of one business entertaining or showing hospitality to an employee of another business with the purpose of building a business relationship. Classification as *business entertainment* requires that topics of a business nature be discussed and that the host be present.

Examples of *business entertainment* include, but are not limited to, the use of corporate suites, boxes, seats or meals at sporting events and golf outings where the host or a representative of the host is in direct contact with the employee. Acceptance of any business entertainment where value exceeds \$250 must be disclosed to your manager.

- A *gift* is the voluntary transfer or use of property or services.

A *gift* offered to and accepted by an employee or a Board member **may** belong to the Company. Get guidance from your manager or the Compliance and Integrity Office whenever in doubt.

You may not purchase goods or services that would benefit you through kickbacks or rebates.

In any situation in which you are not sure about accepting or giving business courtesies, you should decline the offer or seek guidance from the Compliance and Integrity Office.





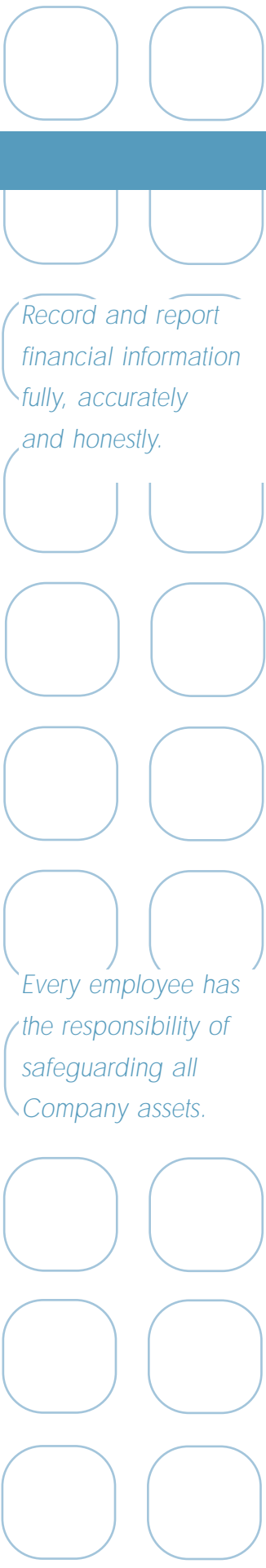
### Company Guidelines for Determining Whether to Accept or Retain a Business Courtesy

1. It may be appropriate to accept *business entertainment* provided the entertainment:
  - a) is for the purpose of building a business relationship;
  - b) includes topics of a business nature and has the host present;
  - c) is not prohibited by this Code section or by law;
  - d) is reasonable and appropriate in relation to the value that the relationship has or is likely to have for the mission of the company;
  - e) is conducted at a location and within the conduct appropriate to the mission of the company; and
  - f) is less than \$250 in value or is otherwise properly disclosed.
  
2. It may be appropriate to accept a *business gift* provided the gift:
  - a) is offered infrequently (less than once per quarter);
  - b) promotes successful working relationships and goodwill with persons or companies with whom the Company may do business;
  - c) conforms to the reasonable and ethical practices of the marketplace, such as flowers, fruit baskets and other modest presents that commemorate a special occasion;
  - d) is not prohibited by this Code section or by law;
  - e) does not create the appearance of an improper attempt to influence business decisions, such as accepting gifts from a vendor, consultant or provider whose contract is expiring in the near future; and
  - f) is within the established dollar limits.
  
3. Employees and Board members who negotiate or award contracts, influence the allocation of business or create specifications that result in the placement of business must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the Company's reputation of dealing fairly and with impartiality.
  
4. You should avoid a pattern of accepting frequent business courtesies from the same persons or companies.

### Unacceptable Actions Pertaining to Business Courtesies

1. You may never ask for a business courtesy.
2. You may never accept cash or cash equivalents.
3. You may never accept or offer a business courtesy when a real or perceived attempt is being made to:
  - a) offer the courtesy in exchange for, or to influence, favorable action by the Company;
  - b) motivate you to do anything that is prohibited by law or by the Company; or
  - c) gain an unfair competitive advantage.





*Record and report financial information fully, accurately and honestly.*

*Every employee has the responsibility of safeguarding all Company assets.*

#### IV. PROPER USE OF COMPANY ASSETS

The assets of the Company are to be used for the benefit of the Company and for valid business purposes. Company assets include concepts, business strategies and plans, financial data, intellectual property rights and other information about our business, as well as equipment, computer systems, electronic voice and data networks and office supplies. These assets may not be improperly used to provide personal gain for employees, Board members or others. The company prohibits the use of company assets, services, equipment or supplies, including company stationery, business cards, forms, e-mail system or other media to express personal opinions to outside parties.

Each employee or Board member has the responsibility of safeguarding all Company assets.

- **Software Licensing**

Packaged software is generally licensed for use rather than sold outright and is normally protected by copyright laws. All employees must be aware of and conform to copyright laws and software licensing agreements for software packages purchased by the Company, particularly in the case of software packages for personal computers. The Company does not condone the unauthorized duplication of purchased software. The practice of illegally copying software is considered by the Company to be illegal. In general, the Company restricts use of the software to the particular computer for which it was purchased.

#### V. ELECTRONIC COMMUNICATION

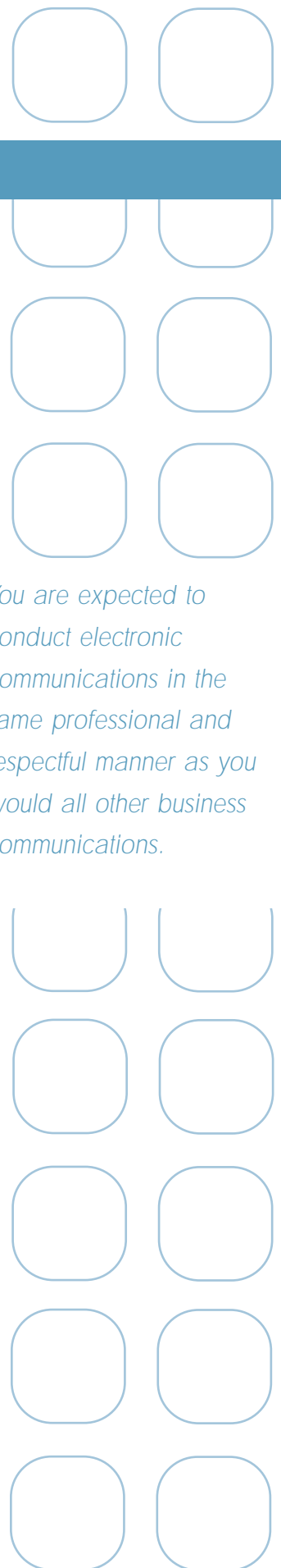
The Company's electronic mail system, telephone system and other information networks, including Internet and Intranet, should be used primarily for legitimate business purposes. Occasional use of Company telephones, voice mail, fax machines and computer networks for personal purposes is permitted, as long as the frequency and cost of such use is not excessive and does not interfere with Company business or an employee's work.

- **E-Mail**

E-mail services do not offer any absolute guarantees of privacy, confidentiality or integrity of data. Accordingly, employees and Board members using this service must exercise extreme care. E-mail communications can be used for litigation purposes. Be aware of how easily a message can be forwarded to another party. All e-mail messages, especially those containing any private and/or confidential materials, should include the appropriate confidentiality notice.

Outgoing e-mail containing confidential claim or financial information or protected health information should always be sent using the Company's secured e-mail system. Secure e-mail allows the Company to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Questions regarding use of secure e-mail should be directed to the Company's Service or Help Desk.

All business controls and regulatory requirements for written or verbal communications are also applicable to e-mail communications. If the information is confidential and should not be shared in writing, by fax or over the phone, it also should not be sent by e-mail.



All electronic communications systems are Company-owned information assets and subject to standard business audit and control guidelines. Management has the right to access an employee's electronic communications without the employee's consent and without prior notice.

You cannot use any communication medium, including electronic communications, to send offensive or disruptive messages that contain offensive sexual, racial or gender-related comments or any comments that violate the Company's non-discriminatory policies including, but not limited to, references to discrimination on the basis of age, gender, sexual orientation, religious or political beliefs, national origin or disability.

You are expected to conduct electronic communications in the same professional and respectful manner as you would all other business communications. The company prohibits the use of company assets, services, equipment or supplies, including company stationery, business cards, forms, e-mail system or other media to express personal opinions to outside parties. Improper use of electronic communications subjects the user to the Company's disciplinary policies.

• Internet

It is a violation of policy to access or attempt to access inappropriate websites containing adult, sexually explicit, pornographic, violent, hate and similarly objectionable material. Employees who abuse internet access privileges by excessive personal use of the internet will be disciplined up to and including discharge as outlined in the Company's progressive discipline procedures.

*You are expected to conduct electronic communications in the same professional and respectful manner as you would all other business communications.*

## VI. PROTECTING INFORMATION

The Company maintains records on its business activities and strategies, as well as information from and about its member plans and other Blue Cross and Blue Shield (BCBS) Plans. This information is proprietary and confidential, including subscriber information, product development information, contractual arrangements, financial data, computer software programs and the Company's personnel data and salary information. You cannot use or disclose Company information except as authorized by the Company.

All Company files should be considered confidential, and information from them should not be given to or discussed with anyone – including family members, friends, employees, or clients – unless the nature of the work requires it. If the appropriateness of any inquiry seems at all questionable, the matter should be referred to proper management personnel. To emphasize the importance of this rule, the Company requires every employee to sign a Confidentiality and Non-Disclosure Agreement.



**Disclosure of confidential information is grounds for immediate termination of employment.**

- **Guidelines Regarding Proprietary and Confidential Information**

During the course of business, confidential or proprietary information or company trade secrets may become available to the employee. It is crucial for all employees to safeguard such information.

Proprietary and confidential information and trade secrets may include, but are not limited to, the following:

- Claims payment and benefits information
- Medical and personal information on members, employees, Board members or others, including addresses and phone numbers
- Financial information concerning the Company, its members, groups or providers
- Employee payroll and personnel records
- Information that would help others commit fraud or sabotage, misuse the Company's products and services or damage the Company's business
- Information on marketing data, sales information, provider payment rates, business management systems and other confidential information related to the business of the Company
- Information regarding the Company's business plans
- Data from or about BCBS Plans or member companies to others, including other BCBS Plans.

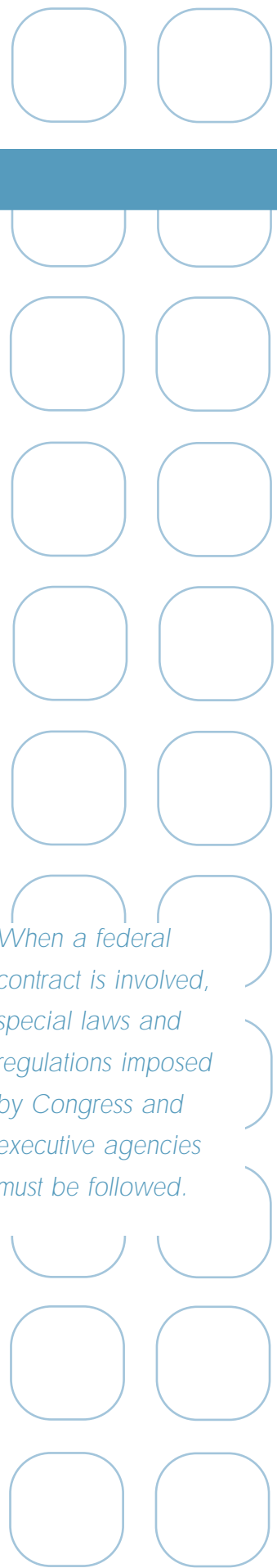
It is a violation of the Code of Business Conduct to ever disclose, use, release or discuss any such confidential, proprietary or trade secrets information, except as permitted by Company policy.

Files, manuals, reports, notes, lists and other Company records or data in any form are the exclusive property of the Company and must be returned at the end of employment with the Company. Any confidential, proprietary or trade secret information to which you have access remains confidential after employment or service termination and may not be disclosed or used for any purpose.

- **Confidentiality of Member Information**

All patient and member information is confidential and subject to this Code of Business Conduct. The Company is committed to respecting the confidentiality of subscriber/member information and complying with the Health Insurance Portability and Accountability Act (HIPAA) and all other privacy regulations. Please know that the Company has a privacy policy and it will be updated from time to time as needed. Discretion must be practiced when working with personal information. If you have any questions regarding the proper handling of confidential information, please contact your manager. If you witness or suspect inappropriate

*If you have a question about disclosing specific information, seek guidance from your manager.*



use of subscriber/member information, report these actions to the Compliance and Integrity Office (see contact information on p. 21).

One rule that cannot be emphasized too strongly is that all information acquired through work must be kept in strict confidence. Our customers place considerable trust in the Company and in the work employees do. Therefore, the Company expects employees to treat all information related to our business and to our customers' business in a strictly confidential manner. Subscriber information should never be released unless the nature of the inquiry demands it.

If necessary, you may disclose confidential or protected health information as part of the reporting process to both appropriate internal personnel and certain health oversight agencies. If you believe that you have been the victim of a crime, it may be acceptable to disclose confidential or protected health information to certain agencies. Please contact the Privacy Office for more information.

#### • Passwords and Information System Security

Computer passwords are completely confidential. Sharing a computer password is a violation of Company policy and is subject to disciplinary action, up to and including discharge. As an employee, you are responsible for all activities that are completed using your user ID and password. You should NOT:

- use an easily guessed password;
- allow your password to be used by others; or
- write down your password where it may be found by others.

The Company strictly enforces provisions designed to safeguard the confidentiality of proprietary computer data. Every precaution must be taken to ensure that identification codes and passwords do not become available to unauthorized individuals. Data system security violations should be reported to managers or to Information Security. Managers are to report such violations immediately. Information Security will notify the Compliance Officer of any violations that indicate employee fraud.

### VII. DOING BUSINESS WITH THE GOVERNMENT

The Company operates in a highly regulated industry and therefore must comply with federal, state and local laws and regulations. As a contractor to the federal government, the Company must follow special laws and regulations imposed by Congress and executive agencies. Penalties associated with a violation of these complex laws and regulations can be severe. If you have any questions concerning these laws and regulations, contact the Legal Department or the Compliance and Integrity Office.

#### • Accurate Reporting to the Government

We must ensure that there is no improper use, payment or diversion of government funds. All cost and pricing data provided in connection with government proposals and contracts must be current, complete and accurate and not intentionally false or misleading. All labor, materials and other costs on government programs must be charged to the appropriate account

*When a federal contract is involved, special laws and regulations imposed by Congress and executive agencies must be followed.*



regardless of the financial status of the program, contract or project. Timesheets and other cost records and reports must be complete and reflect accurate costs.

The federal government has numerous cost categories, identified in the federal regulations and federal contracts, that are not reimbursable to contractors. All non-allowable costs must be identified, appropriately accounted for and excluded from proposals and requests for reimbursement prepared by the Company.

It is a violation of federal law to make fraudulent claims or statements to the government or to alter bills or papers being processed in connection with government claims. Any attempt to defraud the federal government is punishable under federal laws by monetary fines and/or imprisonment and could jeopardize the Company's relationship with the federal government. Violators will be subject to prompt disciplinary action.

• **Government-Sponsored Programs**

You must be particularly careful in your work responsibilities with respect to government-sponsored programs. It is a violation of federal law, as well as the Code of Business Conduct, to offer or accept "remuneration" (i.e., something of value) in exchange, directly or indirectly, for the referral of any government-sponsored business unless it falls within certain "safe harbors" specified under federal laws. Because these laws and the accompanying safe harbor provisions are complex, any questions or concerns related to a specific transaction should be referred to the Compliance Officer or the Legal Department.

Company policy is to fully comply with the law. Substantial civil fines and injunctions can be levied.

**Under government regulations, employees shall:**

- follow established policies and procedures for the preparation, submission and authorization of reports.
- comply with all internal control procedures established to ensure accurate and complete recording of Company and third-party transactions.
- protect, retain and dispose of Company records and reports in accordance with established policies and procedures.
- accurately and truthfully complete all time records and expense reports.
- ensure that all direct and indirect costs are recorded in the proper accounts.
- immediately report any false, fictitious, altered or suspicious requests for Medicare payment or claims.
- keep funds belonging to the Company separate from an employee's personal funds.
- accurately maintain and keep separate the books, accounts, corporate proceedings and records of the various subsidiaries of the Company to maintain the separate and distinct legal identities of the Company.
- never falsify any Company document.

• **Relationships with Government Employees - Gifts and Business Courtesies**

Federal and state laws make it illegal to give anything to a government official or employee in return for that person's influence or actions on the job. It is also illegal to do anything that will

*Not following the law can result in personal and corporate criminal liability and prosecution.*



- Retaliate in any manner against any employee for cooperating in an investigation.

## VIII. REPORTING ACCOUNTING ERRORS AND INTERNAL CONTROL WEAKNESSES

It is extremely important that our Company's internal control system is working properly in order to prevent and detect inaccurate financial reporting. Internal controls also help to ensure the accuracy of both financial and non-financial information used by management in making business decisions that impact the Company's future success.

If someone tries to eliminate, ignore or bypass internal controls, it could result in serious harm to our Company and our policyholders. You must report actual or suspected accounting, internal control or auditing irregularities to our Compliance Office or Compliance Officer.

## IX. KNOW YOUR OPTIONS

As an employee in a highly regulated industry, you may be approached by a regulatory or law enforcement representative. The Company wishes to fully cooperate with any such representative.

First, you should immediately contact the Legal Department or the Compliance and Integrity Office.

### *What are your options?*

- You may request that you be interviewed during normal business hours.
- You should insist on disclosure of the name of the person and the agency he/she is representing.
- You may request that your attorney be present.

All inquiries regarding the Company must be directed to the Legal Department for proper response.

## X. PAYMENTS TO PRODUCERS AND CONSULTANTS

Agreements with producers or business consultants must be in writing and in accordance with the Company's standard forms and policies. These agreements must clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. All payments to such producers or consultants must be reasonable in amount, not excessive in light of the practice in the trade and commensurate with the value of the services rendered.

The use of Company funds or assets for any unlawful or unethical purpose is prohibited. Any payment that would be improper when made by a Company employee is likewise improper if made by a commissioned producer, consultant or other third party on behalf of the Company.

## XI. CONTRIBUTIONS AND POLITICAL ACTIVITY

Federal laws restrict the use of Company funds in connection with federal elections. It is both against Company policy and illegal for an employee or Board member to directly or indirectly include federal political contributions on expense accounts or in any other manner that results in the Company reimbursing you for that expense.

Use of employee work time in a campaign is considered the equivalent of a contribution by the Company. Therefore, employees cannot be paid by the Company for time spent in campaign efforts.

You should consult with the Company's Legal Department before agreeing to do anything that could seem to involve the Company directly or indirectly in political activity at either the federal, state or local level.



*It is both against Company policy and illegal for an employee or Board member to directly or indirectly include federal political contributions on expense accounts.*



## XII. MAINTAINING RESPECTFUL AND DIGNIFIED PERSONAL RELATIONSHIPS

The Company complies with all laws and regulations affecting safety, health and the environment. This commitment extends to a work environment free of harassment or discrimination in all aspects of employment, including recruitment, hiring, work assignment, promotion, transfer, termination, salary administration and selection for training.

You are expected to subscribe to these commitments and interact with each other in a courteous and respectful manner. You can expect to work in a professional atmosphere without fear of retribution.

### • Equal Employment Opportunity and Affirmative Action

All Company applicants and employees are entitled to equal employment opportunities within the Company. The Company recruits, hires, trains, compensates, terminates and treats individuals without regard to race, sex, religion, color, age, national origin, marital status, sexual orientation or disability. Reasonable accommodations are made for known physical or mental limitations of a qualified applicant or employee. The Company also acts diligently to recruit, select and place in its workforce qualified minority group members, women, disabled veterans and individuals with disabilities.

All employees are expected to follow these equal employment opportunity and affirmative action policies and to refrain from expressing unsupportive views when serving as Company representatives. Adherence to these policies is a condition of employment at the Company.

### • Respect for Diversity

Diversity in the workplace simply means valuing differences – all types of people, from all walks of life. This is consistent with the Company's corporate values. Each individual brings his or her own unique experiences and views to make us a preeminent healthcare organization. Sometimes these differences are clearly seen; sometimes they are transparent to all.

The Company embraces and values differences in the workplace in order to gain the widest array of ideas, experiences and cultures that will help us maintain a competitive advantage in the diversified world in which we all live and work.

### • Prohibition Against Sexual Harassment

The Company voluntarily complies with all federal and state laws that prohibit discrimination, including sexual harassment in the workplace. Sexual harassment includes the following:

- Unwelcome sexual advances
- Requests or demands for sexual acts or favors
- Verbal, physical or visual conduct of a sexual nature that might create an uncomfortable or hostile work environment
- Unwelcome sexual advances or requests for sexual favors or other conduct of a sexual nature as a condition of an employee's continued employment or employment decisions affecting the employee

*Each employee can expect to work in a professional atmosphere without fear of retribution.*



- Unreasonable conduct that interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment

Such conduct might include sexually oriented "kidding," "teasing" or "joking;" making derogatory comments based on gender; repeated unwelcome flirtations and touching; and the display of objects or pictures of a sexual nature.

If you or a fellow employee has been the subject of sexual harassment, you should report the alleged charge to your manager. If the manager is the source of the alleged harassment, or if you prefer not to go to your manager, you should report the problem to your department head or to the Human Resources Department. All allegations will be investigated, and the related information will be held in the strictest confidence possible. Those engaging in sexual harassment will be subject to corrective action, up to and including discharge.

Report any suspected incidence of sexual harassment at the earliest possible date so that a thorough investigation can be discreetly conducted. Complaints and investigations are kept as confidential as possible in the context of conducting a complete and thorough investigation.

Sexual harassment, as well as retaliation against an individual for making a complaint or participating in the investigation of a complaint, is against the law. Violations of this policy will not be tolerated. Violators will be subject to disciplinary action, up to and including discharge.

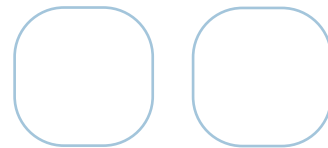
False accusations of sexual harassment will result in severe disciplinary actions, up to and including discharge.

- **Disabled Employees and Applicants**

No employee of the Company shall discriminate, with respect to any offer, term, condition, or privilege of employment, against any qualified individual with a disability. The Company makes reasonable accommodations to the known physical and mental limitations of qualified individuals with disabilities, unless this accommodation imposes an undue hardship on the Company's operations.

A qualified individual with a disability is one who, with or without accommodations, can perform the essential functions of the job. Applicants as well as current employees are protected by this policy and by the Americans with Disabilities Act.

*The Company is strongly committed to providing a safe and healthy work environment.*



XIII. ILLEGAL SUBSTANCES

The Company prohibits the use, possession or distribution of any illegal substances as well as the abuse of legal drugs or alcohol. The ability to perform one's work is compromised by the use of drugs and alcohol, and this will not be tolerated. The Company is strongly committed to providing a safe and healthy working environment.

You are to report for work on time and in appropriate mental and physical condition. Reporting to work with any illegal or non-prescribed drug in your system over the cut-off limits for drug testing or reporting to work under the influence of alcohol violates this policy and may subject you to disciplinary action, up to and including discharge. An employee whose alcohol level is 0.04g/ml (blood alcohol content) will be considered under the influence of alcohol.

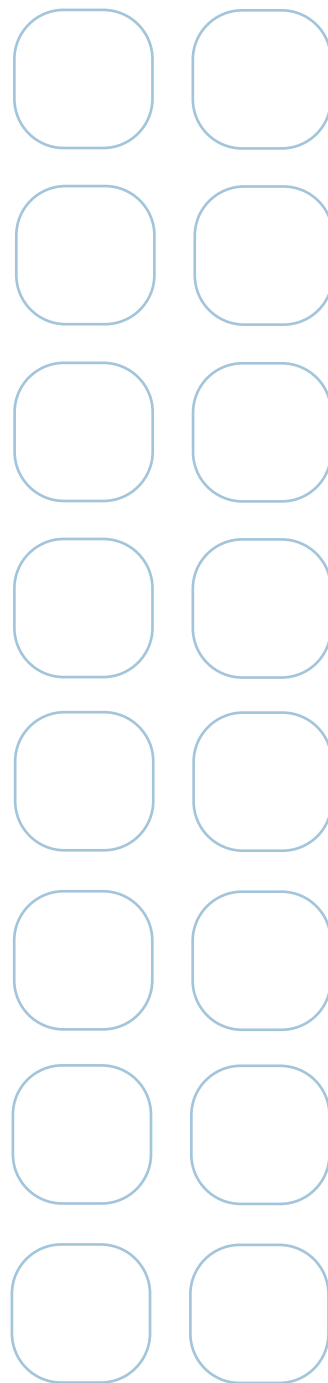
The legal use of prescribed medication is not prohibited. However, prescription medication may impair your ability to perform your job functions. You are required to notify your manager if prescribed medication may or does have any adverse effect upon your work performance or judgment. Failure to do so is considered a violation of this policy. Excessive use of alcohol or the illegal use or possession of controlled substances off Company premises is prohibited if it adversely affects work performance or the Company's reputation.

Law enforcement authorities will be notified whenever illegal drugs are found in the workplace and the Company will cooperate with law enforcement officials in enforcing all laws. Employees must notify Human Resources in writing within five calendar days after any criminal conviction for the manufacture, distribution, dispensation, possession or use of narcotics, drugs or other controlled substance at the workplace. Criminal conviction is defined as a finding of guilt, an imposition of sentences, a plea of no contest or a plea of guilty. Convictions result in Company discipline, up to and including discharge. The Company must notify all federal contracting agencies of such convictions within 10 calendar days after receiving notice.

The Company will conduct educational programs about the dangers of drug abuse in the workplace, the Company's substance abuse policy, and available assistance to combat substance abuse problems. Managers will be trained to identify and address illegal drug use by employees.

A urine drug screen test, breath or blood alcohol test and/or other approved medical testing procedures may be used by the Company to control or detect drug or alcohol use. These tests

*Drug testing is required as part of the final job selection process.*



Refusal to submit to a random drug screening is cause for immediate dismissal.



may be utilized in, but are not limited to, the following circumstances:

- **Testing of Job Applicants**

All applicants, including former employees who are candidates for rehire, will be drug tested as part of the final selection process.

Candidates for hire will be advised of the testing requirements in writing prior to an offer of hire. All candidates for hire must complete, sign and date a Chemical Screening Consent and Release Form. This form must be witnessed and dated by an authorized designee of the Company.

The Human Resources Director will be notified of the results of any testing for job applicants as allowed by law, with the results treated confidentially. Candidates testing positive for illegal or non-prescribed substances will be notified and given the opportunity to obtain confirmation. Confirmation of positive test results will make the applicant permanently ineligible for hire.

- **Testing of Current Employees**

Current employees may be required to submit to a chemical or drug test under the following circumstances:

- When there is reasonable cause to suspect that an employee has prohibited substance(s) in his/her system or is violating the Company's illegal substance, drug and alcohol policy
- Possession of suspected illegal or unauthorized drugs or alcohol
- Violation of company safety policies
- As part of an investigation of a work-related accident or injury
- As part of the Company's random drug screening process
- As part of the Company's required monitoring or aftercare

Any employee refusing to be tested or found to have violated this policy may be subject to disciplinary action, up to and including discharge.

- **Random Testing**

From time to time, a random selection of the current workforce will be drug tested by a licensed third-party designee of the Company. Companywide random screenings may be conducted at irregular times. Selected employees will be notified by the third party and must submit to a urine drug test.

Procedures used to collect, test, assess and report such results are determined by this same third party and conducted in accordance with applicable law. All initial positive results will be confirmed by further testing and reviewed. Any employee testing positive as a result of a random drug screening may be subject to discipline, up to and including discharge. Refusal to submit to such a test is cause for immediate dismissal.

All information regarding employee drug screening results is highly confidential and is available only to the Vice President of Human Resources.



1-800-973-7707

#### XIV. REPORTING VIOLATIONS AND SEEKING ASSISTANCE

You are encouraged to report any actual or suspected violation of the Code of Business Conduct. You may first take the matter to your manager, the Compliance and Integrity Office or, if appropriate, to the Human Resources Director or a member of the Legal Department.

All employees or Board members are obligated to alert the Company to any violations. Any employee or Board member violating this Code of Business Conduct is subject to disciplinary action, which may include discharge.

Persons to whom you report an incident may refer it to others for assistance or action. Steps will be taken to protect anonymity and confidentiality where warranted. You will be protected for a good faith report of a suspected violation.

You should refer to the Employee Guide located on the Company Intranet for the full policy regarding the investigation of reported violations and disciplinary actions for code violations.

#### XV. CORPORATE COMPLIANCE AND ETHICS HELPLINE/HOTLINE

1-800-973-7707

You should report any suspected or actual Code of Business Conduct violation, accounting, internal control or auditing irregularities directly to the Compliance and Ethics helpline/hotline. Also, please contact us if you have any questions or need guidance on making ethical business decisions.

If you have a question or concern that you feel uncomfortable discussing with your manager or Compliance Officer, a toll-free line – 1-800-973-7707 – is available 24 hours a day, 365 days a year.

#### Contacting the Compliance and Integrity Office

Employees may contact the Compliance and Integrity Office by any of the following means:

- Call:** 1-800-973-7707
- Write:** Compliance and Integrity Office  
5525 Reitz Avenue  
Baton Rouge, LA 70809-3802  
or (for anonymous reports)  
P. O. Box 84656  
Baton Rouge, LA 70884-4656
- Fax:** 225-295-2599
- E-mail:** [compliance.office@bcbsla.com](mailto:compliance.office@bcbsla.com)

Employees who no longer work for the Company can still contact the Compliance and Integrity Office with questions or concerns.



# Let Pride Be Your Guide

OUR GOAL:  
AN ETHICAL WORK ENVIRONMENT

## Warning Signs

**You may be on thin ethical ice when you hear...**

- “Well, maybe just this once...”
- “No one will ever know...”
- “It doesn’t matter how it gets done as long as it gets done.”
- “It sounds too good to be true.”
- “Everyone does it.”
- “Shred that document.”
- “We can hide it.”
- “No one will get hurt.”
- “What’s in it for me?”
- “This will destroy the competition.”
- “We didn’t have this conversation.”

**If you find yourself using any of these sentences, take the following Quick Quiz and make sure you are on solid ethical ground.**

## Quick Quiz

**When in doubt, ask yourself...**

- Are my actions legal?
- Am I being fair and honest?
- Will my action stand the test of time?
- How will I feel about myself afterward?
- How will it look in the newspaper?
- Will I sleep soundly tonight?
- What would I tell my child to do?

**If you are still unsure of what to do, ask ... and keep asking until you are certain you are doing the right thing.**





## CERTIFICATION AND ACKNOWLEDGMENT

*I hereby certify and acknowledge that I have received training on the Code of Business Conduct and Compliance and Integrity Program, training on privacy policies and procedures, privacy principles, security procedures and confidentiality for Blue Cross and Blue Shield of Louisiana and its subsidiaries. I agree to comply with all corporate policies regarding the Code of Business Conduct, confidentiality, security and privacy. I understand that I will be held accountable if I do not follow all of these policies.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Department

\_\_\_\_\_  
Position

\_\_\_\_\_  
Employee No.

### RETURN TO COMPLIANCE AND INTEGRITY OFFICE



An independent licensee of the Blue Cross and Blue Shield Association.



**BlueCross BlueShield  
of Louisiana**  
An independent licensee of the Blue Cross  
and Blue Shield Association.

As an employee in a highly regulated industry, you may be approached by a regulatory or law enforcement representative. The Company wishes to fully cooperate with any such representative. However...

## Know Your Options

First, immediately contact the

Legal Department or Compliance and Integrity Hotline  
**225-295-2555** or **1-800-973-7707**

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### HANDY REFERENCE GUIDE

Employees are encouraged to contact the Compliance and Integrity Office by any of the following means:

Call: 1-800-973-7707

Write: Compliance and  
Integrity Office  
5525 Reitz Avenue  
Baton Rouge, LA  
70809-3802

or (for anonymous reporting):

P. O. Box 84656  
Baton Rouge, LA  
70884-4656

Fax: 225-295-2599

E-mail: [compliance.office@bcbsla.com](mailto:compliance.office@bcbsla.com)

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# standards of integrity



## CODE OF BUSINESS CONDUCT

CERTIFICATION AND ACKNOWLEDGMENT CARD

### What are Your Options?

You may request that you be interviewed during normal business hours.

You should insist on the name of the person and the agency he/she is representing.

You may request that your attorney be present.

**All inquiries regarding the Company must be directed to the Legal Department or proper response.**

### WHEN IN DOUBT, ASK YOURSELF...

- Are my actions legal?
- Am I being fair and honest?
- Will my action stand the test of time?
- How will I feel about myself afterward?
- How will it look in the newspaper?
- Will I sleep soundly tonight?
- What would I tell my child to do?





# BlueCross BlueShield of Louisiana

An independent licensee of the  
Blue Cross and Blue Shield Association.