

L.A. Care
HEALTH PLAN®

For All of L.A.



CODE OF CONDUCT



**ELEVATING
HEALTHCARE**
IN LOS ANGELES COUNTY
— SINCE 1997 —



Dear Colleagues,

At L.A. Care, we pride ourselves on being rooted in integrity and accountability, and our relationships and business practices are reflective of these principles. Our responsibility to do the right thing drives our purpose. Our Code of Conduct (Code) is a reflection of the commitment L.A. Care has to our mission and our members.

The Code is a guide to ensure compliance with the rules and regulations that govern our business. If we thoughtfully apply this Code to all facets of our business, we will fulfill our promise to operate in agreement with the law, company policies and procedures, and our core values. While the Code is not designed to cover every possible situation, it does provide you with examples of everyday scenarios to assist you in proactively addressing issues. Additionally, the Code is intended to provide overall guidance on making ethical decisions, using good judgment and working with integrity while fulfilling your roles and responsibilities.

Compliance with L.A. Care's Code and other regulatory requirements is everyone's responsibility. I strongly encourage each of you to read and understand our Code – and follow it every day. Please consult it as needed. If you are aware of an issue that might be in violation of this Code, it is your responsibility to report it to your immediate supervisor or the Chief Compliance Officer, or call the Compliance Helpline at 1.800.400.4889. Your ongoing commitment to compliance, all company policies, and the laws and regulations applicable to our business establishes a foundation for our success. Thank you for standing with me as we continue to elevate healthcare for our members in the most ethical way.

Sincerely,

A handwritten signature in black ink that reads "John Baackes". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Baackes".

John Baackes
Chief Executive Officer



I. Introduction

As you become familiar with this Code of Conduct ("Code"), keep in mind that compliance with laws and regulations and ethical behavior presented in this Code represent a framework for doing our best each day we come to work. We developed this Code based on the following guiding principles:

1

Honesty and integrity are based on truthfulness and the absence of deception and fraud.

2

We must be accountable and accept responsibility for our actions, including working diligently to correct our errors and to help L.A. Care Health Plan ("L.A. Care") achieve our mission.

3

Books, records and documents must be created and maintained for L.A. Care's business and transactions to be accurate.

4

Everyone subject to this Code must acquire knowledge, make sound decisions and use the authority delegated to them only in the best interests of L.A. Care.

This Code establishes and communicates general guidelines and principles and does not attempt to anticipate or address every situation that may occur. Since the Code cannot address every situation you might encounter, L.A. Care relies on your good judgment and values to uphold the spirit and intent of the Code. If you are faced with a difficult situation, you should consult your manager. You may also contact your Chief Compliance Officer, Human Resources business partner, the Chief of Human Resources, any member of the Leadership Team, and/or an attorney in the Legal Services Department. The Compliance Hotline at 1.800.400.4889 may also be used to report your concerns.

At L.A. Care we are creating a workplace and culture that embodies our mission to provide access to quality health care of L.A. County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose. Our decisions can directly affect our members, providers, and business associates. The Code is here to guide you in making the most ethical decisions to preserve our culture and support our values.

Your Responsibilities:



- Annual Code of Conduct Acknowledgment to confirm you have read and understand this Code;
- Know, understand, and comply with our policies and applicable laws, regulations and other requirements;
- Disclose any possible or actual conflict of interests; and
- Raise concerns you may have about possible Code violations.

The Code is a resource for all of us and provides us with guidance on conducting our business ethically. It also helps protect our members, providers, other business partners and our reputation. This Code applies to L.A. Care affiliates, Board of Governors, officers, management, community advisory committees, employees, temporary staff, volunteers, contractors, consultants, interns, vendors, and providers (hereinafter collectively referred to as "Covered Individuals").

II. Our Guardrails - Laws, Regulations and L.A. Care Policies

We are accountable for compliance with applicable laws, regulations, our obligations to each other, our policies and procedures, and with provisions of this Code. When we take accountability for our actions, we recognize our errors and demonstrate our commitment to correcting them.

L.A. Care develops and implements policies that govern our business operations. Those subject to the Code are required to comply with the most current L.A. Care policies and procedures. Moreover, all employees are required to comply with applicable federal and state laws, rules and regulations. While it is difficult to know the details of these laws, it is important to know enough to determine when to seek advice from work team leaders or other appropriate management personnel.

III. Ethics and Integrity

L.A. Care is committed to the highest standard of business ethics. Covered Individuals must conduct business with candor and honesty and should not make any false or misleading statements to any persons, members or entities doing business with L.A. Care or about goods and services provided by L.A. Care.

Conflicts of Interest

All Covered Individuals must always act in the best interest of L.A. Care and our members. In addition to conflicts under applicable Conflict of Interest Laws¹, conflicts of interest may occur if activities, actions, or relationships influence or appear to influence an individual's ability to make objective and effective job-related decisions. Those subject to the Code cannot participate in outside activities that create a conflict of interest or a potential conflict of interest. In these cases, employees must seek approval from their manager, Legal, Human Resources or Executive Management

before engaging in outside activities. Managers must connect with HR, Legal, and/or Compliance when issues of potential or actual conflict of interest is reported directly to them.

The following is a non-exhaustive list of examples of relationships/activities that may give rise to an actual or potential conflict of interest that should be reported:

- Direct supervision of or responsibility for performance evaluation, pay, or benefits of any close relative (L.A. Care P&P Conflict of Interest: External Employment).

¹ "Conflict of Interest Laws" mean California Government Code 1090 et seq., California Political Reform Act (Government Code Section 81000 et seq.) and common conflict of interest laws. Please refer to additional information available through AB1234 Ethics Training or contact General Counsel or General Legal Services Unit of Legal Services Department.

- Financial interest (as defined under applicable laws) in any company, vendor, consultant, provider or other business associate that conducts business within L.A. Care.
- Gaining personally through access to or use of company confidential information.
- Being employed by or serving as a director, advisor, consultant, etc. of any customer, vendor, supplier, health care provider, or competitor (L.A. Care P&P Conflict of Interest: External Employment).
- Engaging in practices that are inconsistent with sound medical practices, result in re-imbursement by Federal and State health care programs for services that are unnecessary or sub-standard, or services that fail to meet professionally recognized standards of practice.
- Improper influence by financial incentives on decision making.

All staff are required to report any potential or actual conflicts. Existing employees must report ongoing updates for new or potential conflicts of interests.

If an actual, perceived or potential conflict of interest exists, L.A. Care may take whatever action it deems appropriate according to the circumstances to eliminate the actual or potential conflict including without limitation transfer of positions or separation of employment.

L.A. Care reserves the right to determine if other relationships, engagements or activities not covered specifically under the Code represent actual or potential conflicts of interest under applicable standards.

Books and Records

L.A. Care does not allow alteration or falsification of any L.A. Care records.

Record keeping must always be accurate, legal, and proper. L.A. Care is required to submit documents and reports to regulators. These materials and any other L.A. Care communications must be complete, fair, accurate, and timely.

L.A. Care must produce reports and maintain accurate financial records and at no time will L.A. Care misrepresent the financial performance of L.A. Care. L.A. Care ensures that all transactions are executed in accordance with management authorization and are well documented to represent the true nature of transaction. L.A. Care records shall not be altered for any improper use, including without limitation the unauthorized payment or diversion of government funds.

Improper record keeping should be reported immediately to the Chief Compliance Officer.

L.A. Care, as a public agency, is subject to the requirements of California Public Records Act, California Government Code Sections 6250 et seq. ("CPRA"). As such, L.A. Care records are subject to the provisions of this law that allows members of the public to inspect or obtain copies of requested records, unless the information contained, in the requested records or the record itself is protected from disclosure under the CPRA. Any CPRA requests should be referred to General Counsel or General Legal Services Unit of the Legal Service Department.

Access to L.A. Care records may also be subject to applicable L.A. Care policies.

Exclusion from Government Programs

L.A. Care will not hire and/or do business with any Covered Individuals that are, or become excluded by, debarred from, or ineligible to participate in any Federal or State program, whether as a contractor or grantee, or is convicted of a criminal offense in relation to the provision of health care. Covered Individuals must disclose to L.A. Care if they are currently suspended, debarred or otherwise ineligible to participate in any Federal or State program.

Gifts, Entertainment and Honoraria

Covered Individuals must comply with applicable laws and L.A. Care policies relating to gifts, honoraria, and filing of Form 700. Covered Individuals are not allowed to accept, solicit or give any gift that is intended or may appear to influence business decisions. Moreover, Covered Individuals must not make gifts of public funds or assets, or lend credit to private persons without adequate consideration unless such actions clearly

serve a public purpose consistent with the mission and authority of the agency, and are otherwise approved by L.A. Care's legal counsel and are in compliance with applicable law.

We expect you will exhibit high ethical standards of behavior in all dealings with providers, members, vendors, stakeholders or your fellow employees.

IV. Using and Securing Our Assets

L.A. Care Property, Systems, Electronic Communications, and Internet

L.A. Care's systems, including internal electronic mail platforms and use of the internet through organization-issued devices, are considered L.A. Care property and are intended for use in conducting official L.A. Care business. Employees may not send any communications through using L.A. Care systems containing material or language that may reasonably be considered offensive or disruptive, or inconsistent with L.A. Care policies, procedures or any applicable laws. L.A. Care reserves the right to open, inspect, and have complete access to all L.A. Care property, files and communications transmitted or received through company systems.

Never share your passwords or access codes with anyone.

There is no expectation of privacy in any communication, transmission, posting, documentation, data or other information created, stored transmitted, viewed, downloaded, posted, received on or through, sent on or through any of L.A. Care's technology sources, including without limitation the Internet and emails or L.A. Care devices and electronic equipment, including without limitation computers, laptops, electronic tablets, notebook, cell phones, smart phones, or other such devices. There is no reasonable expectation of privacy while using the Internet, since internet and public postings can be reviewed by anyone, including L.A. Care. Lastly, L.A. Care reserves the right to monitor or review

any comments, postings, discussions, or content about L.A. Care, members, and providers posted on the Internet by anyone and created, transmitted, stored, delivered, received, posted, viewed, downloaded, sent through any L.A. Care electronic equipment or technology source (as defined in L.A. Care's Social Media policy and relevant IT policies).

Health Insurance Portability and Accountability Act

All subject to the Code must ensure that confidential and proprietary information is not improperly used or disclosed except as specifically authorized by L.A. Care policy and/or applicable law. All subject to the Code must also adhere to the rights of our members' confidentiality and the protection of their protected health information (PHI). Member PHI must be protected in accordance with the Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health Act (HITECH), the California Confidentiality of Medical Information Act (CMIA), other applicable federal and state privacy laws, contractual requirements and L.A. Care's policies and procedures. L.A. Care has privacy, information security, and breach notification policies that delineate how PHI must be properly used within the organization, as well as how it will be lawfully, securely disclosed to external entities.

Confidential Information

During your services at L.A. Care, you have access to or may create (a) various written or electronic materials, and/or (b) other varieties of communications, correspondence, records, and/or information (including, but not limited to, verbal statements and descriptions, strategic analytical discussion, and voice recordings), that embody, include or relate to L.A. Care's Confidential and Proprietary Information. Unless otherwise required by law, no part of such Confidential or Proprietary Information shall be disclosed by you to any non-L.A. Care personnel without the expressed written approval of L.A. Care's Legal Services Department or an authorized L.A. Care employee. As an employee of L.A. Care, you agree to abide by these obligations after your affiliation with L.A. Care terminates. Upon termination of your service, employment or affiliation with L.A. Care, you shall return to L.A. Care the original and all copies of any documents, materials, emails, electronic data, files and any other records including those in physical, electronic or computerized or any other form containing matters relating to L.A. Care's business and/or any Confidential or Proprietary Information.

Confidential Information includes without limitation any materials, information (whether written or verbal), records, writings (whether in physical or electronic form) or data that is marked "confidential," relates to trade secrets, member information, peer review, protected health information, member rates, provider rates, or is protected by attorney-client, attorney work-product, trade secrets, closed session and/or other privileges, or protected from disclosure by applicable provisions of State or Federal law, including without limitations the California Welfare and Institutions Code and California Public Records Act (Government Code Section 6250 et seq.).

Proprietary Information includes without limitation, L.A. Care's computer programs and codes, business plans, customer/member lists and information, member rate information, member information, financial records, partnership arrangements, business and strategic information and plans, and licensing plans or that is marked confidential or that due to its character and nature, a reasonable person under like circumstances would treat as confidential.

V. Social Media

L.A. Care understands that various forms of communication occur through social media including, but not limited to, Facebook, Twitter, Instagram, LinkedIn, Blogs, YouTube and may occur in the form of social networking, blogging, and video/image sharing.

L.A. Care is prohibited from transmitting confidential or proprietary material or information through any social media platform as defined above, information specific to internal operations, or information that would compromise the confidentiality of protected health information (PHI). Only authorized users (as defined in L.A. Care's Social Media policy) who have been approved by L.A. Care's Communications & Marketing department may represent L.A. Care, post information, make representations or communicate on behalf of L.A. Care on L.A. Care authorized social media or any social media site. No individuals should represent that they are communicating the views of L.A. Care or do anything that might reasonably create the impression that they are communicating on behalf of or as an authorized or designated representative of L.A. Care on their own personal Social Media sites.

VI. Meetings

Public Meetings

Meeting of L.A. Care's Board, its standing committees, as well as meeting of L.A. Care's community advisory committees are conducted in accordance with the requirements of Ralph M. Brown Act, California Government Code Sections 54590 *et. seq.* All persons are permitted to attend any public meetings of L.A. Care, except as otherwise provided in the law.

Internal and Confidential Meetings

With the exception of public meetings held pursuant to the Ralph M. Brown Act discussed above, California law prohibits recording or taping conversations or meetings without the other participant's knowledge and consent. Accordingly, it is impermissible to tape or record any meetings or conversations, unless all parties are aware and specifically consent to the taping of a meeting or a conversation, even if recording is done for the purpose of capturing accurate information, notes or minute-taking.

VII. Fraud, Waste, and Abuse

Fraud, waste, and abuse is harmful to L.A. Care and our members, but also our entire industry and the entire healthcare system. We are all responsible for protecting L.A. Care, members, and business partners from fraud, waste, and abuse.

Health insurance fraud is described as an intentional act of deceiving, concealing, or misrepresenting information that results in health care benefits being paid to an individual or group. Fraud can be committed by both a member and a provider.

Examples of fraud committed by a member include without limitation:

- Using another individual's identity or documentation of eligibility to obtain covered services.
- Selling, loaning or giving a member's identity for any services covered by a health plan business product (other than a family member to obtain covered services on behalf of a member).
- Failing to report other health coverage.

Examples of fraud committed by a provider include without limitation:

- Billing for services not rendered.
- Receiving, soliciting, or offering kickback, bribe or rebate to refer or not refer a member.

- Providing services while under suspension when license has been revoked.

Everyone in the organization is responsible for reporting suspected fraud, waste, or abuse. The company is committed to detecting, correcting, and preventing fraud, waste, and abuse. Suspected fraud, waste, or abuse should be reported to L.A. Care's Special Investigations Unit (SIU) at ReportingFraud@lacare.org, [management](#), Chief Compliance Officer, 24/7 toll-free Compliance Helpline at 1.800.400.4889, or anonymously at lacare.ethicspoint.com.

Special Investigations Unit

L.A. Care's Special Investigations Unit (SIU) is responsible for performing internal and external investigations into all fraud and abuse allegations of or suspected activities associated with L.A. Care programs, members and providers. The SIU, in consultation with relevant internal management and Legal Services department, refers suspected fraud matters to the appropriate state and federal regulators and assists law enforcement by providing information needed to conduct investigations.

VIII. False Claims Laws and Whistleblower Protections

Federal and State false claims laws impose liability on healthcare providers when they knowingly submit false claims.

Under the federal False Claims Act, any person who knowingly submits – or causes the submission of – a false or fraudulent claim for payment by the United States Government is liable for (i) a penalty of up to three times the government’s damages, (ii) additional civil penalties, and (iii) the costs incurred in bringing the case. The federal False Claims Act applies to claims submitted for payment by Medicare, Medicaid, or any other federally-funded program.

The federal False Claims Act contains a provision that protects a whistleblower from retaliation by his employer. This applies to any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his or her employment as a result of the employee’s lawful acts in furtherance of a false claims action.

California has adopted its own prohibition on false claims. Specifically, the California False Claims Act (“CFCA”) prohibits:

- Anyone from submitting a false or fraudulent claim to the state or local government or their political subdivisions, such as L.A. Care; and
- Anyone who benefits from a claim, and later discovers the falsity of the claim, from failing to disclose the false claim to the applicable state or local government.

Each violation of the CFCA is punishable by a civil penalty of up to \$11,000 (Cal. Gov. 12651(a)), and an assessment of up to three times the value of the false claim. Similar to the federal law, CFCA includes whistleblower protections against retaliation for making a good faith complaint.

IX. Government Contracting/ Government Interactions and Political Activity

L.A. Care engages with government agencies and officials as legislators, regulators and customers. These business transactions are closely scrutinized.

Government contractors are often legally required to comply with special contract provisions, including reporting to the contracting agency in a timely manner certain violations of law, policies or the contract, and cooperating with government audits and investigations. L.A. Care employees are required to understand and comply with all government contract requirements. For more information regarding government contracts, please contact Government Affairs and/or the Compliance Department.

L.A. Care funds, property, and/or resources shall not be used for political activity. At no time may a Covered Individual imply that his or her personal political views represent those of L.A. Care.

❖ X. Our Workplace Behavior

L.A. Care is committed to maintaining a workplace that is free from unlawful harassment or actual or threatened violence. Our working environment should promote respect and appreciation for our differences and acknowledge the value of diversity to our organization. We do not tolerate any type of unlawful harassment of Covered Individuals and expect our Covered Individuals to treat one another with the utmost respect and support.

L.A. Care will not tolerate unlawful discrimination on the basis of race, color, religion, gender, national origin, ancestry, age, physical disability, mental disability, medical condition, family care leave status, veteran status, marital status, sexual orientation, or any other category protected under applicable laws. Furthermore, L.A. Care will not tolerate violence or threats of violence, bullying or unlawful harassment in any form in the workplace, at work-related functions, or outside of work

when representing L.A. Care. L.A. Care expects everyone covered by this Code to comply with L.A. Care's Anti-Harassment and Anti-Discrimination policy.

L.A. Care is committed to maintaining a drug and alcohol free workplace. The use, sale, purchase, possession or distribution of illegal drugs, the abuse of legal drugs, and the possession, use, or sale of alcohol while on L.A. Care property are prohibited.

❖ XI. Violation to the Code

Violating this Code, L.A. Care policies, procedures, laws, regulations or our contractual obligations not only has potential legal and regulatory consequences, but also compromises L.A. Care's reputation. Unethical or illegal acts can never be justified.

No Covered Individual is ever authorized to commit or direct another employee to commit an unethical or illegal act. All violations of this Code, policies, procedures, contractual obligations, or laws will be taken seriously and will result in discipline, up to and including immediate termination of employment, termination of contract, and possible legal action, including referral to law enforcement, when appropriate.

Whether you are an L.A. Care affiliate, Board member, officer, management, community advisory committee member, temporary staff, volunteer, contractor, consultant, or intern, you may be subject to an action by L.A. Care, including without limitation immediate termination of employment, removal from community

advisory committee, immediate termination of contract if you:

- Fail to follow this Code or any L.A. Care policies and, procedures;
- Fail to comply with any laws/regulations that apply to L.A. Care;
- Fail to share information, or provide false information in connection with an investigation, about a violation of the Code, law, regulation or policy.
- Retaliate against a Covered Individual who reports a suspected violation, in good faith; or
- Neglect to address or report a violation of the Code, law, regulation or policy.

XII. Reporting

It is not possible to maintain such accountability without taking action to address our mistakes. Moreover, it is not possible to correct our errors unless we nurture a culture of reporting. All Covered Individuals must promptly and appropriately report actual or potential wrongdoing, including actual or potential violations of law, regulation, policy, procedure, contractual obligations, ethics or the Code. L.A. Care encourages and requires its Covered Individuals to express their problems, concerns, and opinions on any compliance issue in accordance with L.A. Care's Non-Retribution/Non Retaliation policy.

Reporting Potential Violations

To report potential violations, you can contact:

- Chief Compliance Officer
- Chief of Human Resources
- HR Business Partner
- Any member of management Team
- 24/7 Toll-Free Compliance Helpline by calling 1.800.400.4889
- lacare.ethicspoint.com
 - Reporting can be done anonymously

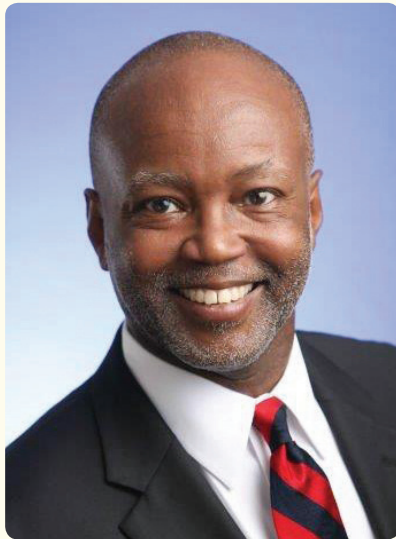
Non-Retaliation

Covered Individuals who, in good faith, report a possible violation of law, regulation, policy, procedure or the Code will not be subjected to retaliation, retribution or harassment in accordance with L.A. Care's Non-Retribution/Non Retaliation policy. No Covered Individual at any level is permitted to engage in unlawful retaliation, retribution or any form of unlawful harassment against any other Covered Individual for reporting such a concern in good faith. Anyone who conducts or condones such retribution, retaliation or harassment in any way will be subject to discipline, up to and including discharge.

All Covered Individuals are required to comply with L.A. Care's Non Retribution/Non Retaliation Policy. No Covered Individuals at any level is permitted to engage in retribution or any form of unlawful harassment against an L.A. Care Member for exercising their member rights. Anyone who conducts or condones such retribution, retaliation or harassment in any way will be subject to discipline, up to and including discharge.

Resources

If the Issue Concerns:	Contact this Resource:
Human Resource: <ul style="list-style-type: none"> • Employment practices • Harassment • Respect in the workplace • Workplace behavior HR Policies	Your HR Business Partner Chief of Human Resources
Misuse of Company Resources	Chief Compliance Officer LACareComplianceOfficer@lacare.org Compliance Hotline 1.800.400.4889
Fraud, Waste, and Abuse	Special Investigations Unit (SIU) ReportingFraud@lacare.org Compliance Hotline 1.800.400.4889
Conflicts of Interest	Chief Compliance Officer or General Counsel/Designee LACareComplianceOfficer@lacare.org Compliance Hotline 1.800.400.4889
Political Activities	Government Affairs GovernmentAffairs@lacare.org 1.213.694.1250 ext. 5481
Contracts with Regulatory Agencies	Compliance LACareComplianceOfficer@lacare.org
Contacts to/from Media	Communications pgriego@lacare.org 1.213.694.1250 ext. 4560
Privacy/PHI Issues	Privacy Officer privacyofficer@lacare.org 1.213.694.1250 ext. 4186



Compliance Officer Message

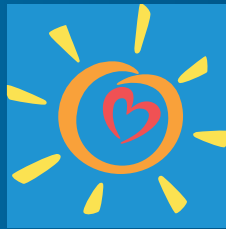
The Code is a guide that helps us serve our members, government agencies, vendors, other businesses and each other. They all count on your actions as individuals and, ultimately, as representatives of L.A. Care.

In 2017, we celebrated 20 years of delivering high quality healthcare throughout Los Angeles County. We must have your support for our mission and commitment to this Code to pursue the challenges that await us over the next 20 years. Our reputation and success as a leader in healthcare depends on it.

Thank you for joining us on this journey and for living the values that elevate healthcare for our members.

A handwritten signature in black ink, appearing to read "T. F. Mapp", on a light beige rectangular background.

Thomas F. Mapp
Chief Compliance Officer



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lacare.org

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