

# CODE OF CONDUCT

PacificSource  
PacificSource Health Plans  
PacificSource Administrators, Inc.  
PacificSource Community Health Plans  
PacificSource Community Solutions  
PacificSource Assurance, Inc.

Approved by Audit and Compliance Committee on: March 14, 2023  
Approved by Board on: March 14, 2023

## A Message from John Espinola

Dear Colleague:

At PacificSource, its subsidiaries and affiliates (collectively, "PacificSource"), we are committed to our corporate mission to provide better health, better care, and better cost to the people and communities we serve. Our vision and company values support this mission, along with a number of dedicated employees and partners.

This Code of Conduct is an expression of our commitment to conduct ourselves and our businesses in a highly ethical manner and in compliance with federal and state laws, as well as our internal policies and procedures. We have a strong culture of compliance and have a robust, integrated Compliance and Program Integrity Plan (CPIP), which includes this Code of Conduct.

Please take some time to read this Code of Conduct document. It will help you understand your role and obligations as a PacificSource employee, PacificSource Board of Directors' member, or Delegate/Delegated Entity. For PacificSource personnel, please discuss any questions you have with your supervisor or PacificSource's Corporate Compliance Officer. Delegate/Delegated Entity's may also contact the PacificSource Corporate Compliance Officer or other members of the Compliance Department with their questions.

Thank you for your attention and for your continued dedication to serving our members in the best and most ethical manner.

Sincerely,

John Espinola  
President and Chief Executive Officer

## The PacificSource Code of Conduct

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This Code of Conduct articulates the PacificSource culture of compliance and ethical behavior. We expect and require that all members of the PacificSource community abide by the highest standards of integrity, including employees, non-employee committee members, Board members, subsidiaries and affiliates, and applicable vendors and business partners. Remember, it is everyone's responsibility to be compliant, regardless of job level.

Although this Code of Conduct does not cover every situation that may arise in the course of daily business, it provides general guidelines and directs you to seek additional information when it is needed. More specific guidance is provided in PacificSource's policies and procedures, as well as the Compliance and Program Integrity Plan (CPIP).

While there is no single standard that governs all situations, the use of available resources, good judgment and common sense combined with personal integrity and honesty is the best guide to assure that business activities are conducted with the highest ethical standards.

You are expected to represent PacificSource honestly and accurately.

You are expected to act with integrity.

You are expected to treat others with respect – whether a member, customer, co-worker, regulator, Delegate/Delegated Entity, supplier or competitor.

## Reporting Compliance and Fraud Waste and Abuse (FWA) Concerns

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PacificSource maintains various lines of communication to ensure confidentiality in reporting. The communication channels are accessible to all. When you have a compliance or FWA issue, concern, or potential violation, you may report it through any of the following methods

1. Report to your immediate supervisor.
2. Report to your manager.
3. Report to any member of the Executive Management Group (EMG).
4. Report to any manager or director of the Human Resources (HR) Department.
5. Report to the Compliance Department:  
[https://secure.compliance360.com/ext/xqcNbonaGH1aTpQbUP6\\_QQ==](https://secure.compliance360.com/ext/xqcNbonaGH1aTpQbUP6_QQ==)
6. Report directly to the Corporate Compliance Officer:  
[ComplianceOfficer@PacificSource.com](mailto:ComplianceOfficer@PacificSource.com)
7. Report to the General Counsel: Kristi Kernutt  
541-225-1967  
[Kristi.Kernutt@PacificSource.com](mailto:Kristi.Kernutt@PacificSource.com)

8. Report to Deputy General  
Counsel Sam Roberts  
541-684-5214  
[Sam.Roberts@pacificsource.com](mailto:Sam.Roberts@pacificsource.com)
9. Report to the Vice President of  
HR: Stephanie Pimmel  
541-225-3751  
[stephanie.pimmel@pacificsource.com](mailto:stephanie.pimmel@pacificsource.com)
10. Report anonymously to EthicsPoint 24 hours a day/7 days a  
week: Phone: 1-888-265-4068  
<https://secure.ethicspoint.com/domain/media/en/gui/16499/index.html>

If you are a PacificSource Delegate/Delegated Entity, in addition to any of the methods outlined above, you may report to your PacificSource contract administrator.

You have an obligation to report compliance and FWA concerns that you may have to the appropriate channel. You are also expected to assist in the investigation and resolution of these issues. Failure to do so may result in disciplinary actions, up to and including termination of employment or contract.

In addition, employees can request clarification on a regulatory or compliance question or request an interpretation of the rule by contacting the Corporate Compliance Officer directly or any member of the Compliance Department, as well as the General Counsel or Deputy General Counsel via the reporting channels above.

Please also refer to our Reporting of Ethical or Legal Concerns policy.

## Your Protections; Non-Retaliation

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If you report a potential violation of this Code of Conduct, your report will be kept confidential as permitted by law and to the extent possible consistent with our obligation to investigate and resolve your report. If you report through EthicsPoint, you can choose to remain anonymous.

PacificSource has a strict policy prohibiting retaliating against an employee who makes a good faith report of a potential compliance or FWA issue. All employees are required to support both the letter and spirit of this commitment. Those who retaliate against an individual who makes a good faith effort to report a potential compliance or FWA issue will be subject to PacificSource's disciplinary policy.

If you suspect that you are being retaliated against for making a good faith report of a potential compliance or FWA issue, you may contact any person(s) listed in the reporting channels above. Your allegation of retaliation will be investigated by the appropriate personnel, and those who are found to have violated PacificSource's non-retaliation policy will be subject to the disciplinary policy.

## Code of Conduct versus Employee Handbook

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For PacificSource employees, when you review your Employee Handbook, some of what you read here will be familiar. The main difference between the two documents is that the Code of Conduct reflects our values and directs the manner in which we conduct our business. The Employee Handbook is more specific – it defines the rules for our actions and activities. For example, in the Code of Conduct, we talk about respect for co-workers and business colleagues. In the Employee Handbook, we detail our policies against discrimination and harassment.

## Conflict of Interest

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A conflict of interest is when employment or a relationship outside of PacificSource (or other activities) creates any actual, potential, or apparent conflict in your ability to do your job, and in particular your ability to make an objective decision that is in PacificSource's best interest. Simply put, any such activities and relationships are not allowed without disclosing the potential conflict and obtaining consent beforehand from PacificSource.

Examples of such conflicts of interest include, but are not limited to:

- Acting as a consultant, advisor, employee or independent contractor of/with a PacificSource competitor, customer or Delegate/Delegated Entity.
- Owning any significant interest in any business or organization that does or seeks to do business with PacificSource.
- Using any company assets or resources for personal gain or advantage.

If you face such a situation, discuss it with your immediate supervisor or refer to PacificSource's Conflict of Interest policy. By signing the annual acknowledgement of this Code of Conduct, you attest that you are either free of any conflict of interest or that you have disclosed any potential conflict of interest to PacificSource. See more on conflict of interest and employment of relatives in the Employee Handbook or the Conflict of Interest policy.

## Gifts; Hospitality; Entertainment

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Our business transactions with Delegates/Delegated Entities, suppliers, contractors, and other third parties must be free from influence and even the appearance of influence. In general, you cannot accept gifts and business courtesies unless the specific conditions identified in the Employee Handbook are met. Most important is that there are no strings attached, in that the gift or courtesy is not given with the expectation that you will use your position as a PacificSource employee to influence the business dealings with the third party.

## Inducements

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PacificSource does not allow employees to use any financial or other type of reward that could be seen as trying to induce: (1) potential beneficiaries to join PacificSource; (2) providers to deny or limit care; or (3) anyone to commit fraud, waste or abuse. The use of incentives, bribes, or kickbacks to induce such behavior is strictly prohibited.

## Political Activity and Lobbying

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PacificSource employees are free to participate in and contribute to political organizations or campaigns. You must, however, do so as an individual. You may not hold yourself out as a representative of PacificSource in any of these types of activities, nor may you get reimbursed by PacificSource for anything related to these activities.

PacificSource has many contacts and dealings with governmental bodies and officials. These contacts are related to specific job functions and are often focused on the oversight functions provided by such governmental bodies. In addition, we may analyze and take public positions on issues related to our operations. We focus on areas within our expertise and our efforts often consist of making recommendations concerning legislation or regulations being considered. These latter efforts are coordinated through our Government Relations department.

## Confidentiality

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We work in an industry that contains highly sensitive information – the confidentiality of which is highly regulated. Every PacificSource employee must be aware of what confidential and proprietary information is and maintain the security of both company and member information according to the rules, regulations, and sub-regulatory guidance provided by the government (as well as other legal and ethical standards). Additional information is available to you in the Employee Handbook, as well as our HIPAA policies & procedures.

- **Confidential** means that it is not intended for public knowledge; it may cause harm to an individual or organization if that information becomes public knowledge.
- **Proprietary** means that it is related to or involves PacificSource. Other companies and individuals would also have proprietary information specific to them.
- **Protected Health Information or PHI** is our members' confidential and proprietary health information.
- **Personally Identifiable Information or PII** is any information that identifies an individual directly or indirectly inferred.

PacificSource's confidential and proprietary information is non-public information that is created, recorded, or used in support of PacificSource business. It involves much of our daily work processes and outputs – including PacificSource's plans and strategies.

In general, you should communicate proprietary information with co-workers on a "need-to-know" basis. You should never discuss any confidential information in social situations and may only discuss confidential information in business conversations when there is a need for a co-worker or board member to know that information. For requests for information from persons outside PacificSource, follow your job-specific procedures and PacificSource policies & procedures for requesting and granting confidential information.

PHI is highly sensitive health information about our members and all employees have an obligation to protect it. Examples of PHI include member name, birth dates, and information about medical conditions or treatment. PII is highly sensitive identifiable information about members and employees, such as social security numbers, photos, driver's licenses, passports and more. PacificSource's obligations, member rights, and actions we must take are described in detail in the HIPAA policies & procedures that are available to all employees on the PSWeb.

## Training

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Every year, PacificSource administers general compliance, FWA and HIPAA training to the entire organization. You are required to take these trainings within 90 days of being hired, and annually thereafter. The HIPAA (Health Insurance Portability and Accountability Act of 1996) training includes information on these two important concepts:

- ***Role-Based Access*** means you have access to certain information depending on the tasks you perform at PacificSource. That same access may not be granted to your co-worker.
- ***Minimum Necessary Requirement*** means that you use or disclose only the information necessary to satisfy a particular purpose or carry out a particular function.

## Dealing with an “Excluded Person or Entity”

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An excluded person or entity is one that is not allowed to participate in Medicare, Medicaid, or any federal health care programs for any reason. Most commonly, these are individuals that have been found guilty of irregularities with billing or misrepresentation of credentials. PacificSource cannot, directly or indirectly, employ or contract with any excluded person or entity. PacificSource must ensure that no persons or entities contracted or affiliated with PacificSource are excluded. If a person or entity contracted with PacificSource becomes excluded, PacificSource must immediately stop reimbursing claims from such excluded providers and remove them from the PacificSource provider networks. Please see the policy on Exclusion and Background Checks in the CPIP for more information.

## The PacificSource CPIP

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PacificSource contracts with federal, state, and local government agencies to administer covered services for beneficiaries. We administer these services to beneficiaries in accordance with PacificSource’s contractual obligations and regulatory requirements as set forth by the governing federal, state, and local agencies. The PacificSource CPIP helps ensure that PacificSource has systems and processes in place to be compliant with the laws, regulations, regulatory guidance, and contract provisions that we are required to follow. Everyone has a role to play in making our CPIP effective.

The 5 things you need to know about compliance:

1. We are all responsible for compliance and are obligated to report potential compliance issues.
2. If you don’t understand something, speak up!
3. If you suspect a compliance issue, report it.
4. All reports are investigated and treated confidentially.
5. Anyone who makes a report in good faith will be protected from retaliation and intimidation.

## Your Responsibilities and Obligations

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You are responsible for and obligated to help prevent, detect, and correct instances of potential non-compliance. To make sure we are able to recognize and properly handle potential issues of non-compliance, PacificSource is committed to:

- All employee compliance training.
- Job-specific training and education.
- Implementing our policies and procedures.
- Enforcing our standards through disciplinary actions, if necessary.
- Routine auditing and monitoring.
- Communicating on general and specific compliance topics.
- Reporting compliance activities to the Corporate Compliance Committee and the PacificSource Audit and Compliance Committee, as necessary.
- Proactively monitoring performance in meeting regulatory standards, and self-disclosing non-compliance to federal and state regulators.

## Potential Compliance Issues

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Potential compliance issues exist when a business process or behavior does not follow or is inconsistent with this Code of Conduct, laws, regulations, sub-regulatory guidance, and/or PacificSource policies and procedures. You are responsible to be attentive to such potential compliance issues and to bring them to the attention of your supervisor or manager (for PacificSource employees), the Corporate Compliance Officer, or a member of the Compliance Department.

## Fraud Waste and Abuse (FWA)

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Fraud, waste, and abuse (FWA) are special types of compliance issues. PacificSource is obligated to report any FWA issues we see in our day-to-day work. FWA can be committed by various entities, including but not limited to providers, producers, health plans, pharmacies, pharmacy benefit management companies, members, and even our fellow employees and fellow board members.

In addition, it is illegal to knowingly present, or cause to be presented, a false or fraudulent claim or statement to the government (the False Claims Act). False claims, fraud, dishonesty, or criminal conduct of any sort, on the part of any employee, officer, director, or anyone doing business with PacificSource will not be tolerated. For more information, please refer to the PacificSource's CPIP.

- **Fraud** means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person. It includes any act that constitutes fraud under applicable federal or state law. Examples include double-billing, forging or altering prescriptions and billing for more expensive procedures than were actually performed.

- **Waste** means to use health care benefits or spend health care dollars in a careless or needless manner. Examples include duplicative, inappropriate, or unnecessary tests and procedures; preventable hospital readmissions; and medical errors.
- **Abuse** means practices that are inconsistent with sound fiscal, business, or medical practices, and result in unnecessary costs to Medicare, Medicaid, or PacificSource plans. Examples include reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care.

PacificSource conducts various anti-fraud activities, as overseen by the Corporate Compliance Committee. The purpose of this portion of the Compliance and FWA Program is to increase awareness about and improve the prevention, detection, investigation, and resolution of confirmed FWA. Every employee and Board member is trained on FWA when newly hired and must take a refresher course every year as part of the compliance-required trainings. Our vigilance in this area can help protect PacificSource and our members and help maintain the overall quality and affordability of health care services.

## Consequences of Non-Compliance

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Failure to act with integrity or comply with applicable laws and regulations can have a severe adverse impact on PacificSource and its business. PacificSource will thoroughly research any allegation of potential non-compliance or FWA. If it is found that a PacificSource employee, Delegate/Delegated Entity, or Board member is not meeting PacificSource's compliance expectations or is in violation of this Code of Conduct, appropriate action will be taken, including but not limited to disciplinary actions and reporting of the conduct to the appropriate regulatory agency or law enforcement.

## Important Notice

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This Code of Conduct is meant to be read in conjunction with the PacificSource CPIP, other policies and procedures, the Employee Handbook, and any other PacificSource manual, instructions, and directions, as applicable.

Nothing in this Code of Conduct creates a contract between PacificSource and any employee or PacificSource and any other person, creates legally enforceable rights, or promises specific treatment in certain situations. Unless otherwise stated in a contract or other PacificSource directive, this Code of Conduct does not modify your at-will employment relationship or contractual relationship with PacificSource, as applicable.

PacificSource reserves the right to modify this Code of Conduct at any time it deems necessary or appropriate. The most current version of this Code of Conduct will be available on the PSWeb.

If you have any questions about this Code of Conduct, please contact your supervisor, manager, or a member of the Compliance Department.

## Schedule

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<b>Effective Date</b>	12/20/2016
<b>Approval Date</b>	12/20/2016
<b>Revision Date</b>	1/27/2023
<b>Line(s) of Business</b>	All
<b>EMG Owners</b>	Dave Cass, Corporate Compliance Officer  John Espinola, President and Chief Executive Officer
<b>Board Review Date</b>	3/14/23