

April 2017

Dear Producer:

Re: Codes of Business Ethics and Conduct

Health Care Service Corporation – the operator of Blue Cross and Blue Shield of Texas (BCBSTX) – strives to serve its members, communities and business partners by operating under sound ethical business practices founded on our core values of integrity, respect, commitment and caring. To fully describe the spirit of our company, this year we added excellence as a core value, meaning we drive extraordinary results. We are excited to do business with others who share this drive for excellence while maintaining high standards of ethical conduct and compliance with all laws and regulations.

As HCSC's Code of Business Ethics and Conduct sets the standards of behavior we expect from employees, our expectations for current or potential business partners are outlined in HCSC's Vendor Code of Business Ethics and Conduct. The Vendor Code outlines standards related to:

- Legal Compliance
- Conflict of Interest
- Gifts, Gratuities & Kickbacks
- Privacy and Confidentiality
- Information Security
- Accuracy of Records
- Fair Competition

- Employment and the Workplace Including updated language related to labor laws, such as human trafficking
- Use of HCSC Physical Assets
- Government Contracts
- Reporting Potential Misconduct
- Sustainability

We expect that these principles will be effectively communicated to your officers, employees and associates who do business with us. Your compliance with the <u>Vendor Code</u> and support of <u>our Code</u> will allow us to work effectively together with the highest level of integrity.

As it relates to work performed under our contract, if you have knowledge of actual or potential violations of our Professional Service Agreement, Codes, laws or regulations, you must bring it to the attention of your BCBSTX business contact or our Corporate Integrity HOTLINE (800-838-2552; https://docs.edertline.com). Our Fraud Hotline (800-543-0867) is also available for reporting suspected health care fraud, waste or abuse. All hotlines are open 24/7 and can be anonymous. We appreciate your cooperation.

Sincerely,

Thomas C. Lubben

Down Class

Chief Ethics and Compliance Officer