

Employee CODE OF CONDUCT

Introduction

Our story began in 1990 when a small group of primary care and specialty physicians created a dedicated Independent Physicians Association, known as Choice Medical Group. In 2008, Choice Medical Group created Desert Physicians Management, a The COMPANY dedicated to providing comprehensive medical care to our geriatric patients.

Today we are a team of Primary Care Physicians (PCPs) and Board Certified Specialists serving the High Desert and Mountain communities. Each physician is committed to the health of individual patients as well as the health and well-being of our Community.

The Employee Code of Conduct

The framework for conducting business at the COMPANY is contained in this Code of Conduct. It is our commitment to professional integrity, legal compliance and ethical conduct. The Code of Conduct acts as an umbrella under which all of the COMPANY's other standards of conduct (such as those outlined in the Employee Handbook) or other policies and procedures operate.

This Code gives us foundational values and standards and is built on the premise that we all know right from wrong. This means making our decisions and choosing our actions based on what we know to be right, according to all applicable laws and regulations, and according to the policies and procedures we all agree to follow as associates of the COMPANY.

The Code cannot contain all of the rules, policies and procedures we are each expected to follow. It cannot outline every possible situation in which the right course of action is not crystal clear. But it does give concrete guidance in specific areas and guiding principles to consider in other situations. It should go without saying that we expect the highest standards of ethical conduct from every employee, Board Member, contractor, volunteer and other person affiliated with the COMPANY. Dishonesty of words or actions, or intent to defraud anyone of money, property or honest services will not be tolerated.

- **You are expected to represent THE COMPANY honestly and accurately.**
- **You are expected to act with integrity.**
- **You are expected to treat others with respect—whether member, customer, co-worker, regulator, vendor, supplier or competitor.**

Definition: The Code

Throughout this document, references to the Code of Conduct, or just “The Code,” encompass the COMPANY’s commitment to a culture of integrity, and incorporate all applicable Federal and state laws, statutes, regulations and sub-regulatory guidance, contractual commitments and COMPANY policies and procedures

PUTTING “THE CODE” INTO ACTION

Employees, officers, Board Members, contractors, volunteers and other COMPANY representatives are expected to conduct their COMPANY responsibilities in compliance with this Code of Conduct. It is one of the ways we demonstrate—individually and as the COMPANY—that we are complying with the applicable federal and state standards, statutes, regulations, sub-regulatory guidance and contractual commitments.

If you become aware of a potential violation of this Code, the law or our policies—it is your duty to report it in a timely manner. If you are ever in doubt about the Code or potential violations of the Code, ask for help.

Following this Code, which includes the COMPANY Compliance Program, is everyone’s responsibility and enables us to deliver on our mission.

YOUR PROTECTIONS

If you report a potential violation of this Code, your report will be kept confidential to the extent permitted by law and to the extent possible consistent with our obligation to investigate and resolve your report. If you report through Lighthouse Services, you can choose to remain anonymous. (See the Lighthouse Services box below for more on reporting anonymously.)

THE COMPANY maintains a strict policy of non-intimidation and non-retaliation for good faith participation in its Compliance Program, including, but not limited to, reporting potential issues, investigating issues, conducting self-evaluations, audits and remedial actions, and reporting to appropriate officials. Please know that if you report a possible or actual compliance issue in good faith, we will protect you. Any COMPANY employee who engages in intimidation and retaliation will be subject to disciplinary action up to and including termination. See more on this in the Employee Handbook.

Lighthouse Services

Lighthouse Services is an independent organization dedicated to integrity at work. Lighthouse Service’s toll free number and other methods of reporting are available 24 hours a day, 7 days a week for use by employees and staff.

Toll-Free Telephone:

English speaking USA and Canada: (855) 400-6002 (not available from Mexico)

Spanish speaking North America: (800) 216-1288 (from Mexico user must dial 001-800-216-1288)

Website: <https://www.lighthouse-services.com/choicemg>

E-mail: reports@lighthouse-services.com (must include COMPANY name with report)

Fax: (215) 689-3885 (must include COMPANY name with report)

PRINCIPLES OF CONDUCT

THE COMPANY is committed to providing the highest level of service to all our customers. It starts with a commitment on all of our parts to do our jobs right and to do them well. Beyond that, there are certain circumstances that arise with some frequency, so we have addressed them here. For more information, please refer to the specific sections of your Employee Handbook.

CODE OF CONDUCT VS. EMPLOYEE HANDBOOK

If you've reviewed your Employee Handbook, some of what you read here should be familiar. Here's the main difference between the two documents: The Code of Conduct reflects our values and directs the manner in which we carry out our business. The Employee Handbook is much more specific—it defines the rules for our actions and activities. For example, in the Code we talk about respect for our coworkers and business colleagues. In the Handbook we detail our policies against discrimination and harassment.

CONFLICT OF INTEREST

A conflict of interest is when employment outside of The COMPANY (or other activities or relationships) 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 The COMPANY's best interest. Simply put, any such activities and relationships are not allowed without disclosing the potential conflict and obtaining consent beforehand from The COMPANY.

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

- Acting as a consultant, advisor, employee or independent contractor of/with a The COMPANY competitor, customer or vendor.
- Owning any significant interest (other than as a shareholder of a publicly traded company) in any business or organization that does or seeks to do business with The COMPANY.
- Using any THE COMPANY assets or resources for personal gain or advantage.
- Business dealings with relatives or close friends.
- Employment or supervision of relatives or friends. (The COMPANY does not prohibit this, but you must stick to the policy as stated in the Employee Handbook.)
- Investments and financial interests in business partners.

If you face such a situation, discuss it with Human Resources or the Compliance Officer. By signing this Code of Conduct you attest that you are either free of any conflict of interest or that you have disclosed any potential conflicts of interest to the COMPANY. In addition, all employees with the position of director and above, including Board Members, must complete an attestation or certification related to

conflict of interest at the time of hire and annually thereafter. See more on conflict of interest and employment of relatives in the COMPANY's Employee Handbook.

Is this a conflict of interest?

Q. One of my vendors told me her company is hiring entry level employees and my recent college grad is looking for a job. What is considered appropriate in this case?

A. You can ask your vendor who your grad should contact. Your son or daughter can then reference how he/she found out about the job. But that's the extent of it. You and your son or daughter have no right to expect, and the vendor cannot offer or extend preferential treatment.

GIFTS/HOSPITALITY/ENTERTAINMENT

Our business transactions with vendors, 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 specific conditions are met. Most important is that there are no strings attached. The COMPANY has a Gift and Business Courtesy policy that you can use to determine if a gift is appropriate—and how to request an exception if you think it's warranted.

INDUCEMENTS

At the COMPANY, you are not to use any financial or other type of reward that could be seen as trying to induce:

- Potential Medicare beneficiaries to join the COMPANY.
- Employees and other licensed professionals to deny or limit care.
- Medicare beneficiaries to commit fraud, waste or abuse.

The use of incentives, bribes or kickbacks to induce such behavior is strictly prohibited by THE COMPANY.

How much is too much when it comes to gifts?

Q. A vendor who does a lot of work for our department just offered my supervisor tickets to the Super Bowl. Can we accept?

A. Probably not. This type of gift has a very high value. Even if it's purely a "thank you" gesture with no strings attached, it could be misconstrued. Talk to your supervisor about it, or your Compliance Officer if you would be more comfortable.

Hospitality or illegal activity?

Q. Some regulators will be on site next month and will be putting in full days at our offices. Can we provide lunch for them?

A. There are very strict guidelines regarding gifts and hospitality offered to government employees and public officials. Please check with the Compliance Officer to make sure what we see as a friendly gesture will not break any laws.

CONFIDENTIALITY

We work in an industry that contains highly sensitive information—the confidentiality of which is also highly regulated. Every COMPANY employee must be aware of what confidential and proprietary information is, and maintain the security of both the 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). To review our full policy, see the section on Confidentiality in the Employee Handbook.

Confidential means that it is not appropriate for general 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 the COMPANY. Other companies and individuals would also have proprietary information specific to them.

The COMPANY's confidential and proprietary information is nonpublic information that is created, recorded, or used in support of THE COMPANY business. It involves much of our daily work processes and outputs—including THE COMPANY's plans and strategies.

Our members' confidential and proprietary information is called "Protected Health Information," or "PHI".

THE COMPANY INFORMATION

In general, you should discuss proprietary information with co-workers on a "need-to-know" basis. Your HIPAA (The Health Insurance Portability and Accountability Act of 1996) training included information on these two important concepts:

- Role-Based Access means you have access to certain information depending on the tasks you perform at The COMPANY. 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 function.

For requests for information from persons outside The COMPANY, follow your job-specific procedures for requesting and granting confidential information.

A good guideline to use is that if it's on www.choicemg.com, in the "Our History" section, then it's public and you can direct any interested parties to that information. If you have questions on anything else, talk to your supervisor.

You should never discuss any confidential information (HIPAA or otherwise) at all in social or routine business conversations. Again, refer to the policy on Confidentiality in your Employee Handbook.

PROTECTED HEALTH INFORMATION (PHI)

Protected Health Information, or PHI, is information that both identifies a member and relates to their past, present, or future health or condition, provision of care, or payment for care.

The chart below shows several examples of PHI. If a unique identifier is coupled with any health care information, it is considered PHI.

Identifiable Health-Related Information		
Member name	AND	Case Management notes
Member ID number	AND	A list of current medications
Member e-mail address	AND	Medical claim information

There are some COMPANY employees who never or rarely come across PHI. For others, their jobs may revolve around processing PHI. Regardless, we are all responsible for protecting our members' health information. You must always abide by your job-specific procedures for handling and protecting PHI.

Conversation or confidential information?

Q. At a family event a relative was asking me very specific questions about The COMPANY – about open enrollment and membership and what we learned at our latest Employee Straight Talk forum. What's okay to share?

A. Membership numbers are public information. We include those on every press release. Where those numbers are relative to our goals, however, is not public. Straight Talk information is for employees, but you are always welcome to ask questions at these events, so ask if it's okay to share something specific you may have learned.

In general, follow these PHI guidelines

- Be attentive to PHI that you may handle as part of your daily job.
- Be aware of documents with PHI on shared printers, fax machines and copiers:
- Take abandoned documents to your supervisor.
- Immediately retrieve your own documents with PHI.
- Don't discuss PHI where others might hear.
- Always encrypt emails that contain PHI when emailing outside of THE COMPANY domain.
- Protect your passwords.
- Lock your workstation—Strike at-the-same-time the Ctrl+Alt+Del keyboard buttons, and then following that the "Enter" key when you leave your work station.
- Do not compromise THE COMPANY's electronic assets:
- Don't connect personal devices to the COMPANY network unless you have IT approval.
- Save information only to THE COMPANY Network Drives.
- Don't open attachments with odd endings (i.e. ".exe" or ".vbs") or from people you don't know.
- Report any suspected breaches of PHI to THE COMPANY's Compliance/Privacy Officer or to the

Compliance department through any of the avenues of communication identified in this Code.

Many employees have access to other member (and, for that matter, employee and vendor) information that, while not considered PHI, must also be kept confidential. Refer to the Employee Handbook section on Confidentiality for more detail.

COMPANY ASSETS

It's easy to remember: If the COMPANY supplied it to you it is the COMPANY'S property and considered the COMPANY's asset. Be aware, too, that assets include more than just equipment and supplies. The COMPANY records, financial data, research results, business strategies, etc., are also assets to be protected. The Employee Handbook includes more information on the COMPANY property and rights to inventions.

PHYSICAL PROPERTY

While it is the COMPANY's responsibility to maintain equipment, it is your responsibility to take care of it and report any problems or issues. For the most part, the COMPANY property must remain on-site unless approval has been given to remove it—or it is part of your job function. It should go without saying that taking or using supplies, materials or equipment for personal use is dishonest and not allowed.

What if it's for a good cause?

Q. I volunteered to make flyers for the local animal shelter. May I use my department's machine to make photocopies? What if I bring my own paper?

A. No, sorry. Unless it's for an organization or event the COMPANY is supporting, you may not and should not use the COMPANY assets to promote it.

ELECTRONIC COMMUNICATIONS SYSTEMS AND SOCIAL MEDIA

In the Employee Handbook you will see a robust policy on the use of electronic communications systems and social media. Please read it thoroughly. This is an area that is growing and changing quickly so we simply cannot anticipate all challenges. But again, you can help ensure appropriate use by using THE COMPANY's electronic communications systems for business purposes only. For social media, make sure that your participation on external social media sites is done on your time and that you limit the references made to the COMPANY and the work you do here.

INTELLECTUAL PROPERTY

Intellectual property ranges from the COMPANY logo to trade secrets to any programs you may have helped to develop. Like physical assets, intellectual property belongs to the COMPANY and must be used only as designated. When you leave and are no longer affiliated with the COMPANY, all the COMPANY property, resources and confidential information must remain with the COMPANY.

Finally, the COMPANY also respects the confidential and proprietary rights and intellectual property of other companies and individuals. We abide by all applicable laws regarding copyright, trademarks, privacy and financial disclosures. We follow fair business practices, which means we do not use

improper channels to glean information about competitors, nor do we spread false information about them.

What do I do about repeated requests?

Q. My co-worker keeps asking me for more information than I think she needs to do her job. Do I just keep saying no?

A. Try to find out why she thinks she needs the information in question. If she needs it to do her job, then it is appropriate. If not, then you need to remind her of the COMPANY's PHI policy. If you can't come to agreement between the two of you, talk to your supervisor.

Can I post good news?

Q. I'm a case manager and I love to post updates of some of my favorite members on my Facebook® page. Is this okay?

A. No, it's not. Remember, once you send information electronically, you have no control over where it will end up. Your posts could inadvertently include PHI or the COMPANY information about the services we provide.

DEALING WITH AN EXCLUDED PERSON OR ENTITY

An excluded person or entity is one that is not allowed to participate in Medicare, state Medicaid or any federal health care programs for any reason. Most commonly, these are individuals that have been found guilty of fraudulent billing or misrepresentation of credentials. The COMPANY cannot, directly or indirectly, employ or contract with any excluded person or entity. The COMPANY must ensure that no persons or entities contracted or affiliated with The COMPANY are "excluded." If a person or entity contracted with THE COMPANY becomes excluded, The COMPANY must immediately stop such person or entity from directly or indirectly providing any covered services for reimbursement to The COMPANY members. To read about our policy on this issue, please refer to The COMPANY's policy regarding Office of the Inspector General (OIG) Excluded Individuals/Entities, General Services Administration (GSA) Excluded Parties and Medicare Opt-Out Provider Exclusion Review.

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.

THE COMPLIANCE PROGRAM

The COMPANY contracts with certain federal and state government agencies to administer covered services for enrolled beneficiaries. We administer these services to enrolled beneficiaries in accordance

with the COMPANY'S contractual and regulatory requirements as set forth by governing federal and state agencies. the COMPANY Compliance Program helps ensure that the COMPANY 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 Compliance Program effective

YOUR RESPONSIBILITIES AND OBLIGATIONS

The first step is to understand that 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 non-compliance issues, the COMPANY is committed to:

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

POTENTIAL COMPLIANCE ISSUES

Potential compliance issues exist when a business process or behavior does not follow or is inconsistent with the Code of Conduct, laws, regulations, sub-regulatory guidance, and/or policies and procedures.

FRAUD, WASTE, AND ABUSE (FWA)

Fraud, waste and/or abuse are special types of potential compliance issues. FWA is a big problem in the Medicare/Medicaid system and we are obligated to report any FWA issues we see in our day-to-day jobs. FWA can be committed by providers, brokers, health plans, pharmacies, pharmacy benefit management companies, our members, and even our fellow employees.

In addition, it is illegal to knowingly present, or cause to be presented, a false or fraudulent claim or statement to the government (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 the COMPANY will not be tolerated. For our full policy on FWA, refer to the Employee Handbook.

Do we report on our members?

Q. I think a member let someone else use her COMPANY ID card. Should I call her to double check?

A. No. This could be member fraud. So report it, along with the details that made you suspicious in the first place.

HOW TO REPORT A POTENTIAL COMPLIANCE ISSUE, INCLUDING FWA

All employees, officers, Board Members and other persons affiliated with the COMPANY have a duty to immediately report potential compliance issues, which includes suspected fraud, waste and/or abuse and privacy breaches. You have several ways to report a suspected violation:

- Your supervisor—supervisors have an affirmative obligation to, in turn, report the suspected violation to Compliance.
- Human Resources.
- Via Lighthouse Services—855-400-6002 or www.lighthouse-services.com/choicemg (allows you to anonymously report an issue).
- The COMPANY Compliance Officer.

What if I see fraud outside of the COMPANY?

Q. I was at a meeting with a broker and I learned that he misrepresented the COMPANY to a member. What do I do?

A. Bring this to your manager's attention immediately. If it was an honest mistake, that's one thing. If it's a pattern of fraudulent behavior, that's something very serious.

COMPLIANCE FAQs

How do I know if something is a potential compliance issue?

A potential compliance issue exists when a business process or behavior does not follow or is inconsistent with this Code, laws, regulations, sub-regulatory guidance, and/or policies and procedures. One of the purposes of our compliance-related training classes and annual refresher courses is to help you identify these situations.

For example, if the COMPANY is required to notify all members of the changes in their benefits by October 1 of each year but it looks as if we won't get the information mailed until October 15—that's a potential compliance issue.

What if I don't understand a rule or regulation?

Not understanding does not excuse you from complying. If you don't fully understand a rule, regulation, policy or procedure: Speak up! There are several ways to get clarification:

1. Ask your supervisor or manager. It's his or her job to explain it clearly.
2. Ask the Compliance Officer.
3. Ask Human Resources.

What do I do if I suspect a potential compliance issue?

We embrace the concept of shared compliance at THE COMPANY. That means we are all responsible for it, regardless of job title or responsibilities. If you suspect a compliance issue, you are obligated to report

it as soon as possible. You do not have to find out many details, but you do need to have the basic facts: who, what, when, and where. Then report it through one of the avenues listed here.

What obligations do I have as a manager?’

Q. One of my employees just came to me with something he thinks is a potential compliance issue. I’m not sure it is. What do I do?

A. Talk to your supervisor to get clarification. Or, if you prefer, you or the employee who brought it to your attention can report it through various means including entering it in Lighthouse Services—either by phone or online, or contacting the Compliance Officer. The employee did the right thing by reporting it to you so it is your responsibility and affirmative obligation to report the suspected violation to Compliance.

How do I report a compliance issue?

Report the issue to your supervisor—unless of course it is your supervisor who is involved. If that’s the case, then use any of these other ways to report:

1. Your supervisor—supervisors have an affirmative obligation to, in turn, report the suspected violation to Human Resources and/or Compliance.
2. Human Resources.
3. Via Lighthouse Services—855-400-6002 or www.lighthouse-services.com/choicemg (allows you to anonymously report an issue).
4. The COMPANY Compliance Officer.

What happens if I don’t report something that turns out to be a compliance issue?

You are obligated to report. If you have been through the COMPANY compliance training—and you are required to go through it both as a newly hired employee and annually thereafter—you will be able to identify potential compliance issues. If you do not report a situation that you reasonably should have identified as a potential compliance issue, you will be subject to disciplinary action. That’s why we make it as easy as possible for you to report potential compliance issues. As noted here, you have several ways to report and can even do so anonymously.

What happens after I report a potential compliance issue?

To most of your co-workers and other employees it may seem like nothing is happening. But every reported issue will be investigated. Documents are reviewed, the people involved are interviewed, and you may be asked for additional, clarifying information. The results of the investigation may be presented to the COMPANY Compliance Committee, Senior Management, the CEO and/or the Board of Directors. The COMPANY may also use the information to self-report a compliance issue to CMS. The actions taken as a result of the investigation will depend on the severity of the issue. It could be something as simple as implementing a new policy or procedure. Or it could include disciplinary action up to and including immediate termination of those involved.

Will I be treated differently if I report a potential compliance issue?

No. There should be no difference in your workplace duties, responsibilities or relationships. In fact, the COMPANY has a policy against retaliation and intimidation. The COMPANY will not tolerate anyone retaliating against you or trying to intimidate you when you have reported something in good faith. (On

the flip side, however, knowingly making a false report is a very serious issue—one that will be addressed through disciplinary action up to and including termination—so “in good faith” is the key here.) If you feel you are being retaliated against or intimidated, contact the Compliance Officer or use Lighthouse Services to report it. As a reminder, you can use the Lighthouse Services hotline or website 24/7 to report issues related to non-compliance and unethical or illegal activities. You may use Lighthouse Services to anonymously report an issue.

May I just submit an anonymous report and be done with it?

Almost. The best way to report anonymously is through Lighthouse Services, which allows us to ask you for more information while still maintaining your anonymity. **You are expected to check in at least weekly to see if there are any questions you need to answer. You will log on or call in using the report code and password set up when you made the initial report.**

Why do I have to take compliance training every year?

Compliance—meeting our legal and contractual requirements—is not an option for THE COMPANY. Annual compliance training is a requirement of our Medicare Advantage contract. That makes it a requirement for the COMPANY employees. If you don’t complete and maintain your training, you will be subject to disciplinary action. Because regulations and requirements change, we work to keep the training up-to-date and relevant. The better trained you are, the better you will be able to spot potential compliance issues and know what to do once you see them.

Employee CODE OF CONDUCT ATTESTATION

By signing this Attestation, I acknowledge that:

1. I understand that this attestation is a condition of my employment with THE COMPANY.
2. I have received a copy of the Code of Conduct.
3. I have read and understand the Code of Conduct.
4. I will comply with the Code of Conduct and Employee Handbook, which includes the Conflict of Interest policy.

Signature: _____ Date: _____

Print Name: _____

Return to: Human Resources