

NEIGHBORHOOD HEALTH PLAN **CODE OF ETHICS**

SEPTEMBER 2004 (amended)

**This Code of Ethics may be amended by Neighborhood Health Plan
from time to time at it deems appropriate.**

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Mission Statement

Neighborhood Health Plan, a not-for-profit corporation, in alliance with community health centers and other community-responsive providers, develops and operates cooperative managed care systems which are member focused, quality driven, community based, culturally responsive, and financially viable in contemporary and future health care environments.

Approach to Workplace Conduct

Neighborhood Health Plan is governed by the conviction that business conduct is equally important as business performance. Our behavior in the workplace affects our success and shapes our reputation. It also communicates our stance on ethics, integrity and honesty. Consequently, we must strive to maintain the highest ethical standards when carrying out our daily work activities.

To help us meet this goal, Neighborhood Health Plan has established a set of business conduct guidelines based on the company's code of ethics. These basic principles provide a framework for our business decisions. Use them as a guide to support Neighborhood Health Plan's values and our fundamental commitment to fostering an ethical work environment.

Our Conduct in the Workplace

We treat fellow employees, customers, suppliers and other stakeholders with fairness, honesty and respect. This includes refraining from gender or racial bias, or sexual or other harassment. We treat each other in the way we would wish to be treated.

Equal employment

Neighborhood Health Plan believes in hiring, promoting and compensating employees without regard to race, color, national origin, age, gender, religious preference, marital status, sexual orientation, handicap or disability, or membership, application or obligation to a uniformed military service of the United States. We are committed to equal employment practices and comply with all laws, regulations and policies related to non-discrimination.

Freedom from harassment

Neighborhood Health Plan does not condone any form of harassment. This includes harassment based on race, color, religion, gender, national origin, age, sexual orientation, disability or any other basis protected by law.

We fully expect employees to report violations to their supervisors, Human Resources representatives, the compliance officer or the Compliance Helpline. Remember, harassment means different things to different people, so we should all refrain from any offensive or inappropriate behavior. Examples of inappropriate behavior may include degrading jokes, intimidation, slurs, and verbal or physical sexual harassment. Reports of harassment will be promptly investigated, and employees engaging in this behavior will be disciplined.

A Safe Environment

We are all responsible for creating a safe working environment at Neighborhood Health Plan. Please conduct all activities in a safe manner and report any potential or actual hazards to your supervisor. Hazards include security violations or criminal activity that take place on company premises. In addition, please report any injuries or illnesses to your supervisor.

Violence has no place at the worksite and will not be tolerated. This includes intimidation, violent acts and threats of violence.

Maintaining confidentiality

We honor to the permitted by law and our agreements the privacy of members', providers' and employees' personal information, whether medical or otherwise, just as we expect our privacy to be protected. In addition, we promise to the permitted by law and our agreements to protect trade secrets and the confidential information that belongs to Neighborhood Health Plan, otherwise known as "intellectual property."

Confidentiality

Neighborhood Health Plan is committed to preserving the right of privacy to the permitted by law and our agreements for all our members, providers and employees and protecting Neighborhood Health Plan's interests. The following information is classified as confidential. Be sure to follow all applicable laws and company policies when using or sharing such information:

- ❖ Members' protected health information, including diagnoses and treatments, personal data, billing and contact information;
- ❖ Providers' credentialing and contracting information;
- ❖ Employee information, including personnel files, evaluations, disciplinary matters and results of background checks;
- ❖ Business information such as financial, marketing and statistical data; competitive information; budgets; processes; techniques; mergers, acquisitions or significant reorganizations; bid proposal and contract negotiations; layoffs; research and development; and business reports and summaries. This company-specific information is referred to as "intellectual property."

Failure to maintain confidentiality could subject you or Neighborhood Health Plan to civil and/or criminal lawsuits or give our competitors an unfair advantage.

Respecting company property

We treat company property as such. We protect and preserve company property and refrain from using it for personal gain.

Use of Resources

Neighborhood Health Plan discourages *inappropriate* use of company property. Employees are trusted to act responsibly, reasonably and maturely, and to use good judgment in the use of all company-provided communications and computing devices, including but not limited to:

- ✧ The Internet;
- ✧ All forms of printed and electronic media;
- ✧ Copying devices (scanners and copy machines);
- ✧ Telephones;
- ✧ Cell phones;
- ✧ Portable/wireless PDAs;
- ✧ Desktop and laptop computers; and
- ✧ Remote access/dial-up hardware and software devices.

Employees should not use the computer to transmit, store or download materials that are threatening, maliciously false or obscene. Facilities, equipment, technology and resources are for business purposes – to help you do your job.

Avoiding conflict of interest

While employed at Neighborhood Health Plan, we refrain from any associations or activities that might conflict with Neighborhood Health Plan's interests. Unless permitted under an approved policy or by NHP's Chief Executive Officer. We are not to engage in accepting or giving gifts to contractors or customers. We do not take advantage of our association with Neighborhood Health Plan for personal gain.

Activities and relationships beyond Neighborhood Health Plan

It is important to ensure that our outside activities do not in any way conflict with or pose a hazard to Neighborhood Health Plan. There are some simple guidelines you should follow when determining whether a conflict of interest exists. First, avoid personal outside activities or associations that might influence your business decisions or your ability to do your job objectively. Also, avoid making personal financial investments in Neighborhood Health Plan competitors, suppliers or customers.

If you are not sure whether an outside activity represents a conflict of interest, ask your supervisor for help.

Entertainment, gifts and gratuities

Some business entertaining – including meals, social events or training and educational activities – is an accepted practice at Neighborhood Health Plan, but the cost and scope of these activities should be reasonable and appropriate. Before accepting or extending such invitations, you should first check with your supervisor. It is your responsibility to make business decisions based on what is best for Neighborhood Health Plan. Similarly, you should refrain from giving or accepting gifts to or from vendors, customers or other business associates. Neighborhood Health Plan employees should never accept cash gifts from vendors, members or customers. Gifts and entertainment may be provided under a policy approved by NHP's Executive Committee.

Addressing health care ethics

We are accountable for making decisions regarding quality health care in an ethical context. We apply proven scientific principles as we balance the needs of the many with the needs of the individual, while taking into account our responsibility for stewardship of finite resources. We commit to work with providers and to focus our resources to continuously improve the health of our members.

Use of health care resources and quality assurance

We constantly look for ways to improve health outcomes for our members while effectively managing our resources. Our methods include applying scientific evidence, fairly distributing benefits and care to members, educating members and providers, and continuously improving quality. Our goal is to provide *the right care at the right time in the right place*.

Neighborhood Health Plan is committed to complying with state and federal regulations regarding health care, as well as maintaining compliance with accreditation standards put forth by independent review organizations.

Obeying the law

We always uphold the law while working at Neighborhood Health Plan. This includes, for example, obeying all federal and state regulations with regard to our health plans and all our business units. We do not condone illegal drug use, fraud, embezzlement or any other illegal activities.

Regulatory obligations

As a health plan we are heavily regulated by federal, state and local agencies. Some of our regulated business practices cover:

- ✧ Ensuring medical services and business practices meet quality assurance standards and protect patient rights and confidentiality;
- ✧ Managing provider networks and health care delivery systems to make certain they are accessible to our members and they meet contractual requirements;
- ✧ Monitoring the appropriate utilization of health care resources and ensuring that medically necessary, covered services are not inappropriately denied;
- ✧ Providing for expeditious handling of members' complaints and appeals;
- ✧ Processing claims accurately and promptly;
- ✧ Conducting sales and marketing activities ethically and within established regulations and guidelines;
- ✧ Ensuring accurate and timely administration of membership accounting, including enrollment, disenrollment, member status and premium billing;
- ✧ Promoting a work environment for employees that's safe, ethical and founded on principles of equal employment and non-discrimination; and
- ✧ Ensuring the accuracy of Neighborhood Health Plan's financial statements and following other regulations that apply to non-profit organizations and businesses in general.

External audits and reviews

From time to time, we will have outside parties on site to perform financial and regulatory audits and reviews of our financial statements, operations and business practices. These outside parties include independent auditors and federal and state government regulators and inspectors. It is Neighborhood

Health Plan's policy to fully cooperate with these auditors and provide them with all necessary information. During these audits or inspections, you must never conceal, destroy or alter any documents or give any false or misleading statements to inspectors. Also, you should never knowingly provide inaccurate information or obstruct, mislead or delay communication of information or records about a possible violation of law.

Illegal activities

Neighborhood Health Plan and its employees will not engage, directly or indirectly, in any corrupt business practices or other illegal activities. Such activities include, but are not limited to, fraud, embezzlement, kickback arrangements and illegal drug use. Fraud includes such things as falsifying timecards and expense reports. Health care fraud occurs when someone schemes to defraud any health benefit program or payor including the government. This includes using false pretenses representations or promises to get money or property owned by any health care program with the delivery of, or payment for, benefits, goods or services.

A kickback arrangement involves accepting or offering bribes or payoffs intended to induce, influence or reward favorable decisions of any person or entity in a position to benefit Neighborhood Health Plan. Such persons or entities include customers, contractors, vendors and government personnel.

Antitrust and unfair competition

Antitrust laws make sure competition between companies is fair. These laws also protect the public against business competitors who band together or "collude" to unfairly set prices. You could be breaking these laws if you do things as simple as discuss with competitors pricing; terms and conditions of sales; or dealings with customers, suppliers or other competitors. Our competitors include other managed care organizations, health care delivery companies and insurance companies that operate in our market. You should be particularly sensitive to antitrust rules if you participate in trade associations or other meetings where competitors are likely to be present. Under no circumstances should you discuss any product or plan pricing or potential pricing for a customer or a provider with any competitor.

Political contributions

Neighborhood Health Plan may not contribute to any political campaign. Neighborhood health does engage in lobbying activities related to legislation and regulations in accordance with applicable state and Federal laws.

Sales, marketing and advertising standards

We are committed to growing our membership through a well trained, highly professional sales staff, including our employees and independent brokers. All Neighborhood Health Plan sales representatives are committed to fair, forthright and legally compliant sales and marketing practices. We adhere to any state regulations that require sales representatives to be licensed.

We do not engage in corrupt marketing practices, including misrepresentation of our covered services or “redlining,” (the practice of avoiding sales in specific geographic areas or neighborhoods).

When advertising our products and services, we will present only truthful, non-deceptive information.

In many cases, advertising and marketing materials require approval from regulatory agencies prior to distribution. When required, Neighborhood Health Plan will submit materials to agencies and ensure they are in full compliance with applicable regulations.

Copyright law

We follow all applicable laws pertaining to copyright protection. This includes laws that prohibit duplication of print materials, licensed computer software and other copyright protected works. This also includes copying or downloading copyrighted materials from the Internet.

Responsibilities and Consequences

We all have a responsibility to ensure that everyone associated with Neighborhood Health Plan conducts business in a manner which reflects positively on the organization. Failure to do so could jeopardize NHP's ability to conduct business in the Commonwealth. It could also jeopardize your employment with NHP.

Employee responsibilities

Neighborhood Health Plan relies on you to help ensure that its ethics and compliance initiatives remain a priority. This involves upholding all of the standards outlined in these guidelines, as well as reporting any suspected violations of those standards.

While all Neighborhood Health Plan employees must follow this Code of Ethics, each NHP manager must be an example for those in his/her own group. They must know this Code and any business unit and department policies that apply to their area of responsibility. Managers must create and maintain a workplace where employees and contractors know that ethical and legal behavior is expected of them.

If you observe potential violations of law or the company code of ethics, you should not hesitate to report such issues; failure to do so could pose a risk to Neighborhood Health Plan or, in the case of illegal activities or regulatory violations, a risk to you, co-workers or members.

Reporting suspected violations

If you have an ethics or compliance issue to report, talk to your supervisor or your compliance representative. If these resources are not available, or are unable to assist you, the compliance officer is another appropriate point of contact.

You may also report issues through the Compliance Helpline – a service that allows employees to communicate violations or concerns privately. The Helpline is operated offsite by a third-party administrator and is available toll-free 24 hours a day, seven days a week, at (800) 826-6762.

Resolution, communication and non-retaliation

Once a problem or suspected violation has been reported, Neighborhood Health Plan pledges to investigate and address the problem. Neighborhood Health Plan will not retaliate against you for reporting ethics or compliance violations in good faith. In addition, we will provide ongoing communication to employees who report problems.

Consequences of violations

Employees who are deemed to have committed violations will be subject to appropriate disciplinary action, up to and including immediate termination.

Problem Resolution

If you need more information, or if you have an ethics- or compliance-related question or concern, you are encouraged to use the following steps to resolve any questions or concerns:

Step 1

When in doubt, ask and keep asking until you get an answer that makes sense. Is any law or regulation being violated? Is the action consistent with our corporate values, our Code of Ethics, and our corporate policies? If you know it is wrong, don't do it!

Step 2

Discuss the issue with your immediate Supervisor who knows you and the issues in your workplace. Give your Supervisor a chance to solve the problem. If your Supervisor cannot find the answer, or if you are not comfortable discussing the issue with your Supervisor, go to the next step.

Step 3

Discuss the issue with a higher-level Supervisor. If the matter is still not resolved to your satisfaction, or if you are not comfortable discussing this issue with a higher-level Supervisor, go to the next step.

Step 4

Discuss the issue with other available NHP Resources (see below). If you are not comfortable taking this step, go to the next step.

Step 5

Call the NHP Compliance Helpline at **1-800-826-6762**. Your call can be anonymous; you are not required to provide your name.

Where to Find Answers to Additional Questions

The Code of Ethics is meant to provide an overview of Neighborhood Health Plan’s policies on ethics, compliance and conduct-related issues. This publication is a living document and is subject to change as we refine our policies and procedures and as government agencies and regulators modify their rules.

In addition to using this publication, employees are encouraged to explore the following resources:

- ✦ **Neighborhood Health Plan’s employee manual:** This manual covers various topics, including employment, benefits, performance reviews, wage and salary, and employee relations’ subjects such as dress code, workplace conduct, counseling, and health and safety issues.
- ✦ **Neighborhood Health Plan’s Intranet site:** This site contains extensive information on NHP’s policies and procedures and other company standards that affect your work activities.

For additional information of to report a compliance concern you may contact:

Vice President of Quality and Compliance	Pam Siren	617-428-7432 Pam_Siren @nhp.org
Director of Quality and Compliance	Richard Dropski	617-428-7449 Richard_Dropski@nhp.org
Vide President of Operations (Privacy Officer)	Rey Spadoni	617- 772-5681 Reynold_Spadoni@nhp.org
Director of Human Resources	Roberta Goldman-Wilkinson	617-428-7411 Roberta_Goldman-Wilkinson@nhp.org
Compliance Helpline		1-800-826-6762