



## Code of Ethical Business Conduct



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# Corporate Compliance Hotline

**The Corporate Compliance Hotline is available 24 hours per day.**



Call **800-981-6667**



Online <https://app.mycompliancereport.com/report?cid=SEN>

*Please note that concerns may be reported anonymously.*

## Contact the Compliance Officer:



Call 844-263-2376

# About the Code of Conduct

The Code of Ethical Business Conduct (the “Code”) is designed to promote honest, ethical and lawful conduct by all employees, corporate officers, board officers, members of corporate advisory boards, community advisory boards and directors of AvMed, Inc. (“Covered Persons” or “you”). The Code is intended to help you understand AvMed’s standards of ethical business practices and to stimulate awareness of ethical and legal issues that you may encounter in carrying out your responsibilities to AvMed.

Your actions affect the reputation and integrity of AvMed. Therefore, it is essential that you take the time to review the Code and develop a working knowledge of its provisions. You are required to complete a certificate attesting to compliance with the Code upon becoming a Covered Person and, thereafter, on an annual basis.





## AT ALL TIMES, YOU ARE EXPECTED TO:

- Avoid conflicts between personal and professional interests where possible
- Comply with AvMed's Conflicts of Interest Policy & Procedures found on page 23
- Provide accurate, complete and timely information in the course of fulfilling your obligations
- Provide full, fair, accurate, timely and understandable disclosure in reports required to be filed by AvMed with regulators and in other public communications made by AvMed
- Comply with all applicable laws, regulations and policies of AvMed
- Seek guidance where necessary from Compliance
- Promptly report any violations of the Code to Compliance
- Be accountable personally for adherence to the Code



## WHO DO I CONTACT FOR GUIDANCE OR TO REPORT CONCERNS?

If you believe a situation may involve or lead to a violation of the Code, you have an affirmative duty to seek guidance and report such concerns.

- Seek guidance from the AvMed Compliance Department.
- Disclose concerns or violations of the Code to Compliance.
- Report audit and accounting concerns to the Compliance Department or through the Compliance hotline.

It is the policy of AvMed to encourage the communication of bona fide concerns relating to the lawful and ethical conduct of business, and audit and accounting procedures or related matters. It is also the policy of AvMed to protect those who communicate bona fide concerns from any retaliation for such reporting.

Confidential and anonymous mechanisms for reporting concerns are available and are described in the Code. However, anonymous reporting does not serve to satisfy a duty to disclose your own potential involvement in a conflict of interest or in unethical or illegal conduct.

The Code is part of a broader set of policies and compliance procedures described in greater detail in AvMed's employee manuals and distributed memoranda. The Code is not intended to supersede or materially alter specific policies and procedures already in place and applicable to particular employees as set forth in the employee manuals and distributed memoranda, and communicated to employees.

No policy can provide definitive answers to all questions. It is difficult to anticipate every decision or action that you may face or consider. Whenever there is doubt about the right ethical or legal choice to make, or questions regarding any of the standards discussed or policies referenced in the Code, you should fully disclose the circumstances, seek guidance about the right thing to do, and keep asking until guidance is obtained.

Those who violate the standards in the Code shall be subject to disciplinary action. Failure to follow the Code, as well as to comply with federal, state, local and any applicable foreign laws, and the policies and procedures of AvMed, may result in termination of employment.



## Corporate Policy

It is the policy of AvMed that Covered Persons conduct all business affairs and relationships with others with **honesty, integrity** and **high ethical standards**. In order to provide standards of appropriate conduct for Covered Persons.

## INTRODUCTION

The ability of AvMed to function as respected members of the business community rests solely on the trust and confidence that our members, providers, regulators and other persons with whom we do business have in our organization.

*That confidence is earned, on a daily basis, when we conduct business with integrity and have a culture that encourages the highest ethical standards.*

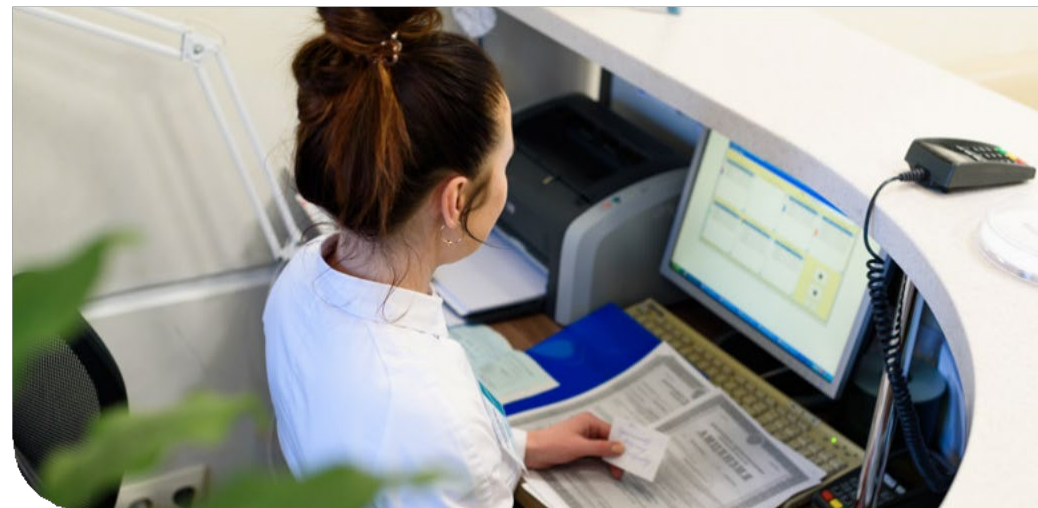
AvMed has established and adopted the following professional standards as a component of its Corporate Compliance Program to reflect the requirements of federal, state and local laws and regulations. The Compliance Department within the organization is responsible for overall implementation and operation of the Corporate Compliance Program.

All Covered Persons are required to adhere to the standards as set forth in the Code and to ensure their behavior and activities are consistent with the Code. AvMed has prepared this Code to help Covered Persons understand what is expected of them in the workplace and as representatives of AvMed.

These standards apply to everyone, at every level of the organization.

Covered Persons will be asked to confirm, in writing, receipt of the Code and an understanding of its content. In addition, there are a number of more detailed and specific procedures covering particular departments or compliance subjects published in Policies and Procedures manuals of AvMed. Those specific procedures shall be communicated to personnel who are particularly affected by them and who must comply with them in the normal course of business.

If you have any questions about the Code, please contact the Compliance Department.





## STANDARDS OF CONDUCT

### Legal Compliance

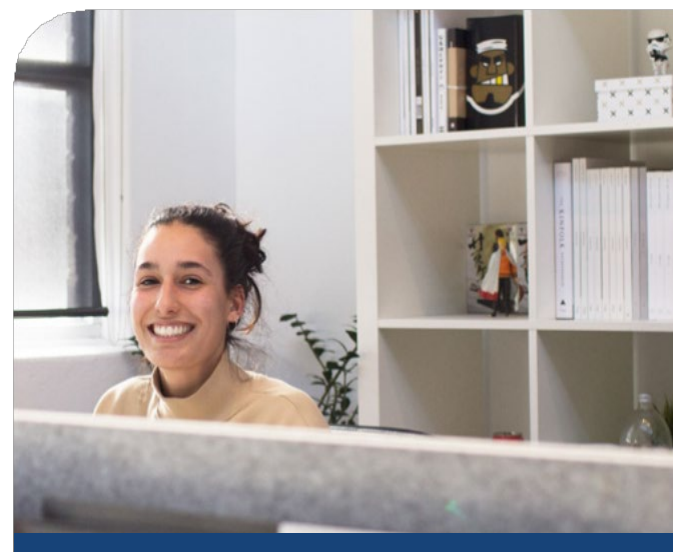
AvMed will strive to ensure that all activity by or on behalf of the organization is in compliance with applicable federal, state and local laws and regulations. The following standards are intended to provide guidance to assist Covered Persons in their obligation to comply with these laws and regulations. These standards are neither exclusive nor complete. AvMed is diligent in its efforts to provide frequent and comprehensive updates to Covered Persons addressing recent legislative or regulatory changes that may impact the operations of AvMed. Covered Persons are expected to stay abreast of any changes that may impact their departmental operations and to make adjustments as necessary to be in compliance with new or revised legislation.

AvMed expects you to refrain from any conduct that may violate state and federal fraud, waste and abuse laws. These laws prohibit, at a minimum:

- Direct, indirect or disguised payments in exchange for the referral of patients
- The submission of false, fraudulent or misleading claims to any government entity or third party payor, including claims for services not rendered, claims which characterize the service differently than that actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements
- Making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service

All Covered Persons are required to comply with all applicable laws and regulations, whether or not they have been specifically addressed by a written policy in this or any other policy manual. AvMed will vigorously enforce compliance and take corrective action, including termination and legal action as appropriate.

AvMed will ensure that reporting to external agencies, associations and the public is timely, accurate, honest and reasonably complete.



## Antitrust

While Covered Persons are encouraged to actively participate in local, state and national organizations and forums to advocate for efficient and effective healthcare for all citizens, it is the policy of AvMed to conduct all of their activities in full compliance with federal and state antitrust laws. Accordingly, in the course of outside meetings and other industry activities, it is important that you refrain from agreeing to or even discussing or exchanging information regarding any competitively sensitive matters with any person who is a representative, employee, officer or director of any competitor. Such competitively sensitive matters include, but are not limited to:

- Prices or premiums charged for managed care or insurance products
- Any increase, decrease or discount in prices for managed care or insurance products
- What constitutes a fair price
- Allocation of customers, enrollees, sales territories, sales of any product, or contracts with providers
- Refusal to deal with any customer, provider, payor, or class or group of customers, providers or payors
- What products or services shall be offered to members
- Other competitively sensitive information, such as information about market share, profits, margins, costs, reimbursement levels or methodologies for reimbursing providers, or terms of coverage

These same standards of conduct are to be observed at all informal or social discussions at the sites of any public or private meetings or gatherings.



## Confidentiality

Covered Persons are in possession of and have access to a wealth of confidential, sensitive and proprietary information regarding the businesses of AvMed. The inappropriate release of such information could be detrimental to AvMed, as well as its members, providers and/or vendors.

*You have an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent its unauthorized disclosure.*

You have an obligation to maintain the confidentiality of member, information in accordance with all applicable laws and regulations. Information requiring protection exists in many formats, such as paper, electronic, audio and video. All copies, formats and versions of confidential information must be maintained in accordance with applicable laws and the policies and procedures of AvMed. AvMed assigns access to confidential information through a role-based security approach to ensure that only those persons whose positions require it and who have a legitimate need to know have the ability to access confidential information. You will not share passwords or other system access rights with any other person(s), whether or not such persons are affiliated with AvMed. You are instructed to always make sure that any access or use of confidential data is carried out using only the minimum amount necessary. Additionally, you will not reveal any personal or confidential information to third persons unless supported by legitimate business or member purposes. If the disclosure of

information is so supported, you will use or disclose on a need-to-know basis, only the minimum amount necessary to accomplish the task. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriate release of information, you should seek assistance from the Compliance Department.

Information, ideas and intellectual property assets of AvMed are important to its success. Information pertaining to competitive position, business strategy, payment and reimbursement information, and information relating to negotiations with third parties or other employees should be protected and shared only with those individuals having a need to know such information in order to perform the responsibilities of their positions with AvMed.

Salary, benefits and other personal information relating to Covered Persons must be treated as confidential. Personnel files, payroll information, disciplinary matters and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws.

You will exercise due care to prevent the unauthorized release or sharing of information. You are required to sign a Statement of Confidentiality at the time of hire and on an annual basis thereafter.

## Conflict of Interest

“Conflicts of interest” may arise when personal or financial relationships or interests interfere, or have the potential to interfere, with professional roles, responsibilities or independent judgment. A conflict of interest occurs when there is a divergence between an individual’s private interests and his or her professional obligations to AvMed, such that an independent observer might reasonably question whether the individual’s professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation, and not on the character or actions of the individual.

AvMed has adopted a Conflicts of Interest Policy & Procedure (“Conflicts of Interest Policy”) and has also incorporated the policy within the Code. Covered Persons are expected to comply with the provisions of the Conflicts of Interest Policy outlined on page 23.

## Receipt of Gifts

“Gifts” from firms or individuals who are conducting, who would like to conduct business with, or who are direct competitors of AvMed, raise the potential of conflicts of interest. Gifts to Covered Persons from members raise the potential for improprieties. Gifts include tangible personal property, as well as services, entertainment, promotional premiums on personal purchases of goods or services, advertising or promotional materials, gratuities or any other personal benefit or favor of any kind.

The Conflicts of Interest Policy describes the policies of AvMed with respect to the receipt of gifts. You are expected to comply with the provisions of the Conflicts of Interest Policy regarding gifts outlined further on page 25.





## Political Activities

Tax exempt organizations, such as AvMed, are subject to legal limitations on political campaigning and lobbying activities. All such activities on behalf of AvMed must be conducted in compliance with applicable laws. Accordingly, you should not use assets of AvMed to engage in any political activities without prior review by and approval from the Compliance Department.

Under the Internal Revenue Code, all section 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Certain activities or expenditures may be permitted depending on the facts and circumstances. For example, certain voter education activities (including presenting public forums and publishing voter education guides) conducted in a non-partisan manner do not constitute prohibited political campaign activity.

AvMed is a section 501(c)(4) social welfare organization, and is permitted to engage in some political activities, including making independent expenditures in support of federal, state and local candidates, so long as that is not its primary activity. Notwithstanding AvMed's ability to engage in political activities, AvMed funds cannot be used to make any political campaign contribution related to a federal election (whether to a candidate, political party or political action committee) or to state candidates or political committees in jurisdictions that prohibit corporate contributions, since it is against the law. AvMed is permitted by law to use its funds to support the administration of the AHIP political action committee (AHIP PAC), a federally registered separate segregated fund, which may contribute to federal candidates. Any use of AvMed funds to provide administrative support to the AHIP PAC, to engage in independent expenditures in support of federal candidates, or otherwise to support any state or local political activity must be processed through the Compliance Officer.

Your personal political activity is totally voluntary, and you should make contributions to candidates or campaigns only if you freely choose to do so. You should not bundle contributions, violate any provision of federal, state, or local campaign finance laws, or otherwise suggest that AvMed endorses your political activity.



## Government Contracts

Always remember that the government is a unique customer. While we always conduct our business with the highest degree of integrity and honesty, there are unique rules applicable to government contractors.

When we act as a government contractor, we have a special obligation to the government (along with the public at large) to ensure that we perform that work with the highest degree of integrity. Accordingly, we must all be committed to compliance with not only the letter but also the spirit of the laws and regulations that apply to our government contracting business.

Although all of the standards discussed in this Code are applicable whether the customer is the government or a private entity, particular statutes and regulations apply to government business dealings. For example, under Title 18 of the United States Code, it is a crime to knowingly make a false claim for payment to the government or to knowingly make a false statement to the government. If you falsify data that is submitted to the government, you have committed a crime. This is true even if you are not doing so in an attempt to obtain payment. Both you and the organization could be subject to criminal prosecution for your violation and could be subject to large penalties and fines. In addition, both you, as an individual, and our company, as an organization, could be prohibited, through suspension and debarment or exclusion, from working on government projects in the future.

## Relationships with Elected Officials

Special restrictions may apply to recruiting former government personnel and the activities of former government employees retained as employees or consultants. Approval must be obtained from the Compliance Department before even mentioning possible employment to a current government employee and before retaining any former government employee.



## Equal Employment Opportunities, Commitment Against Harassment & Workplace Safety

At AvMed, we value diversity in our workforce. We are committed to providing equal opportunities to applicants and employees. We seek to develop and maintain a highly qualified, culturally diverse workforce that is able to meet the cultural and linguistic needs of our diverse members, patients and residents. AvMed complies with legal requirements and is committed to fairness and equitable treatment of all applicants and employees, including, but not limited to, the following:

- Ensuring decisions regarding applicants and employees are based on qualifications without regard to race, color, religion, national origin, gender, age, citizenship status, disability, sexual orientation, or status as a disabled or non-disabled veteran or any other category protected by law
- Establishing compensation based on the employee's contribution and performance to AvMed and independent of considerations related to any protected category
- Strictly prohibiting any form of unlawful conduct, including conduct that is discriminatory, constitutes harassment or is retaliatory. Further, AvMed provides employees with a variety of different options to report any such concerns and is committed to investigating each and taking prompt remedial action when necessary
- Creating and maintaining a safe and healthy work environment for all employees

AvMed is committed to a workplace that is free from sexual, racial or other unlawful harassment, and from threats or acts of violence or physical intimidation.

*Abusive, harassing or other offensive conduct is unacceptable, whether verbal, physical or visual.*

If you believe you have been subjected to harassment or threatened with or subjected to physical violence in or related to the workplace, you must report the incident to Human Resources. Investigations of such complaints are treated with sensitivity, and priority is given to ensuring the complaining party is not subjected to any adverse action on account of expressing the concerns/complaints made in good faith.

AvMed shall not tolerate the possession, use or distribution of pornography, including child pornography, or racially or sexually offensive materials in the workplace, or the use of AvMed's personal computers or other equipment to obtain or view such materials. Any employee who becomes aware of any such prohibited conduct must promptly contact Human Resources so that appropriate action may be taken, including notifying the proper authorities if necessary.

AvMed is committed to providing a drug-free work environment. The illegal possession, distribution or use of any controlled substances on its premises or at employment-related functions is strictly prohibited. Similarly, reporting to work under the influence of any illegal drug or alcohol and the abuse of alcohol or medications in the workplace is strictly prohibited.

Accidents, injuries or concerns about unsafe equipment, practices, conditions or other potential hazards must immediately be reported to management.

## Protection of Assets

You have a personal responsibility to protect the assets of AvMed from misuse or misappropriation. The assets of AvMed include tangible assets, such as products, equipment and facilities, as well as intangible assets, such as intellectual property, trade secrets, reputation and business information (including any non-public information learned as a Covered Person).

### *Theft/Misuse of Assets*

Assets of AvMed may only be used for business purposes and other purposes as approved by AvMed. You must not take, make use of or knowingly misappropriate the assets of AvMed for personal use, for use by another, or for an improper or illegal purpose.

You are not permitted to remove, dispose of or destroy anything of value belonging to AvMed without express prior written consent, including both physical items and electronic information.

### *Confidential Information/Privacy*

You must not use or disclose any confidential information to any person or entity outside of AvMed, either during or after termination of your status as a Covered Person, except with written authorization of AvMed or as may be otherwise required by law or regulation. You may not use confidential information for your own personal benefit or the benefit of persons or entities outside AvMed.

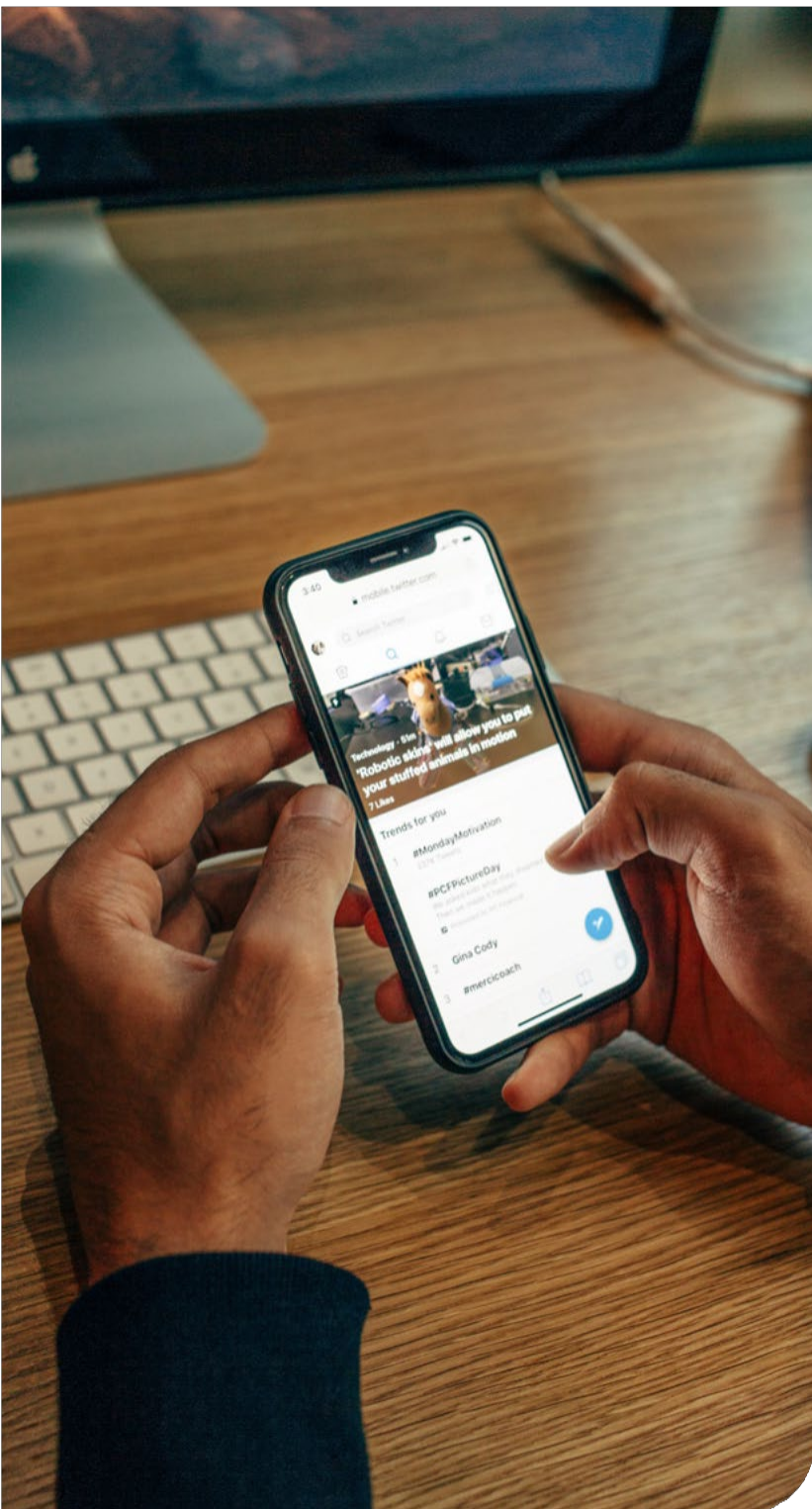
Confidential information includes all non-public information learned as a Covered Person. It includes, but is not limited to:

Non-public information that might be of use to suppliers, vendors, joint venture partners or others of interest to the press, or harmful to AvMed or any of its constituents, if disclosed;

Non-public information relating to AvMed's operations, including financial information, minutes, reports and materials of the Board of Directors and its committees, and other documents identified as confidential;

Non-public information about discussions and deliberations, relating to business issues and decisions, between and among employees, officers and directors; and

Non-public information about Covered Persons or any other individuals about whom AvMed may hold information from time to time.



### *Outside Communication*

AvMed is committed to providing full, fair and accurate disclosure in all public communications and in compliance with all applicable laws, regulations and rules. Consistent with this commitment, employees may not answer questions from the media or any other members of the public unless specifically authorized to do so. If you should receive such an inquiry, you should obtain the name of the person and their contact information if possible and immediately notify the Marketing Communications team at [AvMed.Communications@AvMed.org](mailto:AvMed.Communications@AvMed.org).

As individuals we all have rights to speak out on issues including in a public forum, whether at your town hall or on a social networking media application or website. However, when you speak as an individual it is critical that you do not give the appearance of speaking or acting on behalf of AvMed, and that you do not speak about AvMed. You should be especially aware of the broad reach of social networking media applications and websites, and that such media is increasingly being monitored by customers, competitors, regulators and colleagues. Your comments may be attributed to AvMed, even though you did not intend for your comments to be attributed that way.

Whether or not you identify yourself as an employee of AvMed, you may not comment on or provide information relating to AvMed business (even if such information is not confidential) in an internet chat room, newsgroup, guest book, bulletin board, blog, social or business networking site, or similar forum unless you are specifically authorized to do so. You should not comment in such a forum on any subject matter as to which you have knowledge or expertise by virtue of your duties with AvMed. Finally, you should not post in such a forum your opinions about AvMed unless you are specifically authorized to do so.



### *Network Use, Integrity & Security*

AvMed reserves the right to monitor or review any and all data and information contained on any computer or other electronic device issued by AvMed. In addition, AvMed reserves the right to monitor or review, without prior notice, any use of the Internet through AvMed resources, AvMed's Intranet and AvMed's e-mail or any other electronic communications.

Access to AvMed's systems will be revoked and disciplinary action may be taken in the event that such systems are used to commit illegal acts, or to violate the nondiscrimination, harassment, pornography, solicitation or proprietary information terms of the Code, or any other terms of the Code.

In order to maintain systems integrity and protect AvMed's network, do not divulge any passwords used to access any AvMed computer or database. Any suspected breach of the AvMed network security systems should be reported to a responsible supervisor or appropriate internal authority immediately.

You should not use or distribute software that may damage or disrupt AvMed's work environment by transmitting a virus or conflicting with AvMed systems.

You should not engage in any unauthorized use, copying, distribution or alteration of computer software, whether obtained from outside sources or developed internally. All software, including "shareware," contains terms of use that must be adhered to.







### *Accounting Practices, Books & Records, and Record Retention*

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions. You have a strict obligation to provide accurate information in the records of AvMed.

You are expected to support our efforts in fully and fairly disclosing the financial condition of AvMed in compliance with applicable accounting principles, laws, rules and regulations and making full, fair, accurate, timely and understandable disclosure in our reports filed with regulatory agencies and other communications. Our financial statements and the books and records on which they are based must accurately reflect all transactions and conform to all legal and accounting requirements and our system of internal controls.

You have a responsibility to ensure that our accounting records do not contain any false or misleading entries. We do not tolerate any misclassification of transactions as to accounts, departments or accounting periods and, in particular:

- All accounting records, as well as reports produced from those records, are to be kept and presented in accordance with law and are to comply with generally accepted accounting principles
- All records are to fairly and accurately reflect the transactions or occurrences to which they relate
- All records are to fairly and accurately reflect in reasonable detail the assets, liabilities, revenues and expenses of AvMed
- No accounting records are to contain any false or misleading entries
- All transactions are to be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period
- The system of internal accounting controls of AvMed, including compensation controls, are required to be followed at all times





Always record data in a timely and accurate manner. This protects our resources and meets the expectations of the people who rely on the accuracy of our records to perform their jobs. Falsifying business records is a serious offense, which may result in criminal prosecution, civil action and/or disciplinary action up to and including termination of employment. If you are authorized to make expenditures or enter into transactions on behalf of AvMed, you must ensure that the applicable records comply with our accounting and purchasing policies and that all transactions are recorded properly.

Consistent with the reporting and recordkeeping commitments discussed above, you should accurately and truthfully complete all records used to determine compensation or expense reimbursement. This includes, among other items, reporting of hours worked (including overtime) and reimbursable expenses (including travel and meals).

Compliance with our Records Retention Policy and Procedures is mandatory. Destroying or altering a document with the intent to impair the document's integrity or availability for use in any potential official proceeding is a crime. Destruction of records may only take place in compliance with our Records Retention Policy and Procedures. Documents relevant to any pending, threatened or anticipated litigation, investigation or audit shall not be destroyed for any reason. If you believe that our records are being improperly altered or destroyed, you should report it to a responsible supervisor, the appropriate internal authority, the Compliance Department or AvMed's legal counsel.

# Reporting of Violations

Illegal acts or improper conduct may subject AvMed to severe civil or criminal penalties, including large fines or sanctions and being barred from certain types of business. It is, therefore, very important that any illegal or unethical activity or violation of the Code be reported promptly.

Anyone who has questions about the interpretation or application of the Code to particular acts or conduct is encouraged to seek the guidance of the Compliance Department.

If you believe a violation of the Code or any other illegal activity has occurred, you should promptly report the violation in person, by phone or in writing to the Compliance Department.

- It is a violation of the Code for any Covered Person who believes in good faith a violation of the Code or other illegal activity has occurred not to report a violation or other illegal/unethical activity.
- It is the policy of AvMed to promptly and thoroughly investigate all reports of illegal or unethical activity or violations of the Code. You are required to cooperate with these investigations. It is a violation of the Code for you to prevent, hinder or delay discovery and full investigation of such reports.
- You may report such activity or violation anonymously. AvMed will take reasonable precautions to maintain the confidentiality of those individuals who report such activity and of those involved in the alleged improper activity.
- No reprimands or disciplinary action will be taken or permitted against you for good faith reporting of, or cooperating in the investigation of, activities or violations of the Code.
- If you violate the Code or commit illegal or unethical acts, you are subject to discipline up to and including dismissal. If you report your own misconduct, self-reporting will be taken into account in determining the appropriate disciplinary action.



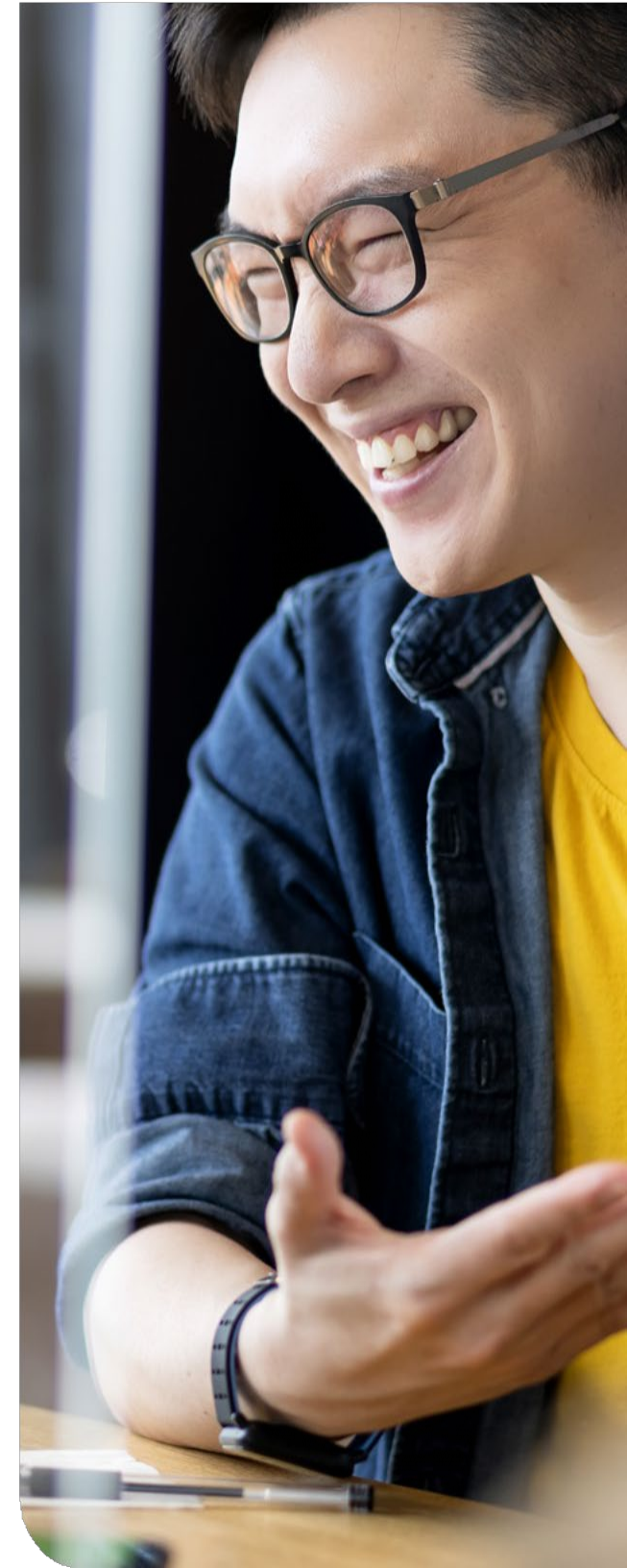
# Administration and Application of This Code of Ethical Business Conduct

AvMed expects you to abide by the standards set forth herein and to conduct the business and affairs of AvMed in a manner consistent with these principles.

Failure to abide by the Code may result in disciplinary action. To determine the appropriate disciplinary action for a violation of the Code or a failure to report such a violation, the Compliance Department and members of senior management may take into account the following factors:

- The nature of the violation and the ramifications to AvMed, its members and other stakeholders
- Whether your involvement was direct or indirect
- Whether the violation was willful or unintentional
- Whether the violation represented an isolated occurrence or a pattern of conduct
- Whether you withheld relevant or material information and the degree to which you cooperated with the investigation
- Any action previously imposed for similar violations and/or the Covered Person's past violations
- Whether the violation constituted a fraudulent act (or involved intentional deception)

Nothing in the Code is intended to and should not be construed as providing any additional employment or contract rights to Covered Persons. While AvMed generally attempts to communicate changes concurrent with or prior to the implementation of changes, AvMed reserve the right to modify, amend or alter the Code without notice.







# Corporate Compliance Hotline

**The Corporate Compliance Hotline is available 24 hours per day.**



Call **800-981-6667**



Online <https://app.mycompliancereport.com/report?cid=SEN>

*Please note that concerns may be reported anonymously.*

## **Contact the Compliance Office:**



Call **844-263-2376**

*It is the policy of AvMed to encourage the communication of bona fide concerns relating to the lawful and ethical conduct of business, and audit and accounting procedures or related matters. It is also the policy of AvMed to protect those who communicate bona fide concerns from any retaliation for such reporting. No retribution against any individual who reports violations of the Code in good faith shall be permitted. Confidential and anonymous mechanisms for reporting concerns are available and are described in the Code. However, anonymous reporting does not serve to satisfy a duty to disclose your potential involvement in a conflict of interest or in unethical or illegal conduct. Every effort shall be made to investigate confidential and anonymous reports within the confines of the limits on information or disclosure such reports entail. While self-reporting a violation shall not excuse the violation itself, the extent and promptness of such reporting shall be considered in determining any appropriate sanction, including dismissal. AvMed shall investigate any matter which is reported and shall take any appropriate corrective action.*



Compliance Hotline: **800-981-6667** (Available 24 / 7)

# Conflicts of Interest

## POLICY & PROCEDURE

### PURPOSE

AvMed has adopted and is implementing this Conflicts of Interest Policy (the “Policy”) to ensure that all actual and potential conflicts of interest, or the appearance thereof, between AvMed and any of directors, board officers, executive officers, corporate officers, assistant officers, and employees (“Covered Persons”) are appropriately managed through disclosure, recusal and other means. The Policy is intended to meet the requirements of Chapter 617, Florida Statutes, court decisions interpreting Chapter 617, provisions of the Internal Revenue Code of 1986, as amended (the “Code”) applicable to 501(c)(3) and 501(c)(4) organizations, policies promulgated by the National Association of Insurance Commissioners, and other published guidance on best practices for non-profit health plans.

All Covered Persons owe a duty of loyalty to AvMed. The duty of loyalty requires that Covered Persons exercise their powers in good faith and in the best interests of AvMed, rather than in their own interests or the interests of another entity or person.

Conflicts between the interests of AvMed and the personal or financial interests of a Covered Person may arise from time to time. Some conflicts of interest are illegal or may subject AvMed or Covered Persons to liability. Some conflicts of interest may be legal, but also unethical or may create an appearance of impropriety. Some conflicts of interest may be in the best interests of AvMed so long as certain procedures are followed. The Policy is designed to assist AvMed and Covered Persons in identifying conflicts of interest and in handling them appropriately.

Neither AvMed nor any Covered Person will enter into any transaction or arrangement that involves an actual, potential, or apparent conflict of interest except in compliance with the Policy.

## DEFINITIONS

A conflict of interest arises whenever the interests of AvMed come into conflict with a competing financial or personal interest of a Covered Person or an Affiliated Party (as defined below in footnote 1), or otherwise whenever a Covered Person's personal or financial interest could be reasonably viewed as affecting their objectivity or independence in fulfilling their duties to AvMed.

While it is not possible to anticipate all possible conflict situations, conflicts of interest typically arise whenever a Covered Person or any Affiliated Party<sup>1</sup> has (directly or indirectly):

1. A financial arrangement or other interest in a transaction with AvMed
2. A compensation or financial arrangement with, or other interest in or affiliation with, any entity or individual: (a) that sells goods or services to, or purchases goods or services from, AvMed; (b) that leases property to or from AvMed; (c) that competes with AvMed; or (d) with which AvMed has, or is negotiating, or is contemplating negotiating, any other transaction or arrangement
3. Used his or her position, or confidential information or the assets of AvMed to his or her (or an Affiliated Party's) financial or personal advantage or for an improper or illegal purpose
4. Solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Covered Person
5. Acquired any property or other rights in which AvMed has an interest, or the Covered Person knows or has reason to believe at the time of the acquisition that AvMed is likely to have an interest
6. An opportunity related to the activities AvMed that is available to AvMed or to the Covered Person, unless the Board has made an informed decision that AvMed will not pursue that opportunity
7. Been indebted to AvMed, other than for amounts advanced for ordinary travel and business expense purposes
8. Any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence and objective judgment or otherwise to perform effectively

<sup>1</sup> "Affiliated Party" means a member of the Covered Person's family (including spouses and their siblings), lineal ancestors and descendants, spouses of lineal descendants, siblings (and their spouses and children), and domestic partners, or any entity in which the Covered Person (or any affiliated party) is a director, officer, or has a beneficial interest of more than 5%.

## PROCEDURE

### Receipt of Gifts

A Covered Person must not accept any gifts, whether money, tangible personal property, or intangible property (such as tickets to concerts or sporting events) as a condition of conducting business with a vendor, payor or provider or in exchange for providing special or preferential treatment to that client or customer. Covered Persons may accept gifts of nominal or minor value which are of such a nature as to indicate they are merely tokens of respect or friendship and are not related to any particular transaction and which are customarily offered to others having a similar relationship with the firm or individual. For example, a Covered Person can generally accept inexpensive advertising and promotional gifts or items, business meals and/or other appropriate, infrequent forms of entertainment. Notwithstanding the foregoing, however, a Covered Person must not accept any gift (even if the gift is of only nominal or minor value) from any health care provider, health care facility, or payor, or under any circumstances in which it appears that the gift is being offered or given in return for referring a patient or patronage to a health care provider, health care facility, or payor.

Covered Persons who are employees of AvMed are not permitted to accept gratuities, tips or gifts from members. Acceptance of such a gift can create an impression among members that gratuities or gifts may lead to a greater level of attention or service, or conversely, that failure to make such gifts may reduce the level of attention and service by staff. If a member (or family member of a member) offers such a gift,

the employee should advise the member of the Policy, let management know of the gift, and, if practical, return the gift. If it is not practical to return the gift, it should be treated as property of AvMed and shared with others in the applicable department.

If a Covered Person has any questions about a particular situation, the Covered Person should consult the Compliance Department before accepting any money, gift, gratuity, favor or entertainment.



## Receipt of Gifts Guidance Examples

**Question:** In a meeting with a vendor, the vendor gave me a golf umbrella with the vendor's corporate logo. The umbrella has nominal value (less than \$25). The vendor is not a healthcare provider, healthcare facility or payor. I did not solicit the gift. Can I keep the umbrella?

**Answer:** Yes. The value of the umbrella is de minimus and is an item customarily given by the vendor for marketing or advertising purposes.

**Question:** A vendor has invited me to its corporate headquarters to evaluate some new hardware. The building is in another city, but the vendor will pay for my airfare, hotel, car and food expenses. Is this ok?

**Answer:** No. You must avoid even the appearance that your decision to buy the equipment is improperly influenced. If there is a business need, AvMed can pay the expenses of your travel.

**Question:** I received a gift card to an expensive restaurant from a member as a holiday present. I did not solicit the gift. Can I keep it?

**Answer:** Let your management know that you received the gift, and, if possible, return the gift. Be sure to let the member know that AvMed's Policy forbids the acceptance of gifts from members.

**Question:** I received an expensive basket of fruit (value greater than \$25) from a vendor as a holiday present. I did not solicit the gift. Can I keep it?

**Answer:** Let your management know that you received the gift, and, if practical, return the gift. If it is not practical to return, it should be treated as property of AvMed and in this case, shared with others in your department. Be sure to let the vendor know that AvMed's Policy prohibits the acceptance of gifts from vendors (other than gifts of nominal or minor value which are of such a nature as to indicate they are merely tokens of respect or friendship and are not related to any particular transaction, and which are customarily offered to others having a similar relationship with the vendor).

**Question:** A representative of a vendor brought a dozen bagels and cream cheese to an early morning meeting with employees of AvMed. The bagels have nominal value (less than \$25). The vendor is not a health care provider, health care facility, or payor. May the meeting attendees accept the bagels?

**Answer:** Yes. The value of the bagels and cream cheese is de minimus. Furnishing of bagels or similar breakfast foods for an early meeting is a courtesy customarily offered to others having a similar relationship with the vendor and can be accepted.



## Disclosure

Conflict identification and analysis can be difficult. Therefore, Covered Persons are at all times expected to err on the side of caution and bring to the attention of the Compliance Department all material facts of any matters that may involve conflicts of interest or be perceived by others to raise questions about potential conflicts even if the Covered Person does not believe that an actual conflict exists. Disclosures should be made in advance, before any action is taken on the matter.

- Each Covered Person must complete a Questionnaire Concerning Conflicts of Interest at the beginning of their affiliation with AvMed.
- On an annual basis, each Covered Person engaged in making or influencing decisions on behalf of AvMed must complete a Questionnaire Concerning Conflicts of Interest to disclose any actual, potential, or apparent conflicts. On an annual basis, the Compliance Department will approve the list of Covered Persons that are required to complete the disclosure.
- On an annual basis, all Covered Persons are required to affirm that they have read, understand, and have and will continue to adhere to the Policy by completing the Certificate Compliance.
- All Covered Persons are required to timely submit a new Questionnaire disclosing any relevant change in circumstances.
- Questionnaires submitted by employees will be reviewed by the Compliance Department if the employee indicates a conflict may exist.



## Evaluation

The Compliance Department will evaluate conflict disclosures and make other necessary inquiries to determine the extent and nature of any actual or potential conflict of interest and, if appropriate, investigate alternatives to the proposed transaction or arrangement. After disclosure of the potentially conflicting interest and all material facts, and after answering any questions, the Covered Person must recuse himself or herself from deliberations and any action relating to the matter and must refrain from attempting to influence other decision-makers relating to the matter.

## Consequences of Noncompliance

If the Compliance Department has reasonable cause to believe that a Covered Person has failed to comply with the Policy, they may make such further investigation as may be warranted in the circumstances and if they determine that a Covered Person has in fact failed to comply with the Policy, they will take appropriate action which may include recommendation to the Board of Directors or President, as applicable, to remove the Covered Person from office or terminate employment of the Covered Person.





## Consequences of Noncompliance

In order to assure that Covered Persons are aware of the Policy, the following practices and procedures will be observed:

1. A copy of the Policy shall be provided to each Covered Person.
2. Each Covered Person receiving a copy of the Policy must submit an Affirmation attached to the Code of Ethical Business Conduct (of which the Policy is a part) affirming:
  - A. That he or she read the Policy in full and has considered his or her personal situation in light of it.
  - B. That he or she is not, to the best of his or her knowledge, violating any of the principles or standards enunciated in the Policy.
  - C. That he or she has made a full disclosure, of the facts regarding any possible question of a conflict of interest with AvMed

Covered Persons must submit the Affirmation and Conflict of Interest Questionnaire to Human Resources as part of their initial new employee orientation and submit the Affirmation on an annual basis thereafter. Covered Persons who are engaged in making or influencing decisions on behalf of AvMed must additionally complete and submit the Questionnaire on an annual basis.

3. Any Covered Person who has any question regarding any possible conflict of interest affecting or potentially affecting their own position is to make a full disclosure of the facts to the Compliance Department. If it is finally decided that the facts disclosed do present a conflict of interest which should not be waived by AvMed, the Covered Person involved will be disqualified from exercising any authority in connection with any transaction affected thereby.



# Certificate of Compliance

*Print Name*

I, ..... hereby certify that I have read, understand and am in compliance with the terms and conditions set forth in the AvMed Code of Ethical Business Conduct (the “Code”) and AvMed Conflicts of Interest Policy & Procedure:

I certify that I have considered my personal situation in light of the Conflicts of Interest Policy & Procedure (“Policy”) and that:

☐

To the best of my knowledge, I am not violating any of the principles or standards set forth in the Policy; and

☐

I have made full disclosure (on the attached questionnaire) of the facts regarding any possible question of a conflict of interest with AvMed, as required by the Policy.

.....  
(Signature)

.....  
(Date)



# AvMed Conflicts of Interest Policy & Procedure Questionnaire

Have you or any Affiliated Party, as defined in the Conflicts of Interest Policy & Procedure ("Policy"), had or engaged in, or do you know of any other Covered Person that has or engaged in, any of the following (other than matters already fully disclosed, evaluated and resolved)?

	YES	NO
1. A financial arrangement or other interest in a transaction with AvMed;		
2. a compensation or financial arrangement or other interest in or affiliation with any entity or individual: (a) that sells goods or services to, or purchases goods or services from, AvMed; (b) that leases property to or from AvMed; (c) competes with AvMed; or (d) with which AvMed has, or is negotiating, or is contemplating negotiating, any other transaction or arrangement;		
3. used his or her position, or confidential information or the assets of AvMed to his or her (or an affiliated party's) financial or personal advantage or for an improper or illegal purpose;		
4. solicited or accepted any gift, entertainment or other favor where such gift might create the appearance of influence on the Covered Person;		
5. acquired any property or other rights in which AvMed has an interest, or the Covered Person knows or has reason to believe at the time of acquisition that AvMed is likely to have an interest;		
6. an opportunity related to the activities of AvMed that is available to AvMed or to the Covered Person;		
8. been indebted to AvMed, other than for amounts due for ordinary travel and expense advances; or		
9. any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence, objective judgment or otherwise perform effectively.		

*If yes is answered to any of the above questions, please describe the relevant facts (attach a separate sheet if necessary).*

.....  
(Signature)

.....  
(Name)

.....  
(Date)



Compliance Hotline: **800-981-6667** (Available 24/7)