



SPEAK UP

ANNUAL REPORT 2021

From the Compliance and Ethics Program

TABLE OF CONTENTS

Speak Up Annual Report 2021.....	3
In Good Company	4
CareFirst by the Numbers 2020	5
Why It's Important to Speak Up	6
Issues to Report	7
The Investigation Process	8
2020 Year in Review	9
Helpline and Hotline	10
Reports and Outcomes	14
How to Speak Up	16

SPEAK UP ANNUAL REPORT 2021

CareFirst BlueCross BlueShield (CareFirst) encourages ethical conduct and compliance with all applicable federal, state and local laws and regulations. We place equal emphasis on what we do and how we do it. Open communication and trust are essential. That's why we created the Speak Up program.

Speak Up is more than a theme for the Compliance and Ethics Program. It's the principle that guides all our interactions with customers, vendors, third parties, community partners and each other. It represents the high standards for regulatory compliance and ethical behavior that are fundamental to our core values and helps deliver on our mission.

When you—our employees and contingent workforce—speak up, you make a difference. You help us identify and investigate compliance and ethics violations and get better—all in support of our commitment to an ethical and transparent culture.

The Speak Up report provides an overview of our compliance and ethics processes and highlights important yearly trends and statistics in reporting, investigating and remediating compliance and ethics issues.

Along with the rest of the leadership team, we are personally committed to ensuring we remain grounded in the values reflected by Speak Up and that have sustained CareFirst's reputation as one of the most ethical healthcare insurance companies in the industry.



Angela Celestin

EVP, Chief Human Resources Officer
CareFirst BlueCross BlueShield

P. Todd Cioni

VP, Chief Compliance, Ethics and Privacy Officer
CareFirst BlueCross BlueShield

IN GOOD COMPANY

The World's Most Ethical Companies award is given out by the Ethisphere Institute, a global leader in business ethics. In 2021, CareFirst was one of **135 companies** across **22 countries** and **47 industries** recognized for our unwavering commitment to business integrity. The list of honorees included only three other health insurers: BlueShield of California, Cambia and Health Care Service Corporation.

In our **ninth consecutive year** as one of the World's Most Ethical Companies, CareFirst holds an elite status among the most respected companies in the world. Only **7 other organizations** have achieved the same number of back-to-back awards.

2021 | **WORLD'S MOST ETHICAL COMPANIES**™

WWW.ETHISPHERE.COM

9 - TIME HONOREE

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"Confidence is earned when business is conducted with the highest ethical standards. As CareFirst employees, we all have a duty to speak up when we believe our core values are at risk. I thank you for doing what is right for each other, our members, partners and the communities we serve."

Brian D. Pieninck

President and CEO
CareFirst BlueCross BlueShield

Photo credit: Baltimore Business Journal

CAREFIRST BY THE NUMBERS 2020

As a not-for-profit healthcare company, CareFirst works to make the communities it serves healthier places to live. Now in our 84th year of service, CareFirst is the largest healthcare insurer in the Mid-Atlantic.



WHY IT'S IMPORTANT TO SPEAK UP

We are committed to building a strong culture of ethics and compliance. Doing so requires a thorough and transparent investigation process.

It also requires an environment in which our workforce feels empowered to bring their concerns forward. By speaking up, you're letting us know our company is ethically healthy.



Retaliation and intimidation are prohibited. An individual who reports an issue in good faith should never face retaliation or intimidation.



ISSUES TO REPORT

- Violation of a law or regulation
- Misuse of company resources, funds or property
- Abuse of accounting, financial policies and requirements
- Disclosure of proprietary or confidential information
- Conflict of interest with any business, individual or organization
- Bribery or kickbacks of any kind
- Filing false claims with a government agency or violating government contract requirements
- Theft, fraud or other criminal activities
- Harassment, intimidation or other inappropriate workplace behaviors



THE INVESTIGATION PROCESS

1

A report is received and logged in an internal tracking system.

2

The report is assessed to determine who should handle the investigation.

3

The investigation takes place.

4

The information is reviewed for a fair and consistent outcome.

5

The case concludes and appropriate communications and actions are taken.



2020 YEAR IN REVIEW

INVESTIGATION STATUS

Reported issues are taken seriously. They are investigated to determine their context and cause(s) as well as to find a solution. Additionally, investigations seek to identify any underlying issues or opportunities for improvement. Reporting issues is necessary for a compliant and ethical culture.

Investigation Pending

The issue has been evaluated and assigned for investigation. The case remains open.

Investigation Complete

The issue has been investigated. A summary of facts and conclusions has been shared with business leadership. If substantiated, corrective action and appropriate communication has been referred to appropriate parties. The matter is now closed.



51%

Substantiated

A report is considered substantiated when some or all of the allegations raised can be proven with reasonable certainty.

49%

Unsubstantiated

A report is deemed unsubstantiated when it cannot be proven with sufficient confidence. Reasons may include a lack of witness accounts or insufficient or unclear information.



Both the Compliance and Ethics and Human Resources teams evaluate all reports. They are responsible for determining the scope of a case as well as who will investigate it. All reports are treated with the greatest confidentiality possible.

HELPLINE AND HOTLINE

CareFirst provides its workforce with two different channels through which to address their compliance and ethics concerns.

Helpline

The CareFirst Helpline offers the chance to discuss concerns with the Compliance and Ethics team before reporting a violation. They can be reached by phone at **410-528-7193** or email at **complianceandethics@carefirst.com**.

Hotline

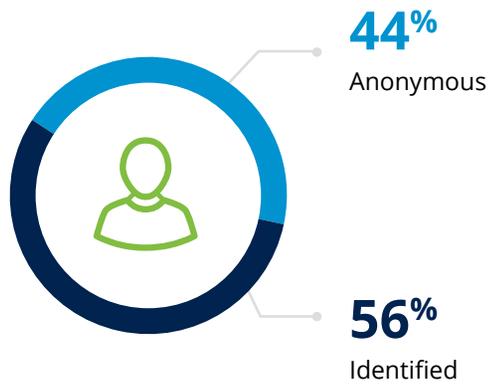
The CareFirst Hotline allows a person to file an **anonymous** report of known or suspected violations. This can be done either by calling **410-528-7800** or filling out the **online form**.



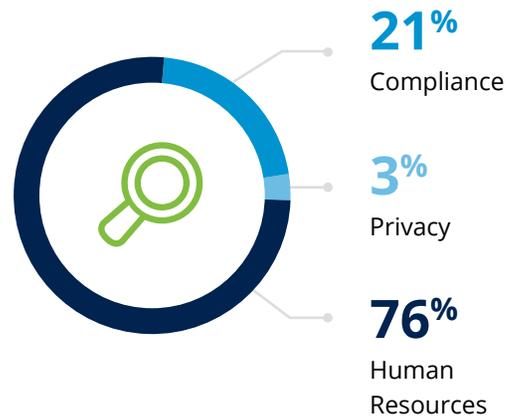
INVESTIGATION RESULTS

CareFirst received a total of 348 Compliance and Ethics concerns in 2020.

Identity of Reporters



Investigations by Team



Intake Method



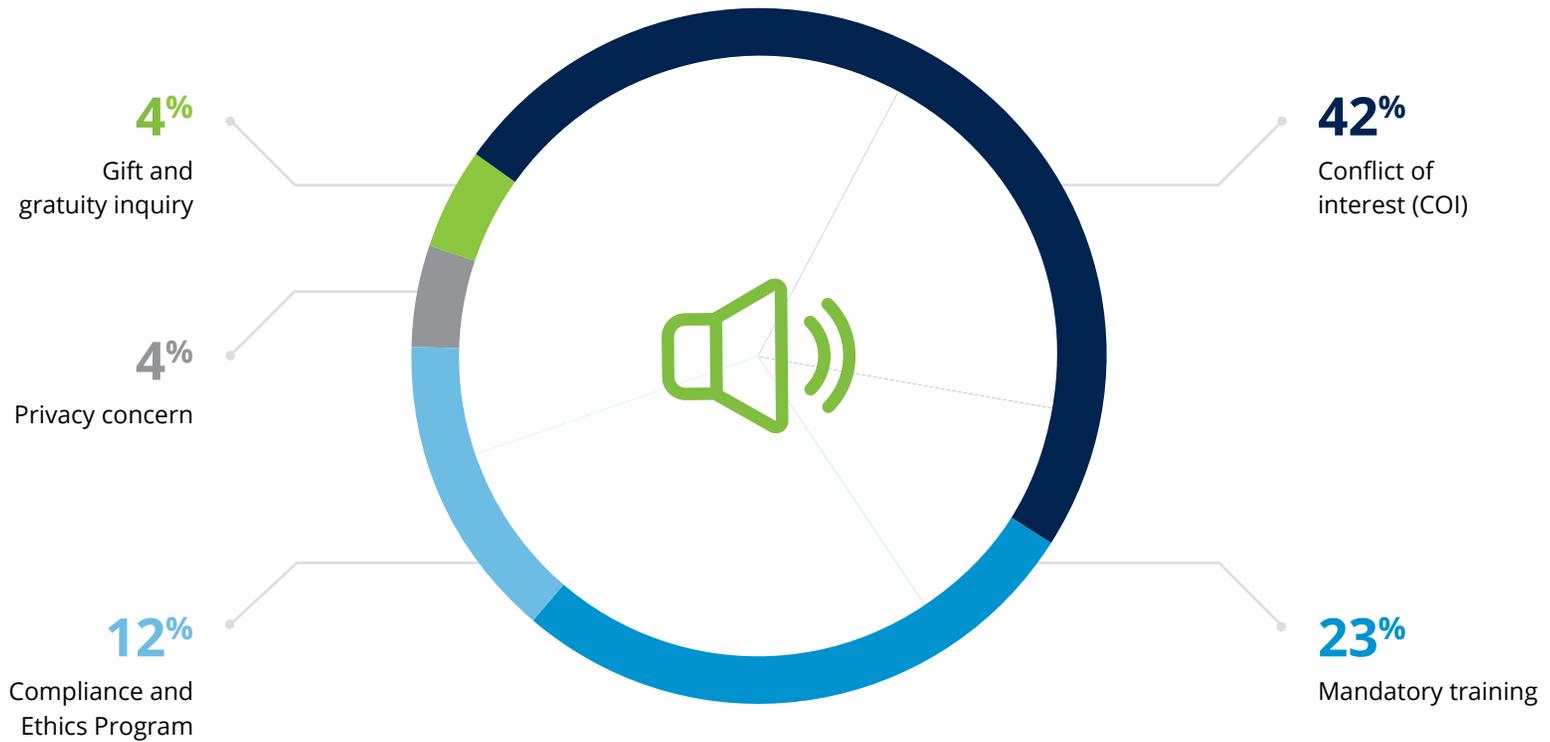
The Compliance and Ethics Office logs and tracks every reported concern. All reports are evaluated with Human Resources to determine how to best proceed. The majority of the reports received from reporters willing to identify themselves, come from employees.

TOP 5 REPORTED ISSUES—HOTLINE



 *In 2020, the Hotline received a total of 86 reported issues—1.05 per 100 employees.*

TOP 5 REPORTED CATEGORIES—HELPLINE



 In 2020, the Helpline received a total of 262 reported issues. Additional topics discussed on the Helpline include issues specific to corporate filings, Medicaid/Medicare, information security, providers, Code of Conduct and vendors.

REPORTS AND OUTCOMES

HELPLINE INQUIRIES

In 2020, 262 inquiries were received from the Helpline—an average of 3.18 inquiries per 100 employees.

Case Study

In May of 2020, a CareFirst employee contacted the Compliance and Ethics team with a question about gifts and gratuities.

While negotiating a request for proposal (RFP), a vendor scheduled a remote meeting that would run through lunch hour. The vendor asked to send a gift card for food to each CareFirst employee to use during this meeting.

CareFirst policy prohibits employees from accepting cash (including gift cards) from third parties. The Compliance and Ethics team advised that employees could not accept the cards.

However, due to the new work-from-home environment, it was deemed acceptable for the vendor to have each employee's lunch delivered to them through a food delivery service.



HARASSMENT ISSUES

In 2020, 22 harassment issues were reported to either HR or Compliance and Ethics. After thorough investigations, harassment was substantiated only once. Poor managerial skills and interpersonal misalignment were the most commonly substantiated outcomes for reported harassment issues.

Case Study

A CareFirst employee reported an issue of harassment/bullying to HR. It concerned them how their manager was speaking to others during meetings. After an investigation involving multiple interviews, the harassment claim was not substantiated.

However, it was determined that the manager had displayed poor leadership, communication and judgment. As a result, the manager was put on a corrective action plan and received coaching from HR on being a more effective leader.



HOW TO SPEAK UP

If you suspect a violation, it is your duty to report it. Retaliation and intimidation are prohibited. When an employee reports an issue in good faith, they should never face retaliation or intimidation. Employees may report concerns about suspected business ethics or compliance violations in any of the following ways:

Talk to your leadership team members or people leaders about your concern.

Contact your Human Resources Business Partner.

Contact your division's Embedded Compliance Representative.

Contact the Compliance and Ethics Office Helpline at 410-528-7193 or complianceandethics@carefirst.com.

Submit an **anonymous claim** by using the **online form** or calling the Compliance and Ethics Hotline 24/7 at 410-528-7800.

 *Thank you for making compliance and ethical concerns a part of your daily work.*



"I'm proud to be part of a company that's fully committed to integrity and responsibility. Our recognition as one of the world's most ethical companies is a testament to this commitment. It's my belief that this report will help guide our ongoing efforts to build a stronger, more engaged culture."

P. Todd Cioni

VP, Chief Compliance, Ethics and Privacy Officer
CareFirst BlueCross BlueShield





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