



# SPEAK UP

ANNUAL REPORT 2024

# TABLE OF CONTENTS

Speak Up Annual Report 2024. . . . .	3
In Good Company . . . . .	4
The Investigation Process. . . . .	5
2023 Year in Review . . . . .	6
CareFirst by the Numbers 2023 . . . .	9
How to Speak Up . . . . .	10
Why It's Important to Speak Up . . .	11
Concerns to Report. . . . .	14

# SPEAK UP ANNUAL REPORT 2024

At CareFirst, our mission and values are at the core of everything we do. We believe how we treat each other and conduct our work is as important as what we achieve. Our commitment to our values is unwavering and requires the dedication of our entire organization. This is what sets us apart as a company.

We established the Speak Up program to foster open, honest communication with our customers, partners, and colleagues. This program provides a safe space to share your thoughts and concerns, and we value your input. When you speak up, you help us identify and address potential compliance and ethical issues, strengthening our commitment to transparency and integrity.

The Speak Up report offers insight into our compliance and ethics processes, highlighting key trends and statistics. It reflects our high standards for governance, compliance, and ethical behavior and helps us deliver on our mission.

We encourage you to continue speaking up if you see something that doesn't seem right. Your contributions are essential to our ongoing efforts to work together as One Company, One Team.

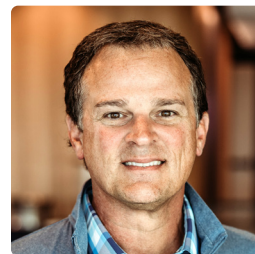
*With Care,*



A handwritten signature in blue ink that reads "Angela Celestin".

**Angela Celestin**

EVP, Chief Human Resources Officer  
CareFirst BlueCross BlueShield



A handwritten signature in blue ink that reads "Matt Snyder".

**Matt Snyder**

SVP, Chief Risk 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 2024, CareFirst was one of **136 organizations** spanning **20 countries** and **44 industries** recognized for our unwavering commitment to business integrity. CareFirst is one of only four companies representing the health insurance industry on the list.

In our **twelfth consecutive year** as a World's Most Ethical Companies Honoree®, CareFirst stands with other companies that prioritize ethical behavior and understand the correlation between values-based leadership and overall business success.



"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.



*“ At CareFirst, we believe that when you do things, you do them the right way, for the right reasons, and in a compliant and highly ethical way. As CareFirst employees, we all have a duty to speak up when we see something that doesn't feel right. We will learn from that as an organization and continue to move forward together. ”*

**Brian D. Pieninck**

President and CEO  
CareFirst BlueCross BlueShield

Photo credit: Baltimore Business Journal

# THE INVESTIGATION PROCESS

Every investigation follows the same, straight-forward process from beginning to end. Our goal is to provide fair and consistent outcomes for everyone involved. All investigations remain confidential to the greatest extent possible.

- 1** A concern is received and documented.
- 2** The concern is assessed and assigned for investigation.
- 3** The investigation takes place.
- 4** The information is reviewed for a fair and consistent outcome.
- 5** The investigation concludes and appropriate communications and actions are taken.



# 2023 YEAR IN REVIEW

## INVESTIGATION STATUS

All reported concerns are treated seriously and investigated to the greatest extent possible to determine cause, context and solution. Additionally, investigations seek to identify any underlying issues or opportunities for improvement. Reporting issues is necessary for a compliant and ethical culture. In 2023, 113 concerns were received and analyzed. A total of 107 concerns required further investigation.

### Unsubstantiated vs. Substantiated



**53%**  
UNSUBSTANTIATED

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

 **55% NAVEX GLOBAL BENCHMARK<sup>1</sup>**

**47%**  
SUBSTANTIATED

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

 **45% NAVEX GLOBAL BENCHMARK<sup>2</sup>**

<sup>1</sup> Navex Global Benchmark Source: Whistleblowing & Incident Management Benchmark Report 2024

<sup>2</sup> A high Substantiation Rate reflects a well-informed workforce making high-quality reports, coupled with effective investigation processes.

### Complete vs. Pending



**100%**  
COMPLETE


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

 **45 DAYS NAVEX GLOBAL BENCHMARK**

**53 DAYS**  
Mean Case Closure Time

**0%**  
PENDING

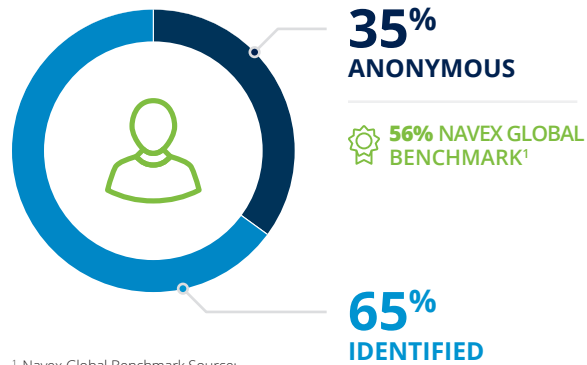
The issue was evaluated and assigned for investigation. The case remains open.

 *Ethics & Compliance and Human Resources partner to determine the scope and assignment of investigations. All reported concerns are treated with the greatest confidentiality possible.*

## INVESTIGATIONS BY THE NUMBERS

CareFirst conducted a total of 107 investigations in 2023.

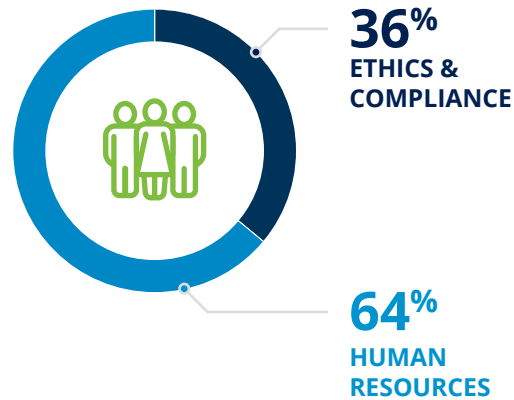
### Identity of Reporters



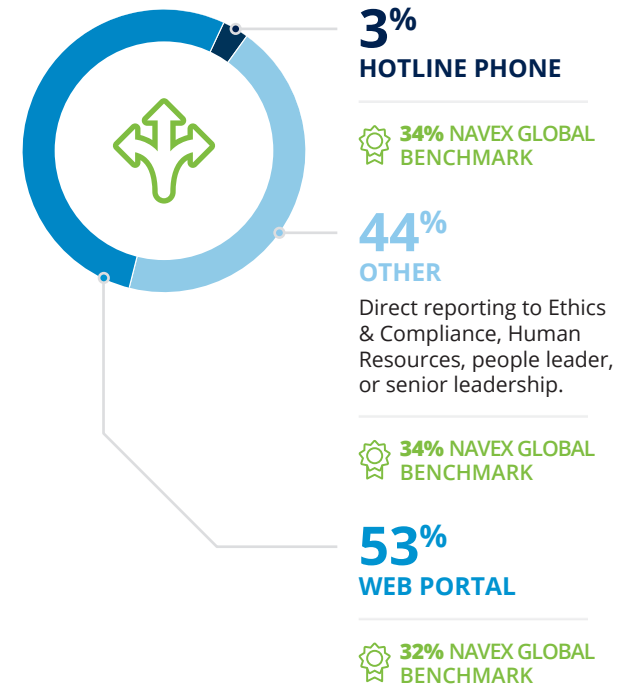
<sup>1</sup> Navex Global Benchmark Source: Whistleblowing & Incident Management Benchmark Report 2024

<sup>2</sup> Generally, a lower anonymity rate signals reporters trust the system without fear of retaliation.

### Investigations by Team

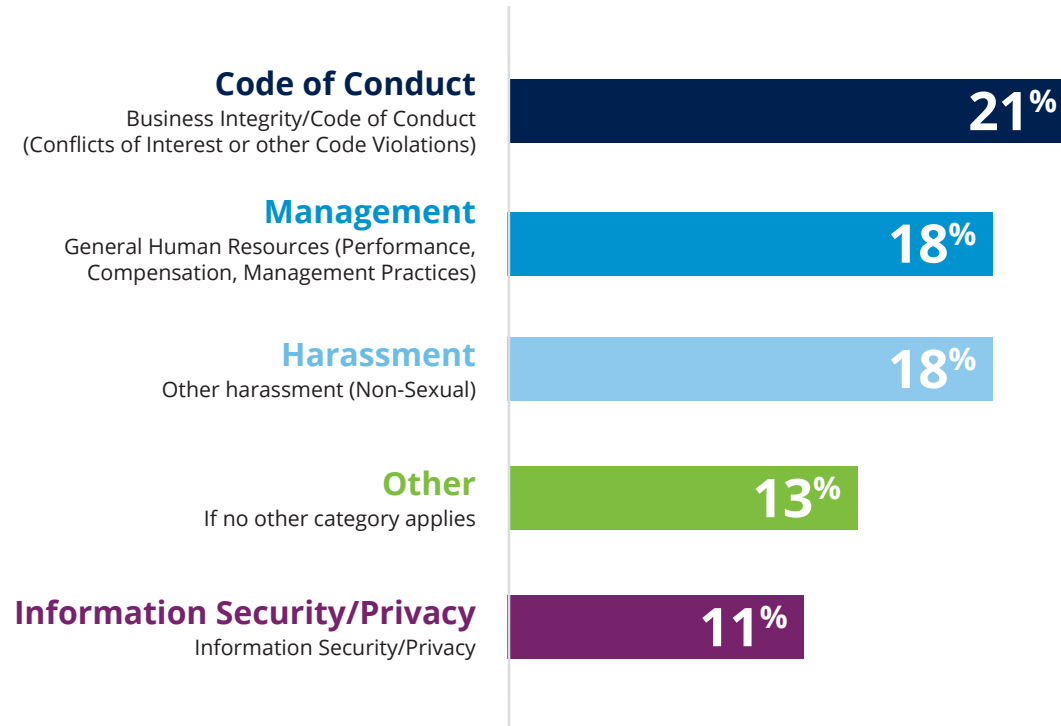


### Intake Method



*The Ethics & Compliance Office documents every reported concern. All reports are evaluated with Human Resources to determine how to best proceed. The majority of the concerns received are from individuals willing to identify themselves.*

## TOP REPORTED ISSUES



### Additional Categories

- **Discrimination:** Gender, Race, Age, etc.
- **Financial:** Accounting, Auditing and Financial Reporting (Financial Misconduct, Internal Controls, Expense Reporting)
- **Fraud:** Fraud (Internal, External)
- **Misuse:** Misuse, Misappropriation of Corporate Assets and Information (Computer Usage, Employee Theft, Time Clock Abuse)
- **Safety:** Workplace and Environment, Health and Safety (Environmental Compliance, Assault, Safety, OSHA Reporting)
- **Sexual Harassment:** Sexual Harassment
- **Third Party:** Third Party Vendor Issues



Receiving reports in a variety of categories can be an indication of program effectiveness.



*In 2023, a total of 113 concerns were received—representing 1.9 concerns per every 100 employees.\**

\*Report volume per 100 employees is calculated by dividing the total number of reports by the number of full-time employees in the organization, then multiplying by 100.



# CAREFIRST BY THE NUMBERS 2023

As a not-for-profit healthcare company, CareFirst works to make the communities it serves healthier places to live. With 85+ years of service, CareFirst is the largest healthcare insurer in the Mid-Atlantic.



# HOW TO SPEAK UP

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

Talk to your people leader or management team about your concern.

Contact your Human Resources Business Partner.

Contact the Ethics & Compliance Office by phone **410-528-7193** or by email at [ethicsandcompliance@carefirst.com](mailto:ethicsandcompliance@carefirst.com).

To the Ethics & Compliance Hotline online at [carefirst.com/speakup](https://carefirst.com/speakup) or by phone at **410-528-7800**.

You can choose to provide your name or remain anonymous.

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



# WHY IT'S IMPORTANT TO SPEAK UP

CareFirst is committed to reinforcing our longstanding culture emphasizing compliance and ethics, providing an environment that encourages individuals to bring their concerns forward.

Easily accessible reporting methods, supported by an investigation process focused on thoroughness and transparency, help us foster a "Speak Up" culture and retain that commitment.

Everyone is reminded that each one of us, through our day to day work-related activities and interactions, represents as a key element in ensuring the ethical health and strength of our company.



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



## ADDRESSING RELUCTANCE

In 2023, 95.3% of survey respondents stated that they would be willing to report misconduct they observed. Survey respondents who said they would not be willing to report observed wrongdoing or unethical behavior cited fear of retaliation, lack of anonymity, and not believing corrective action would be taken as primary reasons for not reporting.

### Did you know?

- CareFirst has an Illegal Retaliation policy HR 200.05.
- We require every employee and contingent worker to complete Code of Conduct and harassment prevention training each year.
- Results of the annual Ethics and Compliance Perceptions and biennial Employee Engagement surveys are shared with leadership as well as the board of directors.

### How can employees help?



Review policies and other resources.



Take pride in CareFirst's reputation for ethical business practices.



Respond to ethics and engagement surveys.



Participate in awareness efforts.



Complete mandatory training.



### We want to hear from you

*We're here to answer your questions and offer our help. Contact us at [ethicsandcompliance@carefirst.com](mailto:ethicsandcompliance@carefirst.com) or by phone at 410-528-7193.*

## ABOUT THE SURVEY

Every year, the Ethics & Compliance Office facilitates a survey to evaluate workforce perception of the CareFirst compliance and ethics culture. The results are used to measure our ability to detect and prevent misconduct and our workforce's awareness of resources. It also helps identify opportunities for improvement and guide compliance and ethics efforts for the following year.

### According to the 2023 CareFirst Ethics and Compliance Perceptions Survey:

72.8%

respondents agreed that the **company enforces its non-retaliation policy.**

73.5% ETHISPHERE®, 2023 CULTURE QUOTIENT BENCHMARK

87.3%

respondents said they believed their **manager complies with the non-retaliation policy.**

86.4% ETHISPHERE®, 2023 CULTURE QUOTIENT BENCHMARK

94.2%\*

respondents said they **knew how to make an anonymous report** regarding wrongdoing or unethical behavior.

72.7%\*

respondents said they feel **the company handles ethical problems completely and appropriately.**



\*Ethisphere®, 2023 Culture Quotient Benchmark not available.

# CONCERNS TO REPORT

Compliance is a necessity in maintaining an ethical business culture and certain concerns require you to speak up. These concerns may include:

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



## HOTLINE REPORTS

Code of Conduct, management, harassment, information security/privacy, and other were the most reported concerns in 2023.

### Case Study 1

In December 2023, CareFirst received a concern from an anonymous individual alleging that an employee was working two simultaneous full-time jobs and that the employee had shared CareFirst confidential information with them. The Ethics & Compliance Office partnered with Human Resources to launch an investigation that included interviews of the employee as well as their people leader and a review of documentation, including emails. The Ethics & Compliance Office and Human Resources were able to obtain the name of the other alleged employer and ultimately confirmed with that organization that the individual was also employed there. Additionally, it was substantiated that the employee had shared CareFirst confidential information.

CareFirst policy does not prohibit secondary employment, however, outside activities must not conflict with your obligations to CareFirst. Additionally, the CareFirst Code of Ethical Business Conduct & Compliance (the “Code”) specifies that company time is an example of a company asset and as such, working two simultaneous full-time jobs would be a violation of the Code. CareFirst’s Code and policies prohibit the disclosure of confidential or proprietary information without authorization.

The employee was terminated for violating CareFirst policies.



## Case Study 2

In May 2023, the Ethics & Compliance Office received a concern alleging that a user ID and password for an internal system belonging to an employee who retired in 2022 was being maintained and shared by their people leader with individuals on the team. An extensive investigation was launched and found the following:

- The retired employee's user ID and password were maintained and shared beginning in 2022.
- The people leader failed to initiate the proper action to ensure the user ID was deactivated.
- The people leader violated CareFirst policy by sharing the user ID and password and instructing the team to use it.
- The employees on the team should have recognized that using a former employee's user ID and password was a violation of policy.

CareFirst policy prohibits sharing CareFirst system passwords. The user ID was deactivated, and protocols were put in place to ensure ID's belonging to employees who leave the organization are promptly deactivated. The people leader's employment was terminated and the employees who shared the user ID received either a written or final warning.





Austin Kim Alice Corey Anee ~~Ann~~ Annalisa Deborah Ariana ~~and~~ Marina  
 Christina ~~Stacy~~ Courtney Wan Elston Darlita Amanda ~~James~~ Jacky Stacy  
 Ginny - Giulia Heather Kevin Meg ~~James~~ James Hope J.J. Regina  
 Kim Jim Candy Lindsey Anna Lisa Nichole Leticia Amy ~~Felix~~  
 Suzanne Tammy SUSI Bill ~~Heather~~ Heather Anna Lisa Nazish Amy Stephanie offley ~~Joey~~  
 Maryam ~~Robert~~ Amber Allison **With Care,** Christy K. Eric  
~~Robert~~ ~~Amber~~ Shelby Dawn Kim LAURA  
 Clarence Sue Amy Lauren Rebecca Lisa Hayley Holly Meghan Holiday Mita  
 Nathan Bonnie ~~Chae~~ Glen Karen ~~Rebecca~~ Lisa Hayley ~~Holly~~ Meghan Holiday Mita  
~~Chae~~ Chiara Emily Lyndsey ~~Mega~~ Heather ~~Joanne~~ ~~Lila~~ Junny Sylvia  
 Beth Sharon

“ Open communication and trust are essential as we continue to strengthen CareFirst’s culture of compliance, one that tolerates no form of retaliation for raising concerns. I am proud to be among Difference Makers who are dedicated to acting with unquestionable ethics and integrity. ”

**Matt Snyder**

SVP, Chief Risk Officer  
CareFirst BlueCross BlueShield



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