



# SPEAK UP

ANNUAL REPORT 2023

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# SPEAK UP ANNUAL REPORT 2023

At CareFirst, our mission and values shape how we go about our work. How we do our jobs and treat each other is just as important as what we accomplish, and our commitment to our values requires the dedication and support of the entire organization. This is what makes us better as a company.

We created the Speak Up program to guide our interactions with customers, partners, and one another. The intention is to provide a safe space to have your voices heard, and establishing open and honest communication is essential to this.

When you—our employees and contingent workforce—speak up, you make a difference. You help us identify and investigate compliance and other potential violations, supporting our commitment to an ethical and transparent culture.

We are personally committed to ensuring we remain grounded in the values that have sustained CareFirst's reputation as one of the most ethical healthcare insurance companies in the industry.

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 issues. This report represents our high standards for governance, compliance, and ethical behavior fundamental to our core values and helps deliver on our mission.

Please continue to speak up if you see something that doesn't feel right. Thank you for continuing to advance our efforts as One Company, One Team.

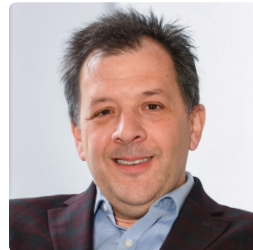
*With Care,*



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 "P. Todd Cioni".

**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 2023, CareFirst was one of **135 companies** across **19 countries** and **46 industries** recognized for our unwavering commitment to business integrity. The list of honorees included only four other health insurers, all of which were Blue Cross Blue Shield plans.

In our **eleventh consecutive year** as one of the World's Most Ethical Companies, CareFirst holds an elite status among the most respected companies in the world.



"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



# CAREFIRST BY THE NUMBERS 2022

As a not-for-profit healthcare company, CareFirst works to make the communities it serves healthier places to live. Now in our 85<sup>th</sup> 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 compliance and ethics. Doing so requires a thorough and transparent investigation process.

It also requires an environment where our workforce feels empowered to bring their concerns forward. By speaking up, you let 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

No one expects to be a witness to suspect behavior at work. But certain issues require you to speak up. These behaviors may include:

- 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

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 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.



# 2022 YEAR IN REVIEW

## INVESTIGATION STATUS

All reported issues are taken seriously and, 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. In 2022, 78 investigations were conducted.

### Unsubstantiated vs. Substantiated



**42%**  
**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.

**58%**  
**SUBSTANTIATED**

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

### Complete vs. Pending




**95%**  
**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.

**5%**  
**PENDING**

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

 *Compliance and Ethics and Human Resources partner to determine the scope of a case as well as who is best to investigate. All reports are treated with the greatest confidentiality possible.*

## ABOUT THE SURVEY

Each year, the Compliance and Ethics team oversees a survey of CareFirst employees' perception of the company's ethics and compliance. 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 2022 CareFirst Ethics and Compliance Perception Survey:

76.4%

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

71.1% ETHISPHERE®, 2023 CULTURE QUOTIENT BENCHMARK

86.9%

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

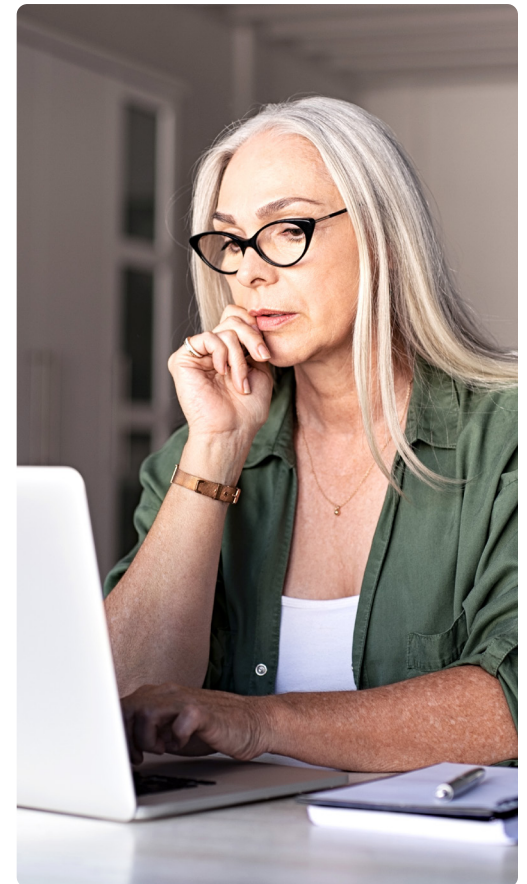
85.1% ETHISPHERE®, 2023 CULTURE QUOTIENT BENCHMARK

93.9%\*

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

77.2%\*

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



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



# HELPLINE AND HOTLINE

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

## Helpline

The CareFirst Helpline offers the chance to ask questions or 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](mailto:complianceandethics@carefirst.com).

## Hotline

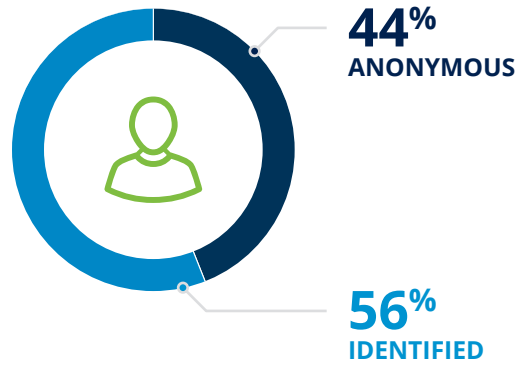
The CareFirst Hotline allows a person to file an **anonymous** report of known or suspected violations. This can be done either by calling **410-528-7800** or filling out the [online form](#).



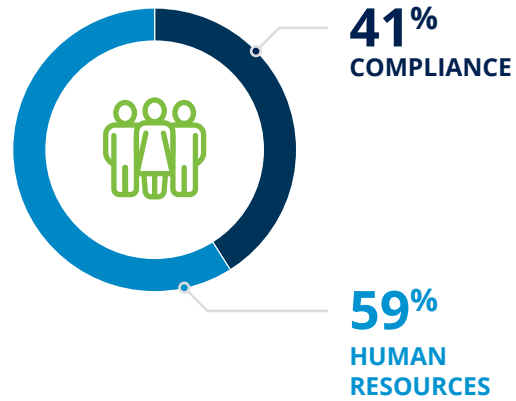
## INVESTIGATIONS BY THE NUMBERS

CareFirst conducted a total of 78 investigations in 2022.

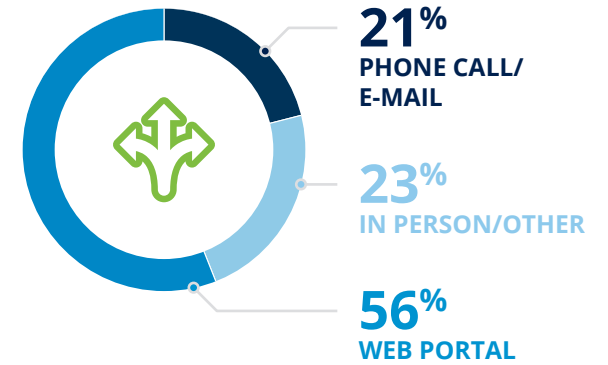
### Identity of Reporters



### Investigations by Team



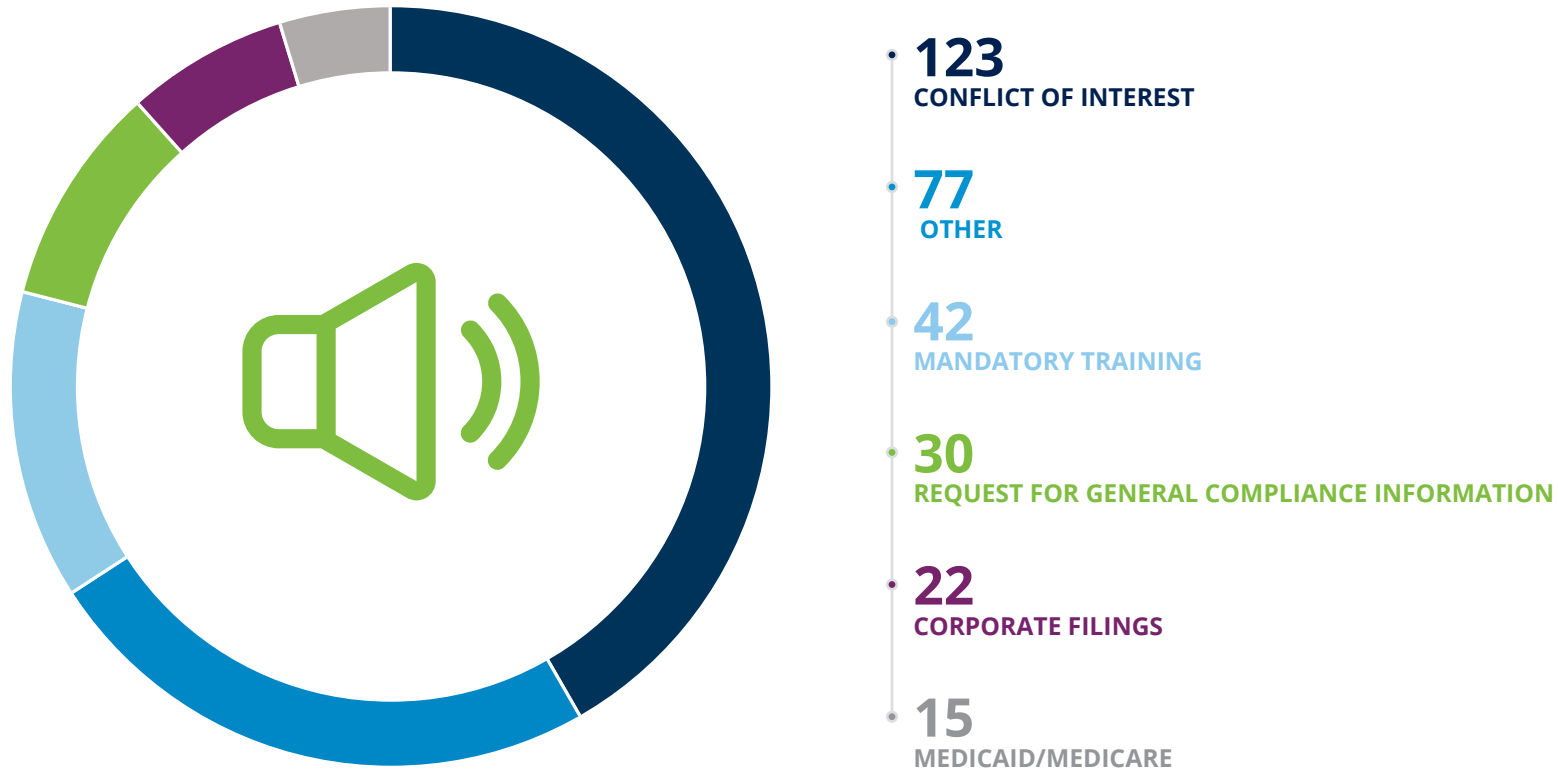
### Intake Method



*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 are from individuals willing to identify themselves.*

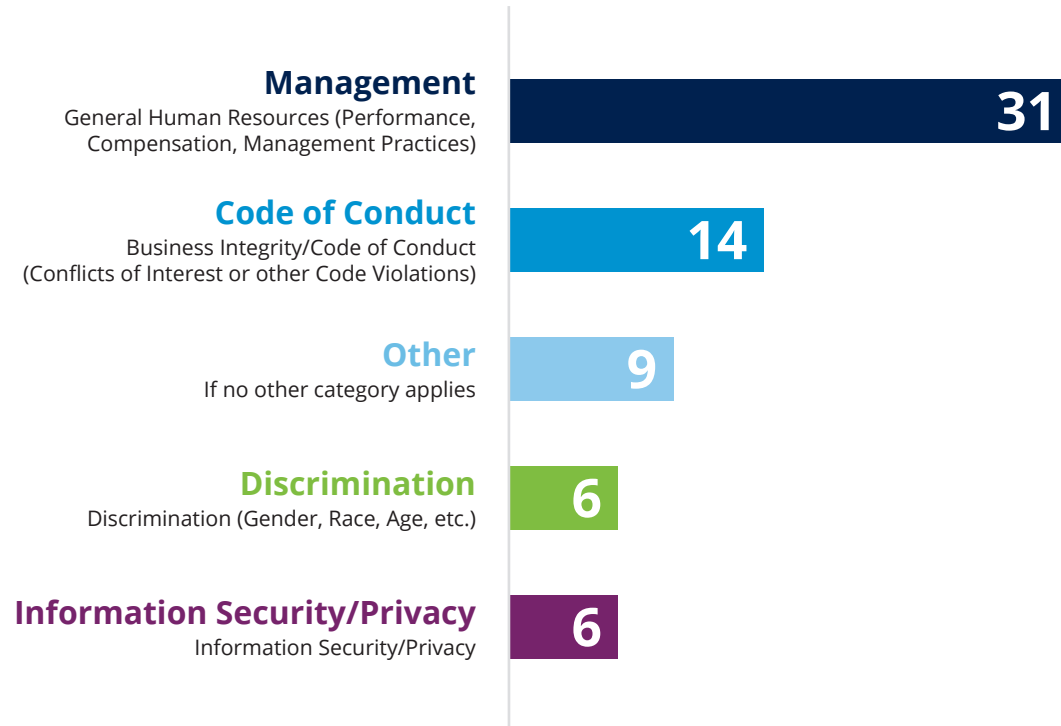


## REPORTED CATEGORIES—HELPLINE



*In 2022, the Helpline received a total of 309 reports. The **Other** category included questions and concerns about categories such as privacy, gifts and gratuities, and fraud, waste, and abuse.*

## TOP REPORTED ISSUES—HOTLINE



### Additional Categories

- **Financial:** Accounting, Auditing and Financial Reporting (Financial Misconduct, Internal Controls, Expense Reporting)
- **Fraud:** Fraud (Internal, External)
- **Harassment:** Other Harassment (Not Sexual)
- **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 2022, the Hotline received a total of 78 reported issues—representing 1.3 complaints 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.

## REASONS EMPLOYEES MAY NOT REPORT MISCONDUCT

On the 2022 Ethics and Compliance Perceptions Survey, 126 respondents stated that they would not be willing to report misconduct. The following reasons were provided:



Source: 2022 Ethics and Compliance Perception Survey

## ADDRESSING EMPLOYEE RELUCTANCE

4% of those completing the 2022 Ethics and Compliance Perceptions Survey indicated they would NOT be willing to report wrongdoing or unethical behavior. “Fear of retaliation” and “Did not believe corrective action would be taken” were the reasons cited most frequently.

### 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.
- All misconduct allegations submitted through the Hotline are reported to the CareFirst Audit and Compliance Committee.
- Results of the annual Ethics and Compliance 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.



Participate in awareness efforts.



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



Attend focus groups.



Respond to ethics and engagement surveys.



Complete mandatory training.



### We want to hear from you

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

# 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 compliance and ethics 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 Compliance Representative.

Contact the Compliance and Ethics Office Helpline at 410-528-7193 or [complianceandethics@carefirst.com](mailto:complianceandethics@carefirst.com).

Submit an **anonymous complaint** 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.*

# REPORTS AND OUTCOMES

## HELPLINE INQUIRIES

In 2022, 309 reports were received via the Helpline directly to Compliance and Ethics. That means that 5.3 out of every 100 employees reached out proactively with questions and/or concerns.

### Case Study

In September 2022, a CareFirst employee reached out with a question about the Charitable Contributions Policy HS 100.01. The employee was completing annual mandatory training and noted that the Code of Conduct course as well as the Charitable Contributions policy both stated that CareFirst does not make contributions to schools. The employee had heard that education was one of the areas CareFirst was prioritizing, so they were asking for clarification.

After review, it was determined that our practice had changed; however, neither the Charitable Contributions policy nor the Code of Conduct course had been updated to reflect that change. The policy and course were both updated.





## HOTLINE REPORTS

In 2022, 78 concerns were received via the Hotline. Management practices, discrimination, Code of Conduct violations and misuse of corporate assets are some examples of concerns that were reported.

### Case Study

In November 2022, an anonymous hotline complainant reported that a contingent worker had installed unauthorized third-party software on their CareFirst-issued laptop.

An extensive investigation found the following:

- The contingent worker named in the complaint as well as one other contingent worker and ten employees were running the software on their CareFirst-issued laptops.
- The software was being used without appropriate approval and authorization.
- The software did not require installation or admin privileges for use. Once clicked, it would run in the background when launched.

CareFirst prohibits using or installing third-party software on company devices without prior approval from IT. Unapproved third-party software puts the company at risk for data loss, introduction of malware, and other threats.

The third-party software was removed from the CareFirst environment. Management addressed the violations of the individuals who downloaded the third-party software for their non-compliance with the Company's Desktop Software Acquisition and Installation Policy IT 300.02.



Austin Kim Alice Corey Anee Amy Annalisa Deborah Ariana ~~and~~ Marina  
 Christina ~~to~~ 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 Michelle Leticia Amy Felp  
 Suzanne Tammy SUSI Bill Heather Ann Nazish Amy Stephanie offley Jay  
 Maryam Amber Allison **With Care,** Christy K. Eric  
~~Debra~~ ~~Angela~~ Shelby Dawn Kim LAURA  
 Clarence Sue Amy Lauren Rebecca Lisa Hayley Holly Meghan Holiday Mita  
 Nathan Bonnie ~~Chae~~ Glen Karen  
~~Chae~~ Selena Yukanya Sandra Shufi Alex Jarni Caitlin  
 Chiara Emily Lyndsey Moya Heather ~~James~~ Lila Junny Sylvia  
 Beth Sharon

“ I’m proud to be part of a company that acts with purpose and integrity. Our emphasis on doing things the right way—with care—fosters the kind of culture our employees can be proud of, and our customers seek. ”

**P. Todd Cioni**

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





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