

# Code of Business Ethics and Conduct 2020



Making members shine, one smile at a time™



**Executive Approval for**  
**2020 Code of Business and Ethics and Conduct**

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**Board of Directors Approval**

**LIBERTY Dental Plan's** Board of Directors has reviewed and approved this document.

A handwritten signature in blue ink, appearing to read "John Carvelli", is positioned above a horizontal line.

John Carvelli  
Executive Vice President

12/19/2019

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## 1.0 INTRODUCTION

### 1.1 SCOPE & APPLICABILITY

This Code of Conduct ("Code") applies to all LIBERTY Dental Plan Corporation (collectively with any of its affiliates, subsidiaries and parent corporations, "LIBERTY") officers, employees, contractors, including contracted dental providers and First Tier, Downstream and Related Entities ("FDRs"), and agents, and members of LIBERTY's Board of Directors ("Directors") (collectively referred to herein as "Covered Persons"). LIBERTY's employees and staff are referred to as "LIBERTY team members."

### 1.2 OVERVIEW

LIBERTY's Employee Handbook ("Handbook") provides the foundation for this Code of Conduct. Covered Persons who are not LIBERTY employees must carry out their duties to LIBERTY consistent with the following Handbook standards:

- Open Door Policy
- Rules of Conduct
- Confidential Information & Conflicts of Interest
- Privacy & Security
- Non-Discrimination
- Political Activity & Lobbying
- Deficit Reduction Act
- False Claims Act
- Whistleblower Protections

In addition, this Code sets forth the framework for LIBERTY's Compliance and Fraud Waste and Abuse (FWA) Programs, which are designed to prevent and detect non-compliance and FWA, and to ensure that LIBERTY maintains the highest ethical, business and legal standards in its operations. All Covered Persons are responsible for creating and maintaining an environment in which compliance concerns can be raised, reported, and addressed. Covered Persons are required to adhere to all applicable portions of the Code, and no Covered Person, regardless of position, is exempt from the requirements of the Code.

Each Covered Person shall annually certify, in writing or electronically, that he or she has received, read, understood, and shall abide by this Code. New Covered Persons shall receive the Code and shall complete the required certification upon becoming a Covered Person. In addition, LIBERTY shall, at a minimum, on an annual basis review the Code to determine if revisions are appropriate and shall make any necessary revisions based on such review. Any material revisions to the Code shall be reviewed and approved by LIBERTY's Board of Directors ("Board"). In addition, the Board shall review and approve the Code at least annually.

## 2.0 GENERAL RESPONSIBILITIES

### 2.1 COMPLIANCE WITH THE LAW & LIBERTY POLICIES

LIBERTY is subject to a wide variety of federal, state, and local laws and regulations. As a Covered Person, you are expected to comply with these laws, and with LIBERTY policies that apply to your work. Wherever LIBERTY has an internal policy that is stricter than what is required by law, you are expected to follow LIBERTY's policy and standards. Every LIBERTY team member is responsible for asking questions when he or she is uncertain about the legality or propriety of a particular conduct. This applies regardless of whether it is your conduct or the conduct of another LIBERTY team member that you have learned about. **Remember:** Compliance is everyone's responsibility. If you are ever in doubt about any action, be sure to seek guidance from your manager or from the LIBERTY Compliance Officer before proceeding.



## 2.2 TRAINING

The laws and regulations that govern LIBERTY are complex and constantly changing, which requires us to keep current with and refresh our understanding of external expectations and internal policies. For this reason, LIBERTY offers general compliance education, including education on FWA, the Code and the Compliance Program for all Covered Persons, as well as training that is specific to particular job functions. This education is provided upon hire for new staff, at the time of contracting for certain contractors, and at appointment for Directors, and annually thereafter. Education and training methods may include group presentations, online courses, and other formats. LIBERTY requires all Covered Persons to complete all required compliance training.

## 2.3 REPORTING NON-COMPLIANCE & FRAUD WASTE AND ABUSE

We expect Covered Persons to act with integrity, think about their actions, and speak up if they have a concern. Accordingly, Covered Persons must report actual or potential violations of the Code to LIBERTY. We encourage our business partners to likewise report actual or potential violations of the Code to LIBERTY. Reports and inquiries may be made to the Compliance Officer in-person, by e-mail or by telephone. Reports may also be made by:

- Calling LIBERTY's toll-free Compliance Hotline at 1-888-704-9833
- Sending an e-mail to [compliance@libertydentalplan.com](mailto:compliance@libertydentalplan.com)
- Sending a report via mail:  
Attn: Compliance Officer  
LIBERTY Dental Plan  
340 Commerce, Suite 100  
Irvine, CA 92602

The Compliance Hotline provides you with a confidential and, if desired, anonymous way to raise concerns 24 hours a day, seven days a week. You may choose to remain anonymous, in which case the report will not identify you, although providing your name will assist us in more effectively investigating your concerns. LIBERTY strictly enforces a non-intimidation and non-retaliation policy for concerns raised in good faith.

## 2.4 WHAT HAPPENS WHEN A REPORT IS MADE

LIBERTY takes all reports seriously. We welcome the opportunity to resolve issues that may arise and take steps to prevent them from recurring. All compliance investigations will be conducted and documented in accordance with LIBERTY's Compliance Program. Whether conducted internally or by an authorized outside party (e.g. external investigators or outside counsel), we are all expected to fully cooperate and assist in the process. To safeguard the integrity of the investigation process, it is important that you maintain the confidentiality of investigation-related information, as instructed. LIBERTY team members are not permitted to conduct their own compliance investigations, unless directed to do so by the LIBERTY Compliance Officer. We each have an obligation to assist in any compliance investigations and provide information in an open, honest and transparent manner.

## 2.5 ZERO TOLERANCE FOR RETALIATION

If you seek advice, raise a concern or report misconduct, you are doing the right thing. LIBERTY's commitment to its ethical, business and legal standards mandates that it provides an environment for all Covered Persons to express their concerns and report actual or suspected misconduct or FWA without fear of retaliation. LIBERTY will not tolerate any form of retaliation against Covered Persons who, in good faith, raise a concern; report an actual or potential violation of law, program requirements, LIBERTY's policies and procedures, or the Code; or who participate in an investigation. If you feel that you or someone else has been retaliated against in violation of this Code, you should notify the LIBERTY Compliance Officer or Human Resources.



### 3.0 INTERACTIONS WITH OTHERS

#### 3.1 DEALING FAIRLY WITH CLIENTS

LIBERTY respects the contracts and commitments that we make to our clients and prospective clients. We strive to exceed minimum compliance with the rules governing our business and to operate with the utmost reliability and transparency, especially when the interests of our clients are at stake. LIBERTY team members involved in selling, advertising, promoting and marketing our products and services are each responsible for ensuring that our sales, marketing and promotional materials contain accurate descriptions of our products and services, and that they do not facilitate false or deceptive advertising or any other misrepresentations. LIBERTY team members must always be transparent, accurate and truthful when representing the quality of our products and services.

State and federal law strictly limits and regulates rewards, incentives and promotional activities for LIBERTY's clients who receive funding from Medicare and Medicaid. Any false, misleading or inappropriate conduct related to our sales and marketing initiatives, and our general representations to and interactions with our clients, is strictly prohibited.

#### 3.2 FAIR COMPETITION

LIBERTY is committed to conducting business in a manner that helps maintain a free and competitive market for our goods and services. Treating everyone, including our competitors, fairly and honestly helps to ensure that consumers have access to the best health care options at a fair price. The laws regarding competition (e.g. antitrust) are complex and violations can carry severe penalties, including fines and imprisonment for individual team members. LIBERTY team members must always take special care to avoid engaging in anti-competitive activities or unfair trade practices. Certain types of agreements with competitors are always illegal and must be avoided regardless of the circumstances. If a conversation with a competitor touches on one of these or any other inappropriate areas, you must immediately end the conversation and report it to LIBERTY's Chief Compliance Officer. Examples of inappropriate and anti-competitive activity include:

- Agreeing with competitors to fix prices we or they will charge;
- Agreeing to collude on a competitive bid; and
- Agreeing to divide a particular market, territories and/or set of clients or members.

#### 3.3 RELATIONSHIPS WITH MEMBERS

LIBERTY's goal is to arrange for the highest quality of dental services, in the most ethical and compassionate fashion for our members, without regard to race, religion, age, gender, gender identity, sexual orientation, ethnic background, or disability. LIBERTY provides reasonable accommodations and modifications for members with disabilities, as required by applicable law, rules and regulations, and requires its contractors, including FDRs, to do the same.

In order to ensure quality of care is provided by our network of providers, LIBERTY ensures that all providers are qualified and appropriately licensed, registered, or credentialed, and that its providers comply with this Code when rendering services to its members. LIBERTY honors and requires its providers to honor the dignity and privacy of all members and will treat them with consideration, courtesy, and respect. In addition, LIBERTY promotes a continuous quality and performance improvement program and monitors the quality of services received by its members. Members are encouraged to report any concerns about the quality of services provided by LIBERTY's providers or other team members.



### 3.4 BUSINESS PARTNERS & THIRD PARTIES

LIBERTY believes in working with business partners that demonstrate high standards of ethical business conduct. We expect our FDRs, suppliers and vendors, including contracted providers, and anyone who may perform services or activities on our behalf to be guided by the same values and standards set forth in this Code.

When we initiate a relationship with a new business partner, we must conduct appropriate due diligence to ensure that any business relationship will be mutually beneficial and appropriate. In particular, LIBERTY will seek out business partners that meet our required competencies, have a proven track record of compliance and ethics, and engage in responsible conduct. This will help to ensure that the new relationship does not harm LIBERTY, our clients or our members.

Those of us who manage our business partner relationships should know and follow LIBERTY policies for suppliers and procurement and should exercise proper due diligence and oversight for vendor conduct prior to entering into the business partner relationship and on an ongoing basis thereafter. All LIBERTY team members have a responsibility to report any actual or suspected business partner misconduct to a manager or the Compliance Officer. For further guidance regarding business partner selection, management and oversight, contact the Compliance Officer.

### 3.5 DOING BUSINESS WITH THE GOVERNMENT

LIBERTY and our health plan clients hold a number of government contracts and conduct business with state and federal governments. There are many specific rules and prohibitions that must be observed when engaging in business with the government and it is critical that we perform all obligations under each government contract carefully, completely, and with the highest degree of honesty and integrity.

Failure to abide by the unique laws, rules and regulatory provisions of government contracts can subject LIBERTY, our health plan clients, and Covered Persons to severe civil or criminal penalties, and may also result in disciplinary action against our team members, including termination of employment or contract, and LIBERTY's loss of its government business. The following rules always apply when we are dealing with government officials, employees or intermediaries:

- Never request, seek or obtain any confidential information regarding the selection criteria used in awarding government contracts or business.
- Never falsify records or knowingly submit false, misleading or incomplete information to the government. All government contract claims must be charged to the correct accounts and no unallowable costs may be included in claims presented to the government.
- Immediately report any actual or potential deviation from the government contract requirements, to the appropriate department manager. The department manager must report such concerns to the Compliance Officer.
- When signing a government certification or attestation, ensure that it is accurate and complete.

For additional guidance regarding these rules or your responsibilities relating to LIBERTY's government business, please consult with your manager or with the LIBERTY Compliance Officer.

### 3.6 EXCHANGING GIFTS AND ENTERTAINMENT

All of our business transactions should be objective and free of improper, or the appearance of improper, influence. While exchanging gifts, business courtesies, and entertainment is a customary





business practice and promotes good working relationships and goodwill with clients, vendors and business partners, this is an area where actual or perceived conflicts of interest may easily arise.

LIBERTY does not prohibit reasonable expenditures for gifts and similar or related expenses with a bona fide and documented business purpose. However, exchanging excessive or inappropriate gifts may give rise to actual or perceived conflicts of interest or, at worst, could be perceived or alleged to be bribes or kickbacks. There is a bright dividing line between exchanging customary or reasonable gifts on the one hand and exchanging unreasonable, excessive, lavish or inappropriate gifts on the other.

Exchanging gifts, either directly or indirectly, is not appropriate if it creates an obligation on either party, puts the giver or receiver in a situation where either party appears to be biased or beholden to the gift giver, or is done with the intent to influence a business decision or transaction. For example, gifts that are excessive or accepted under certain questionable circumstances (e.g. when you are negotiating a contract with the giver) could create an actual or perceived conflict of interest.

Regarding the exchange of gifts or entertainment on behalf of LIBERTY, either directly or indirectly, the following principles apply:

- Giving or receiving a gift in an attempt to influence referrals of members is strictly prohibited. No gifts may be given to referral sources.
- Never give or accept gifts or entertainment while negotiating a contract with the giver or participating in a request for proposal (RFP).
- LIBERTY Directors and team members are prohibited from soliciting gifts.
- Giving or accepting a business dinner or attending an event is acceptable only if accompanied by the business partner and in a setting that is conducive to business discussion.
- Team members are prohibited from accepting gifts greater than \$50.
- If you are offered an item of value that is inappropriate, you should politely decline. If you are unsure about whether you can accept a particular gift, invitation or item of value, you should ask your manager or consult Compliance Program team members for guidance. If you are not able to inquire in a timely manner, you should politely decline the offer.

In addition, various laws prohibit the exchange of any item of value to or from a government official, employee or intermediary. Covered Persons must never offer, give, receive or solicit any item of value to obtain or retain any business, advantage or benefit involving a governmental agency.

### **3.7 BRIBES KICKBACKS & OTHER IMPROPER PAYMENTS**

LIBERTY must always conduct business with integrity and succeed only through the quality of its products and services, never through bribery, improper payments, or any other type of illegal or inappropriate activities. Although the exchange of gifts or items of value might be acceptable business practice in certain situations, it is never permissible to do so to obtain or retain any business, members, benefit or advantage.

LIBERTY does not offer items or services for free or below fair market value to beneficiaries of federal and/or state health care programs to induce referrals. Similarly, LIBERTY does not provide services for free or below fair market value to clients, providers, members, and potential referral sources. Federal and state anti-kickback laws make it a crime to knowingly and willfully offer, pay solicit or receive something of value to induce or reward referrals of business for which payment may be made under federal or state healthcare programs such as Medicare and Medicaid. Therefore, Covered Persons are strictly prohibited from offering, asking for, or accepting money, a fit, or other benefit in exchange for member referrals, purchase, leases, or orders for services. If you become aware of, or receive a request for, any actual or potential improper payment or arrangement related to LIBERTY's business, you must immediately notify the Compliance Officer.





### **3.8 SANCTIONED PERSONS & ENTITIES**

Federal laws provide for the exclusion of individuals and entities from participating in federally-funded programs if they are identified on exclusion lists maintained by the federal government. Additional federal and state laws prohibit the employment of, contracting with or payment of monies to certain individuals and entities. LIBERTY routinely reviews applicable exclusion lists to ensure that we comply with these requirements for team members, Directors, FDRs, and vendors. Any Covered Person that becomes subject to such exclusion or debarment must immediately report this fact to the Compliance Officer.

### **3.9 AUDITS, INVESTIGATIONS & INQUIRIES**

From time to time, LIBERTY may be asked to cooperate with external (government or regulatory) audits, investigations and inquiries regarding how the Company conducts its business. It is LIBERTY's policy to fully cooperate with all governmental agencies regarding audits, investigations, inquiries and requests for information. If you receive a notice of a government audit, investigation, inquiry or request for information, you should immediately communicate it to the Compliance Officer (or designee) so that LIBERTY can properly ascertain the needs of the regulators and take appropriate action.

LIBERTY requires that all information provided to the government be accurate and complete. Any time you speak with government regulators or investigators, you must be accurate and truthful in all of your answers to their questions. Any action by Covered Persons to destroy, alter, or change any LIBERTY or FDR records in response to a request for such records is prohibited, and will subject the Covered Person to immediate discipline or termination and possible criminal prosecution.

### **3.10 INTELLECTUAL PROPERTY**

Team members will not misappropriate or misuse the intellectual property of any other entity, including others' copyrighted, trademarked or patented materials, and trade secrets. Sharing these materials with others, either within or outside LIBERTY, may violate intellectual property laws and could subject LIBERTY to legal and financial risks. If you are in doubt as to whether any material legally belongs to someone else or can be used for LIBERTY's benefit, you should seek advice from the Legal Department.

## **4.0 BOOKS AND RECORDS**

### **4.1 RECORD MANAGEMENT, RETENTION & DISPOSAL**

Properly maintaining our business records is vital to our compliance with laws and regulations. However, knowing what documents and information to keep, and for how long, can be complex. In the event of a lawsuit or investigation, LIBERTY may be required to suspend usual document retention or disposal rules and preserve evidence. The consequences of a wrong decision, whether to retain too long or discard too soon, can be costly and may subject the company to serious risks.

All of our dental and business records must be retained and, when appropriate, disposed of in accordance with the law and LIBERTY policy. For Federal programs, records must be maintained at least 10 years. This applies to paper-based and electronic records regardless of medium, file format or storage location. In order to comply with all laws and regulations regarding records management, we have adopted records retention policies and procedures concerning the types of documents we are required to maintain, establishing retention schedules for each type of record and specifying circumstances, such as lawsuits or investigations, when it is necessary to maintain or segregate certain records. For details on records retention schedules, retention holds, applicable laws or LIBERTY policies, please contact the Compliance Officer.



## 4.2 ACCURATE BOOKS & RECORDS

All LIBERTY team members contribute in some way to creating LIBERTY's financial statements, books and records. Whether you have prepared a timesheet, a statement of benefits or an expense report, or you have purchased goods or services, your actions contribute to the ultimate documentation of our books and records.

We are required to maintain and provide full, accurate, timely and transparent reporting of information about our company and operations. To fulfill this obligation, every business record we create and approve must be accurate, complete and reliable. Making or approving false or misleading records or documentation, or failing to properly disclose relevant items, undermines our ability to make good decisions and is strictly prohibited.

In connection with these responsibilities, LIBERTY team members must never do any of the following:

- Intentionally create a false or misleading record;
- Knowingly make improper changes or false entries, or willfully fail to make correct entries, on any of Liberty's records or documents; or
- Intentionally omit or conceal relevant information.

The integrity of our internal controls and procedures depends on an open communication and honesty throughout the organization. If you have concerns about any aspect of LIBERTY's financial reporting or any accounting, audit or internal control issues, you should report them to your manager or any of the Compliance Officer.

## 5.0 FRAUD, WASTE AND ABUSE

### 5.1 PURPOSE OF FWA POLICY

FWA are significant concerns of all health care organizations. Combating FWA in all forms is our legal and ethical obligation, and it is essentially linked to our ability to provide services of the highest quality. LIBERTY and all Covered Persons must constantly be vigilant in preventing, detecting and remediating the various types of FWA, and Covered Persons must promptly report any activity that is suspected of being fraudulent, wasteful or abusive. This is not only expected by our members and clients in order to keep health care affordable, it is also required by the federal and state governments.

- **Fraud:** Fraud is an intentional misrepresentation of a known fact made for the purpose of obtaining a benefit or financial gain. Fraud encompasses an array of irregularities and illegal acts characterized by intentional deception. These include, but are not limited to, theft, embezzlement, and bribery, misappropriations, falsifying records, forgery or alteration of documents, kickbacks, destruction or removal of property.
- **Waste:** Waste includes any practice that results in an unnecessary use or consumption of financial or medical resources. Waste does not necessarily involve personal gain, but often signifies poor management decisions, practices or controls.
- **Abuse:** Abuse is a practice that is inconsistent with accepted business, financial, or medical practices or standards and that results in unnecessary costs or reimbursement.

The failure of any LIBERTY team member to properly and timely identify and address FWA may subject LIBERTY to substantial legal, financial, brand and reputation risks. LIBERTY team members, business partners and others may submit FWA concerns, anonymously if preferred, through the toll-free Compliance Hotline.



## 5.2 DISCLOSING & RETURNING OVERPAYMENTS

LIBERTY identifies, investigates and addresses all potential violations of law and compliance issues, and discloses relevant findings to appropriate governmental agencies, consistent with its obligations under applicable laws, regulations, guidelines and contractual requirements. LIBERTY reports timely to appropriate governmental agencies any overpayments and makes necessary refunds. Under federal law, all identified overpayments must be refunded to the government payer within 60 days of identification. Failure to do so can result in fines and other penalties. Therefore, Covered Persons must promptly report knowledge of any overpayment to the Compliance Officer.

## 6.0 RESOURCES FOR QUESTIONS OR CONCERNS

LIBERTY expects you to be able to recognize actual or potential problems, and to seek advice when you have a question. You must report any actual or suspected violations of the Code to a compliance representative, a manager, a senior staff member, the legal department, Human Resources or to the Chief Compliance Officer or Compliance Committee. You can also anonymously report concerns by calling the Compliance Hotline.

### Report Compliance, Privacy, Ethics, or Fraud, Waste and Abuse Concerns

**Call:** 888.704.9833  
**Email:** [compliance@libertydentalplan.com](mailto:compliance@libertydentalplan.com)  
**Fax:** 714.389.3529  
**Mail:** Compliance Officer  
**LIBERTY Dental Plan**  
340 Commerce, Suite 100  
Irvine, CA 92602



Anyone can report concerns, including employees, members, providers, vendors, etc. **LIBERTY** enforces a strict policy of non-retaliation. Retaliation against anyone who reports compliance concerns in good faith is strictly prohibited. If you see retaliation or believe it has occurred, you must report it.

LIBERTY will not tolerate any retaliation against you by another employee, supervisor, manager or officer for making a report in good faith. Retaliation damages the employee, morale and the company's reputation and credibility. Retaliation in any form against an employee for reporting an ethical issue in good faith is contrary to LIBERTY's policies and values.

