

AvMed, Inc.
CODE OF ETHICAL BUSINESS CONDUCT

PURPOSE

It is the policy of AvMed, Inc. (AvMed) that its directors, officers and employees conduct all business affairs and relationships with others with honesty, integrity and high ethical standards. In order to provide standards of appropriate conduct for employees and associates of AvMed, the Board of Directors has adopted this Code of Ethical Business Conduct.

INTRODUCTION

AvMed's ability to function as a respected member of the business community rests solely on the trust and confidence that our members, clients, providers, regulators and other customers 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. These standards, as outlined in this document, are officially known as the AvMed, Inc. Code of Ethical Business Conduct ("Code"). The Board of Directors has designated the Compliance Officer as the individual within the organization responsible for overall implementation and operation of the Corporate Compliance Program.

All employees of AvMed, as well as its agents and vendors, are required to adhere to the standards as set forth in this code. All employees are responsible for ensuring their behavior and activities are consistent with the code. AvMed has prepared this code to help employees understand what is expected of them in the workplace and as representatives of the organization. These standards apply to everyone, at every level of the organization. Employees will be asked to confirm, in writing, receipt of this 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 AvMed's Policies and Procedures manuals. AvMed will communicate those specific procedures 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 your supervisor, Human Resources representative, or a member of the Compliance department staff.

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 employees and management that will assist them in their obligation to comply with these laws and regulations. These standards are neither exclusive nor complete.

- 1) AvMed is diligent in its efforts to provide frequent and comprehensive updates to its employees addressing recent legislative or regulatory changes that may impact the operations of the company. Employees 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.
- 2) AvMed expects its employees, agents and vendors to refrain from any conduct that may violate state and federal fraud, waste and abuse laws. These laws prohibit, at a minimum:
 - a) Direct, indirect, or disguised payments in exchange for the referral of patients;
 - b) 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; and
 - c) 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.
- 3) All employees and associates 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 will take corrective action, including termination and legal action as appropriate.
- 4) AvMed will ensure that its reporting to external agencies, associations, and the public is timely, accurate, honest, and reasonably complete.

Antitrust

While AvMed employees are encouraged to actively participate in local, state and national organizations and forums to advocate for efficient and effective health care for all citizens, it is the policy of AvMed to conduct all of its 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 AvMed employees refrain from discussing, agreeing, or exchanging information regarding any competitively sensitive information with an employee of any competitor. Such information includes, but may not be limited to:

- 1) Prices or premiums charged for managed care or insurance products;
- 2) Any increase, decrease or discount in prices or premiums;
- 3) What constitutes a fair price;

- 4) Allocation of customers, enrollees, sales territories, sales of any product, or contracts with providers;
- 5) Refusal to deal with any customer, class or group of providers;
- 6) What products or services will be offered to enrollees;
- 7) 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

AvMed and its employees are in possession of and have access to a wealth of confidential, sensitive and proprietary information. The inappropriate release of such information could be detrimental to AvMed, as well as its members, clients, providers, and/or vendors. Every AvMed employee has an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent its unauthorized disclosure.

- 1) AvMed employees have an obligation to maintain the confidentiality of member information in accordance with all applicable laws and regulations, including, but not limited to, the HIPAA Privacy and Security standards. Employees are reminded that information requiring protection exists in many formats, such as paper, electronic, audio, and video. All copies, formats and versions of member information must be maintained in accordance with applicable laws and AvMed policies and procedures. AvMed assigns employee access to confidential information through a role based security approach to ensure that only those staff whose jobs require it and who have a legitimate need-to-know, have the ability to access confidential member data. Employees must not share passwords or other system access rights with any other employee or person(s). Employees are instructed to always make sure that any access or use of confidential data is carried out using only the minimum amount necessary. Additionally, employees shall refrain from revealing any personal or confidential information unless supported by legitimate business or member care purposes. If the disclosure of information is so supported, employees shall 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, employees should seek assistance from a supervisor, the Compliance department or other appropriate staff within the AvMed Legal Department.
- 2) 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 their job responsibilities.
- 3) Salary, benefit and other personal information relating to employees shall 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.

- 4) Employees will exercise due care to prevent the unauthorized release or sharing of information. To ensure that employees fully understand the importance of upholding this particular standard of conduct, they 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 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. Directors, officers, and employees owe a duty of loyalty to AvMed, and therefore, all individuals are expected to regulate their activities so as to avoid actual impropriety or the appearance thereof, which might arise from the influence of those activities on business decisions made on behalf of AvMed

- 1) The following situations, while not inclusive, might create a conflict of interest:
 - a) Ownership in or employment by any outside organization which does business with AvMed;
 - b) Conduct of any business not on behalf of AvMed with any vendor, supplier, contractor, or agency;
 - c) Representation of AvMed by any of the above individuals in any transaction in which he or she has a substantial personal interest;
 - d) Disclosure or use of confidential, special or inside information of or about AvMed particularly for personal profit or advantage;
 - e) Competition with AvMed, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests;
 - f) The receipt of any gifts, gratuities, or the acceptance of entertainment or travel benefits from any company with which AvMed has or is considering business dealings.

In order to better ensure that AvMed staff do not engage in or appear to be at risk for conflicts of interest, the points below should be followed at all times.

- 1) Personal gifts from vendors, suppliers, contractors, agencies or industry representatives may not be accepted by any AvMed employee.
- 2) Compensation and/or travel expense coverage or reimbursement may not be accepted, for simply attending or participating in an industry meeting, activity or conference. Special Guidance: If the employee is an active part (presenter, coordinator, organizer, etc.) of a conference or industry meeting and the sponsoring organization is expected to offer reimbursement for time or expenses, instruct sponsoring organization to submit any payments directly to AvMed. Checks should be made out to “AvMed, Inc.” AvMed will then issue any reimbursements due to the employee.

Additionally, AvMed directors, officers or employees may not perform work or render services for any competitor of AvMed or for any organization with which AvMed does business, outside of the normal course of his/her employment, without prior approval from their department director and/or the director of the Human Resources department. Please contact the Human Resources department or a member of the Compliance department for further guidance on this requirement.

The preferred method for dealing with conflict, both real and perceived, is disclosure. Employees are required to complete a *Conflict of Interest* certification to disclose any situation or relationship that might constitute a conflict of interest. The Compliance Officer or a designated member of the Legal department staff will review all disclosures, and will submit them to the Chief Executive Officer and/or the Audit Committee as necessary.

Political Activities

As an organization, political activities must be conducted in accordance with applicable law. Accordingly, employees, officers, and members of the Board should not use company assets to engage in political activities without prior review by and approval from the Legal or Compliance Department.

AvMed is a section 501(c)(4) social welfare organization, and may engage in some political activities, so long as that is not its primary activity. Notwithstanding AvMed's ability to engage in political activities, you must not use AvMed funds to make any political contribution related to a federal election (whether to a candidate, political party or political action committee) 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). Any use of AvMed funds for the AHIP PAC or any state or local political activity must be processed through the Legal Department.

Personal political activity is totally voluntary and contributions to candidates or campaigns should only be made 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 the Code of Ethical Business Conduct 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 company 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 Legal or Compliance Department before even mentioning possible employment to a current government employee and before retaining any former government employee. Specific procedures dealing with such relationships have been approved by the SantaFe HealthCare board of directors and are applicable to all SantaFe affiliates and employees.

Equal Employment Opportunities/Sexual Harassment

At AvMed, we value diversity in our workforce. We are committed to the principles and practice of equal opportunity and affirmative action. We are committed to continuing to develop and maintain a highly qualified, culturally diverse workforce which is able to meet the cultural and linguistic needs of our diverse members, clients, and customers. Furthermore, it is the policy of AvMed to operate under sound and legal employment practices. The objective is to be fair and equitable in the treatment of all employees and in all situations. This includes at least the following:

- 1) Selection and placement of any employee is based on that employee's qualifications, without regard to race, religion, national origin, gender, age, disability or veteran status;
- 2) Compensation is in accordance with the employee's contribution to AvMed and compensation decisions will be made entirely independent of the considerations listed above; and
- 3) AvMed will provide a safe and healthy work environment for all employees. AvMed will not tolerate any type of harassment – including sexual harassment – in the workplace and will take appropriate disciplinary action should any instance of harassment be discovered.

Protection of Assets

All employees shall strive to preserve and protect all assets of AvMed through prudent and effective use of its resources and assets.

- 1) All employees are expected to refrain from utilizing company assets for personal gain or enjoyment. Employees are prohibited from the unauthorized use or taking of AvMed's equipment, supplies, materials or services. Employees must obtain the

approval of the department supervisor or management prior to engaging in any activity on company time which will result in compensation to the employee or the use of AvMed's equipment, supplies, materials or services for personal or non-work related purposes.

- 2) Employees are required to comply with all internal control standards to ensure the appropriate use and protection of assets. All financial records and reports, accounting records, research reports, expense accounts, time sheets and other documentation must accurately and clearly represent the relevant facts of a transaction.

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 this code be reported promptly.

- 1) Any AvMed director, officer or employee who believes a violation of this code or any other illegal activity has occurred, shall promptly report the violation in person, by phone or in writing to one of the following:
 - a) The Compliance Officer or other member of the Compliance staff;
 - b) The Internal Auditor; or
 - c) The appropriate department head, supervisor, or manager.
- 2) It is a violation of this code not to report a violation or other illegal/unethical activity. If an employee has questions about particular acts or conduct, one of the individuals listed above may be contacted for guidance.
- 3) It is AvMed's policy to promptly and thoroughly investigate all reports of illegal /unethical activity or violations of this code. AvMed personnel are required to cooperate with these investigations. It is a violation of this code for any employee to prevent, hinder or delay discovery and full investigation of this nature.
- 4) AvMed personnel 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.
- 5) No reprimands or disciplinary action will be taken or permitted against personnel for good faith reporting of, or cooperating in the investigation of activities or violations of this code.
- 6) Personnel who violate the code or commit illegal/unethical acts are subject to discipline up to and including dismissal. Personnel who report their own misconduct, however, will have such self-reporting taken into account in determining the appropriate disciplinary action.

ADMINISTRATION AND APPLICATION OF THIS CODE OF ETHICAL BUSINESS CONDUCT

AvMed expects each person to whom this Code of Ethical Business Conduct applies, 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 this Code of Ethical Business Conduct 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 corporate compliance officer and members of senior management may take into account the following factors:

- 1) The nature of the violation and the ramifications to AvMed, its clients and stakeholders;
- 2) Whether the employee's involvement was direct or indirect;
- 3) Whether the violation was willful or unintentional;
- 4) Whether the violation represented an isolated occurrence or a pattern of conduct;
- 5) Whether the employee withheld relevant or material information and the degree to which the employee cooperated with the investigation;
- 6) Any action previously imposed for similar violations and/or the employee's past violations; and
- 7) Whether the violation constituted a fraudulent act (intentional deception).

Nothing in this code is intended to nor shall be construed as providing any additional employment or contract rights to employees or other persons. While AvMed will generally attempt to communicate changes concurrent with or prior to the implementation of such changes, AvMed reserves the right to modify, amend or alter the Code of Ethical Business Conduct without notice to any person or employee.

AVMED COMPLIANCE HOTLINE

To request information about the AvMed Corporate Compliance Program or to report possible misconduct, please contact a member of the compliance staff. The Compliance Hotline is available 24 hours per day by calling toll-free 1-877-AVM-DUTY (1-877-286-3889). Alternatively, the compliance staff may be contacted by mail at the following address:

AvMed Compliance Program
AvMed Health Plans
PO Box 749
Gainesville, FL 32602-0749