

Code of Business Conduct *and* Ethics

*Our shared commitment to honesty, integrity,
transparency, and accountability*



Health Net®



Health Net®

Our mission at Health Net, Inc. is to help our members and beneficiaries be healthy, secure, and comfortable. Our vision and our brand promise are to *Make Health Care Work for You*. Together, these statements remind us constantly of the impact we want to have and of what we are building.

Through the strategy that guides us and the culture that shapes us, we are creating our own unique identity in the market – an identity synonymous with trusted can-do champions, enduring productive partnerships, affordable tailored solutions, and dependable performance.

Trust and dependability is where our Code of Business Conduct and Ethics comes in. More than a handful of company rules, our Code embodies our values: Honesty, Integrity, Transparency and Accountability, and commitment to compliance with applicable laws, regulations and company policies.

These are more than just concepts at Health Net. They are the guiding principles we embrace and demonstrate in our daily work, in our relationships with customers, members, and business partners and, ultimately, in the high-quality health plan services we provide.

This Code formalizes Health Net's commitment to ethical and lawful conduct and is designed to guide us in upholding our high standards of fair and ethical practices. Read this Code thoroughly and make sure you understand it. We are all responsible for complying with the standards of behavior described in the Code. In any case where we believe illegal or unethical conduct may have occurred, we must report it without fear of retaliation to our supervisors, the Legal Department, the Chief Ethics Officer, or to the Health Net Integrity Line. All reports will be taken seriously and appropriate disciplinary action will be taken if anyone violates Health Net's policies or the law. Also, each of us is invited to contact any of these resources if questions about the ethical nature of any action arise.

Making health care work depends on our ability to preserve and strengthen Health Net's reputation for excellence. It relies on our firm commitments to the Company, to each other, to our business partners, our members, the communities in which we do business, and in the global, government and political arenas. Our ability to proactively avoid problems, learn and adapt, and make Health Net better every day is what our Code of Business Conduct and Ethics is really all about.

We thank you for your enduring commitment to Health Net.

Jay Gellert
President and CEO
Health Net, Inc.

Jim Woys
Executive Vice President and
Chief Financial and Operating Officer
Health Net, Inc.

Table of Contents

| | |
|---|----|
| <i>Welcome to the Code of Business Conduct and Ethics</i> | 3 |
| About the Code | 3 |
| Making good ethical decisions | 4 |
| Compliance with laws and regulations | 4 |
| Non-retaliation policy | 5 |
| Reporting a potential violation..... | 5 |
| The Health Net Integrity Line..... | 5 |
| <i>Our Commitment to Ethical Conduct</i> | 7 |
| Our standards of conduct | 7 |
| Our professional ethics | 7 |
| <i>Our Commitment to Our Customers</i> | 8 |
| Respect for our customers..... | 8 |
| <i>Our Commitment to the Company</i> | 9 |
| Avoiding conflicts of interest..... | 9 |
| Corporate opportunities | 9 |
| Patient referrals | 9 |
| Gifts and entertainment | 10 |
| Accurate books and records..... | 11 |
| False claims | 11 |
| Records retention | 11 |
| Use of Company assets | 13 |
| Use of electronic media | 13 |
| Confidential and proprietary information | 13 |
| Intellectual property | 14 |
| Privacy and personal data | 14 |
| <i>Our Commitment to Each Other</i> | 16 |
| Creating a positive workplace..... | 16 |
| Diversity | 16 |
| Preventing discrimination and harassment | 16 |

| | |
|--|------------|
| Fair employment practices | 17 |
| Workplace safety | 17 |
| Violence prevention | 17 |
| Misuse of drugs and alcohol | 18 |
| <i>Our Commitment to the Marketplace</i> | 19 |
| Fair dealing | 19 |
| Compliance with antitrust and competition laws | 19 |
| Improper payments and kickbacks | 19 |
| Insider trading | 20 |
| No tips | 20 |
| Public communications | 20 |
| <i>Our Commitment in the Global, Government and Political Arenas</i> | 22 |
| Global business | 22 |
| Foreign Corrupt Practices Act | 22 |
| Anti-boycott laws | 23 |
| Anti-money laundering | 23 |
| Office of Foreign Assets Control regulations | 23 |
| Excluded parties | 23 |
| Interactions with government | 24 |
| Contact with regulators, media and the public | 25 |
| Political activities | 26 |
| Political contributions | 26 |
| Lobbying | 27 |
| <i>Our Commitment to Our Communities and the Environment</i> | 28 |
| Sustaining healthy relationships with our stakeholders | 28 |
| Professional development | 28 |
| Community involvement | 28 |
| Sustainability | 28 |
| <i>Our Commitment to Fight Fraud, Waste and Abuse</i> | 29 |
| <i>Health Net Compliance and Ethics Resources</i> | back cover |
| Health Net Integrity Line | back cover |

Welcome to the Code of Business Conduct and Ethics

About the Code

Health Net exists to help our members be healthy, secure, and comfortable, and our promise is to *Make Health Care Work for You*. Our ability to fulfill our mission and promise depends on earning and maintaining the trust of our customers, associates, investors, and business partners every day. One of the ways in which we do this is through our commitment to our values: Honesty, Integrity, Transparency, and Accountability.

This Code of Business Conduct and Ethics (the Code) establishes the standards that reflect our reputation as an ethical company. Our reputation as a promoter of good health must be beyond question. Compliance with laws and regulations is a minimum standard of conduct. But sometimes doing the right thing goes beyond merely following the rules. When making decisions about coverage, treatment plans or other services, we must apply the highest standards of professional ethics with respect for the autonomy, dignity, privacy, and rights of our members.

Our Code:

- Is a guide to assist us in choosing the proper course of action, individually and as a company, in every aspect of our work. It is designed to promote honest and ethical behavior, and to help us avoid situations that would give even the appearance of impropriety.

- Applies to all Health Net associates, officers and directors.¹ Health Net's First Tier and Downstream Related Entities, as defined by Medicare regulations, are required to either have their own Code of Conduct and policies that comply with the applicable laws and regulations, or in the absence or insufficiency thereof, to abide by Health Net's.
- Is not intended to be a comprehensive rulebook and cannot address every situation we may face. Health Net has developed a number of policies that support the standards outlined in this Code and provide guidance on many issues that may arise during the course of your employment. The policies are referenced throughout the Code and can be found in the National Policy Library on Health Net Connect. We are each responsible for reading, understanding, and applying the standards of the policies to our professional work environment.

Throughout the Code, the phrases "Health Net" and "the Company" refer to Health Net, Inc. and all of its subsidiaries and affiliates. In addition, contact information for Health Net's Chief Ethics Officer can be found on the back cover.

¹Any waiver of the Code may only be made by the Company's Chief Executive Officer and/or, if required by law or applicable policies, rules or regulations, the Board of Directors or Board committee. Any waiver of this Code will be promptly disclosed to the public as required by law and the listing standards of the New York Stock Exchange. When necessary, a waiver will be accompanied by appropriate controls designed to protect the Company.



Making good ethical decisions

Sound ethical decision-making by each of us is essential to Health Net's success. We all make ethical decisions every day. Some decisions are obvious and easy to make while others are not. Decisions that involve a violation of law or Company policy are clear and easy to make. For those decisions that are not clear or simple, we use reason and our four guiding values – Honesty, Integrity, Transparency, and Accountability – to make the right ethical choices.

The first thing to do is determine whether you have an ethical issue. Consider:

- Could the decision damage someone or a group?
- Does the decision involve choices between alternatives that might be good or bad, depending on your perspective, or between two “good” or two potentially “bad” alternatives?

If you determine that you have an ethical dilemma, use these four questions to guide your decision-making process in order to reach the optimal ethical conclusion.

Question One: Does this situation violate or appear to violate a law or regulation?

Compliance with laws and regulations is non-negotiable, and any deviation will have severe, negative consequences. If an action or decision is non-compliant or illegal, it is prohibited. If you have any question about compliance and/or legality, consult the Legal Department.

Question Two: Does this situation violate or appear to violate Company policy?

Health Net has developed a set of policies that addresses most common situations. Health Net policies can be found in the National Policy Library. We are all responsible for reading, understanding and applying them.

However, policies cannot capture every possible issue or scenario. If you are unsure of what to do in a situation, ask your direct supervisor for clarification. If the issue is still not clear or if you are uncomfortable discussing it with your supervisor, you may contact the Ethics Office directly or call the Integrity Line. If you determine that an action or omission would violate a Health Net policy, then there will be negative consequences and you may not do it.

Question Three: What course of action best reflects Health Net's culture and values?

This question helps us filter our decisions through our values – Honesty, Integrity, Transparency, and Accountability. Decisions that don't align with our values are the ones to avoid. Any action counter to our values is not true to who we are and is likely to have undesirable consequences. If you are unsure how the decision fits with our values, consult with the Ethics Office.

Question Four: Would you be concerned if the action made a news headline?

If the answer is yes, don't do it. If you have even the slightest concern about how a decision would affect your reputation or Health Net's, that is your signal not to do it. If you're not sure about whether an action or decision would have negative consequences, talk to your supervisor or consult with the Ethics Office.

If the action or decision does not embody and reinforce our mission and promise, it's not the right thing to do.

Compliance with laws and regulations

We work in one of the most regulated industries in the world. Full compliance

with both the spirit and the letter of all applicable laws, processes, Company policies, and regulations is the responsibility of every associate. We are each expected to:

- Understand and comply with relevant laws, regulations and compliance processes that apply to our position;
- Ensure basic processes are effectively implemented and compliant with all requirements; and
- Help others to ensure basic processes are compliant.

If at any time you doubt whether a course of action is lawful or ethical, seek advice from your supervisor, the Chief Compliance Officer, the Chief Ethics Officer, the Legal Department, or the Health Net Integrity Line.

Non-retaliation policy

Raising issues and concerns is vital to our work in making Health Net better every day, and delivering on our promise to *Make Health Care Work for You*. We all have the right to raise concerns without fear of retaliation or disciplinary action. Health Net does not tolerate any form of retaliation against anyone who makes a report in good faith.

Retaliation such as suspension, threats, harassment, or other discriminatory behavior is not allowed. Anyone who attempts to or encourages others to retaliate against an individual who has reported a violation in good faith will be subject to disciplinary action up to and including termination of employment.

At Health Net, we take shared commitment to this Code seriously and respond to reports of violations with prompt and consistent actions. Those who violate the standards in this Code will be subject to disciplinary action up to and including termination of employment.

Reporting a potential violation

Everyone subject to the Code is required to immediately report any actual or possible Code violation – whether a result of our own conduct or that of another. We should all feel free to discuss any situation that raises ethical issues or appears to violate this Code. Health Net is committed to ensuring that no one will ever suffer retaliation for seeking such guidance, or for reporting violations.

Discuss the problem with your supervisor, who knows you and the issues in your workplace. Your supervisor is required to assist you in complying with this Code, and to report any violations that she or he hears about to the Chief Ethics Officer, the Legal Department or the Health Net Integrity Line.

If you feel more comfortable, you are welcome to go directly to the Legal Department, the Chief Ethics Officer, the Chief Compliance Officer, or the Health Net Integrity Line.

If you believe an officer or director of the Company has violated the law or this Code, you must immediately report your belief to the Chief Ethics Officer, the Legal Department or the Health Net Integrity Line.

In addition, questionable accounting or auditing practices are reported to the Audit Committee of Health Net's Board of Directors.

The Health Net Integrity Line

Another way to report your concerns or a possible Code violation is to call the Health Net Integrity Line at 1-888-866-1366.

Health Net maintains the Integrity Line specifically for associates to ask questions, or report a suspected violation of the law or of our ethical standards of conduct. When reporting a violation to the Health Net Integrity Line, you may choose to remain



Retaliation against anyone who reports a violation of the Code in good faith is prohibited at Health Net.

anonymous if you are calling from a country that allows anonymous reporting, such as the United States. If you do give your name, every effort will be made to keep your identity confidential. However, it is possible that your identity may have to be revealed in the course of investigating the reported situation. If your identity is revealed, you may not be retaliated against pursuant to the Company's Non-Retaliation Policy.

I observed a situation that I suspect is a violation of our Code. Should I report it even if I am not completely certain that there is a problem?

Yes. It is better to report a suspicion that turns out not to be an issue than to ignore a possible violation of the law or Company policy. In cases like this, you are responsible for reporting possible violations immediately. While reporting to your supervisor is usually the first step, you may also contact the Chief Ethics Officer, the Legal Department or the Health Net Integrity Line. Your report will be taken seriously and investigated.

My supervisor asked me to do something that I don't believe is in compliance with the law. Should I follow my supervisor's instructions?

No. We must all obey the law. If you think you have been asked to do something that is against the law, you have a duty to report the situation.

If I see a questionable situation, is it better for me to call the Health Net Integrity Line or to talk to my supervisor?

One isn't necessarily better than the other.

It's possible that a situation that may seem questionable does, in fact, have a legitimate purpose. Sometimes, just talking to your supervisor will help clarify the situation and answer your questions. If you still have concerns after talking with your supervisor, you may always contact the Chief Ethics Officer, the Integrity Line or the Legal Department.





Our Commitment to Ethical Conduct

Our standards of conduct

Health Net expects appropriate, ethical and lawful conduct from all associates at all times. This means that you need to understand relevant laws, regulations and compliance processes that apply to your business and ensure that these processes are effectively implemented and compliant with all requirements. It is also the responsibility of each of us to help others ensure that basic processes are compliant.

Health Net is committed to fostering a thriving work environment where day-to-day pressures do not diminish our commitment to knowing applicable regulations and working within them.

Conduct that interferes with Health Net operations, discredits the Company, is illegal, or is offensive to our customers, business partners, vendors, or fellow associates is unacceptable and a violation of this Code. Health Net also requires that associates holding the title of Vice President or above disclose, as allowed by law, any arrest, indictment, conviction, or involvement in any criminal or civil action or legal matter that could affect their ability to perform their duties, or that may have a negative impact on Health Net, our reputation or our operations.

Our professional ethics

Health Net requires our licensed professionals, including medical directors, case managers, and other medical management associates, to abide by the highest standards of professional ethics when making coverage and medical necessity decisions. Health Net prohibits the use of financial incentives, bonuses or other rewards which may be viewed as inducements to deny or limit care, or otherwise interfere with coverage or treatment decisions. Health Net associates must also provide case and medical management services with respect for the autonomy, dignity, and privacy rights of our members, and they must act as effective stewards of the health care services we provide by promoting quality, cost-effective outcomes.



Health Net's reputation
is our greatest asset.
We conduct ourselves
according to the
highest ethical and
legal standards.

MP628-152752: *HIPAA Policies - 1.1 through 5.3*

MP86-145819 *Associate Policy: Reporting and Investigating Violations/Non-Retaliation*

MP510-152830: *Handling Complaints Made or Issues Raised to Health Net's Corporate Ethics Office or the Health Net Integrity Line*

MP913-104021 *Associate Policy: Standards of Conduct*



Our Commitment to Our Customers

Respect for our customers

Health Net associates are accountable for adhering to the highest standards of integrity and ethics when interacting with our customers. Our priority is to ensure our customers get what they need and feel they've been heard. By working to always make things better – which includes knowing and following the Code – we help our customers feel more understood, more protected and more confident in choosing Health Net.

Health Net's customers
must always be treated
with dignity and respect.

We are all trusted can-do champions. That means that every associate – even associates whose job responsibilities don't include interactions with customers – must be mindful that their work and the decisions they make ultimately impact our customers.

Our Commitment to the Company

Avoiding conflicts of interest

A conflict of interest arises when we take action or enter into a relationship that opposes the interests of the Company, interferes with our responsibility to the Company, or interferes with our ability to perform our duties objectively and effectively. Any conflict of interest must be reported immediately to your supervisor, the Chief Ethics Officer or to the Health Net Integrity Line.

We must not take any action or enter into any relationship that creates, or even appears to create, a conflict of interest. When outside activities or personal interests influence – or appear to influence – us, our ability to make objective business decisions may be questioned. Certain transactions between the Company and associates or directors are of special concern, including transactions in which the Company loans money to or guarantees the obligations of associates or directors.

Examples of conflicts of interest include:

- You engage in outside employment that conflicts with your duties or prevents you from giving your best efforts to your job at Health Net.
- You consult or perform work for a competitor of Health Net.
- You hold a financial interest in a business venture similar to Health Net or that does business with Health Net.

- You or another person derives personal benefit from information you obtained in the course of your work.

If you have questions about the Company's policy on conflicts of interest, or if you need assistance avoiding a potential conflict, seek the advice of your supervisor, the Chief Ethics Officer or the Health Net Integrity Line.

Corporate opportunities

We all have a duty to advance the Company's interests when the opportunity to do so arises. We do not use Company property, information, or our position with the Company for personal gain or to compete with the Company.

If any of us discovers or is presented with a business opportunity as a result of our job at Health Net, we must present the business opportunity to the Company before we pursue the opportunity as an individual. Contact your supervisor, the Chief Ethics Officer or the Legal Department to disclose the terms and conditions of any business opportunity you wish to pursue.

Patient referrals

When referring patients to any service provider, we must be certain never to refer patients to our own private practices for care. We must also avoid making referrals to any service provider with which we – or any of our family members – have a financial relationship. These actions not only violate Health Net's conflicts of interest policy, they could also violate the federal Stark Law and

We must all avoid situations where our personal interests conflict, or even appear to conflict, with the interests of the Company.

state anti-referral laws, which specifically prohibit self-referrals. We must also refrain from offering, paying or receiving payment in exchange for the referral of a patient or other business, all of which violate federal and state anti-kickback laws.

Gifts and entertainment



The giving and receiving of gifts and entertainment is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners.

However, all of our business transactions must be free from even the appearance of a conflict of interest. Gifts, favors or improper incentives of any kind can easily create this appearance; that's why our business dealings with vendors, providers, contractors, government entities, or third party payers must be based only on sound business decisions and fair dealing.

You may never accept gifts of money. You may not encourage or solicit non-monetary gifts. Non-monetary gifts include but are not limited to discounts, prizes, tickets, gratuities, transportation, or any other personal benefit or favor.

There are times, however, when we may accept certain business courtesies and gifts from a business firm or individual doing or seeking to do business with Health Net, but only if the gift is:

- Permitted by applicable law;
- Not money, given infrequently, and you didn't ask for it;
- Not an inducement or reward for any particular business decision;
- Provided by the vendor or supplier to many existing and potential customers; and
- Of a reasonable value.

Gifts and entertainment with a value of less than \$100 are presumed to be reasonable. For guidance on whether gifts and entertainment with a value greater than \$100 are of a reasonable value, contact the Legal Department or the Ethics office.

Just as we do not accept improper gifts in the course of doing business, we also do not offer improper gifts to others. To help determine whether a gift or entertainment is improper, you should also reference Health Net's policies regarding gifts and entertainment. These policies include heightened restrictions that apply to your interactions with persons performing certain audit functions for Health Net, and provide additional information to help you determine if a gift or entertainment is appropriate.

Unique laws apply to government officials and employees. For example, some government entities prohibit us from giving gifts, gratuities or favors to government employees or officials regardless of the value of the items or purposes of the gift. In other cases, gifts may be given if they don't exceed a specified value. You should never pay for meals, entertainment, travel, or other expenses for government employees and officials without knowing whether applicable law permits it. It is important that you are aware and attentive to the potential company-wide implications that may result from your actions. Failure to abide by the law could subject Health Net to fines and adverse publicity. If you have any doubt about giving or accepting gifts or entertainment, discuss the matter with your supervisor, the Corporate Ethics Officer or the Legal Department prior to giving or accepting such items.

MP912-145942 Associate Policy:
Conflicts of Interest

MP913-95353 Associate Policy:
Corporate Opportunities

MP914-143646 Associate Policy:
Gifts & Entertainment

Accurate books and records

As a public company, Health Net has an obligation to make and keep books, records and accounts that accurately and fairly reflect our transactions and financial condition.

The accuracy and integrity of our accounting system relies on every one of us. Performing even the most basic business responsibilities – expense reports for example – effectively and in compliance with all applicable processes, policies and regulations is critical.

Health Net financial officers and other associates working in the Finance Department have a special responsibility to ensure that all our financial disclosures are full, fair, accurate, timely, and understandable.

Our internal auditing mechanism seeks to ensure accurate reporting of Health Net's financial information. The Audit Committee of the Board of Directors is responsible for reviewing our policies and practices with respect to financial reporting. By conducting this review, the Audit Committee helps the Company identify and promptly correct any deficiencies in our practices.

Each of us is responsible for helping to maintain the following standards:

- We must record all transactions accurately on the Company's books in accordance with generally accepted accounting principles, and all standards, laws, and regulations for accounting and financial reporting;
- We must never conceal or incompletely record any fund, asset, liability, revenue, or expense for any reason;
- We must always ensure that our books and records are supported by documentation adequate to permit internal audits to verify their accuracy; and
- We must all cooperate fully with internal and external audits. We may never make a

false or misleading statement to any internal or external auditor, withhold records, or otherwise interfere with an audit.

If you suspect or know of any unreported or improperly reported financial activity, it is your duty to report the activity in accordance with Health Net's Reporting Procedures.

False claims

The Federal False Claims Act is a federal law that prohibits knowingly submitting to the federal government a false or fraudulent claim for payment. The Act is intended to reduce fraud, waste, and abuse of federal funds. Many states have enacted similar laws.

The Federal False Claims Act allows individuals to file suit on behalf of the government against people or businesses alleged to have committed fraud. The Act also provides whistleblower protection for those who report violations. Health Net will never retaliate against associates who exercise their rights under the Federal False Claims Act – or any other federal or state anti-fraud laws.

We must all comply with the Federal False Claims Act, and any applicable state false claims acts. We must never make false claims statements, or provide false records that are material to such claims, of any kind to the federal government or to any state government.

Records retention

There are many laws and regulations that govern how we maintain Company documents, including business, financial and medical records. Each of us is responsible for ensuring that Company records are retained and disposed of in accordance with all applicable laws and regulations and/or licensing and accreditation requirements. Records include information stored in various formats, including paper, electronic, audio, or video.



Accurate books and records are critical and demonstrate our commitment to Accountability and Transparency.

Retention timeframes depend on the content and type of record involved. We are each responsible for understanding the retention schedule for our records.

We must never alter or destroy any documents requested for a government investigation or legal proceeding, or documents that might be relevant to an expected investigation or proceeding.

I'm supposed to keep track of the time I spend on business related to a certain government contract, but writing everything down is such a hassle. Is it okay to give it my "best guess" when I submit my time report?

No. Accuracy is more important than inconvenience. Never file an inaccurate or incomplete time report. Even an inadvertent error can subject you and Health Net to prosecution under the False Claims Act.

I noticed an unusually high incidence of a certain treatment code for a provider. It's possible that these are legitimate claims, but I'm suspicious. What should I do?

Report your suspicions. If you ever suspect that a claim is incorrect or fraudulent, you must report it to your supervisor. Ignoring the situation could make you and Health Net liable under the False Claims Act.

The auditors have requested a certain range of files. When I was scanning them, I realized there are some documents missing. I don't think the documents are critical, but I know the auditors will look for them. Can I recreate the missing documents for the audit?

No. Recreating records might be viewed as an improper attempt to alter existing records. Speak to your supervisor about this situation so it can be properly disclosed to the auditors.

I'm not a manager. Can I be held legally responsible for failing to report Company information accurately?

Yes. Although executive management must sign off on Company financial reports, most associates record transactions, and these all affect our financial reports. Be sure every transaction you record is accurate.

It's the end of the quarter and I'd like to delete some electronic documents to free up space on my home drive. I know our Legal Department has placed a hold on all documents in connection with an ongoing investigation, but I don't think my documents are that important. May I delete the documents in order to free up disk space?

No. Any document that is likely to be the subject of litigation, a government investigation or audit must be retained until the Legal Department authorizes its destruction.

While out of town on business, I treated a friend to dinner at a local restaurant. The total of the dinner was moderate, but it was still more than a typical meal for one person. Is it OK to file an expense report to be reimbursed for the dinner?

No. Health Net will reimburse your travel expenses, but not dinner for your friend. Claiming your friend's dinner on your expense report is dishonest, and you should not do it.

MP912-9526 Associate Policy: Accounting & Record Keeping

MP27-72938 Associate Policy: Preventing and Detecting Fraud, Waste and Abuse of Government Programs

HR810-84520 Medicare Programs: Compliance Element VI Monitoring and Auditing

HR328-152533 Medicare Compliance: Auditing by CMS or its Designee

MP226-83222 Associate Policy: Information Security

Use of Company assets

We are each responsible for protecting our Company's assets, which includes ensuring their efficient use. Company assets include buildings and property, equipment, vehicles, computers, software, information and telecommunications systems, office machinery, furniture, and supplies. All Company assets belong to Health Net and must be used for legitimate business purposes only.

We must all guard against theft, carelessness and waste of resources. Be mindful of your own use of resources, and remind others to do the same. If you are aware of a situation or incident that might lead to loss, misuse or theft of resources, you must report it to your supervisor, the Legal Department, the Chief Ethics Officer, or the Health Net Integrity Line.



Use of electronic media

You should always remember that Health Net assets include data and communications transmitted or received via the Company's electronic or telephone systems. Electronic data such as emails, instant messages and voice mail messages are never private, confidential, or personal to any individual. As permitted by law, Health Net may periodically monitor and access electronic data stored or sent via Company hardware, storage devices or systems.

Health Net assets should never be used for:

- Illegal activities;
- Advancing personal views;
- Harassment of any kind;
- Creating, communicating or distributing communications that are derogatory, defamatory, sexually explicit, or otherwise inappropriate;
- Conducting personal business, selling services or products other than Health Net's, or soliciting for commercial ventures, religious or political causes, external organizations, or other non-job related purposes; or
- Sending or receiving copyrighted materials, trade secrets, proprietary financial information, or similar materials without proper authorization.

You must always abide by Health Net's policies concerning access to Company systems and data. You should never share passwords, provide an unauthorized user with access to any Health Net system, or access another user's applications without authorization. Each associate is responsible for ensuring that personal passwords and other access codes are secure.

Those of us who maintain personal social networking accounts or blogs must always be clear that any opinions expressed on the Internet are our personal opinions and not those of the Company. Never post details about your job or about our Company.

SM810-142635: Associate Use of Social Media

Confidential and proprietary information

Each of us has access to confidential information, which includes, but is not limited to:

- Proprietary information about the Company;
- Private medical information about health plan members and applicants;
- Private information about providers;
- Private information about brokers, agents or business partners;
- Nonpublic marketing strategies, underwriting formulas, rate filings, or other information that might be of use to competitors or harmful to the Company or its members if disclosed; and

Honesty and accountability dictate that we use Company assets for legitimate business purposes only, and that we are vigilant against theft, carelessness and waste.

- Private information regarding Company personnel.

Each of us is responsible for safeguarding all confidential information of the Company or of third parties with whom the Company does business. We may disclose information only if disclosure is authorized by the Company or required by law.

Our obligation to protect confidential information continues even after we leave the Company.

Intellectual property

Each of us is responsible for safeguarding Health Net's intellectual property. Intellectual property includes copyrighted, trademarked, and patented information, as well as trade secrets. Trade secrets include information that is not known outside of the Company, but which may not be subject to trademark, copyright or patent protection.

In addition to protecting Health Net's intellectual property rights, we must also respect the intellectual property rights of others. Theft or misappropriation of trade secrets, proprietary information or other intellectual property may expose Health Net and individual associates to significant fines and criminal penalties.

I read some negative information about our Company on a blog. I want to respond and correct this information. May I do this?

Although your intention is to protect the Company's reputation, you should not engage in this type of discussion on a blog.

Discuss the information with your supervisor instead. If the Company feels it is important enough to warrant a response, a designated Company spokesperson will do so.

All associates are expected to know and follow the social media policies and procedures, which are located in the National Policy Library.

While visiting another department, I noticed a secured door propped open. The room contained sensitive member information. What should I have done?

Take immediate action by closing the door. Then find a supervisor in the area to report what you have seen.

I often communicate with our providers via email. If they request member information that is private and confidential, is it okay to send it electronically?

Yes, if the email is encrypted. Member information may be sent via email only if the email is encrypted. Be sure the provider has signed the appropriate agreements to receive protected member information. In addition, send only the information that is requested (the minimum necessary data) and nothing else.

Can I use my Health Net email account to send email to family or friends?

Occasional personal use of email is permitted. Think of the email as a personal phone call; a quick, occasional personal call is allowed. However, just as you would not abuse your time on the telephone, you should not be "chatting" on Company email. Recognize that any email on a Company network may be accessed or read by the Company at any time. Information transmitted on the network that violates any law or is deemed to be offensive or inappropriate may subject you to disciplinary action.

Privacy and personal data



Information about the medical conditions, medical history, medications, and treatment of our members is sensitive information that is protected by privacy and security laws. We are each responsible for keeping this information confidential, private and secure.

Keep in mind the following principles:

- We may only discuss or view member information that is necessary to do our jobs.
- We never disclose confidential information that violates the privacy rights of members.
- We use member health information only for the reasons it was received, or as the member allows or the law requires.
- We only release member-specific information if we have the member's consent, it is necessary to serve the member, is allowed or required by law, or is deemed appropriate to protect the member or others.
- We are always careful to follow security procedures such as locking doors and using ID badges in secured areas.
- We do not store private or confidential information on portable electronic devices or media without encryption.
- We never transmit unencrypted member information to any third party.

Each of us is obligated to read and understand Health Net's policies regarding member privacy and keeping member information secure.

I am negotiating a contract with a medical group. One of the physicians in the group offered me a pair of expensive concert tickets, saying her plans had changed and it would make her feel better to know the tickets were being used. I feel she is making the offer to influence my decisions in her favor. Can I accept these tickets?

No. You should not accept any gift or entertainment that is an inducement to or a reward for any particular business decision. In addition, the receipt of any gift or entertainment valued at more than \$100 may not be considered reasonable. You should decline these tickets graciously and notify your supervisor about the offer. If you feel that declining the tickets may create any kind of discomfort in the negotiation, talk to your supervisor or the Chief Ethics Officer.

My sister is an executive at a skilled nursing facility. If Health Net is considering negotiating with this facility, is there a potential conflict of interest?

Yes. You should disclose this relationship to your supervisor, the Legal Department or to the Chief Ethics Officer.

A vendor invited me to attend their training session at the vendor's expense. May I do this?

Yes. You may attend a vendor-sponsored training session at the vendor's expense as long as you first obtain your supervisor's approval.

At a trade show, vendors were handing out coffee mugs printed with their company logo. May I accept this kind of gift?

Yes. This kind of promotional gift is readily available to others, is not intended to induce or reward business-generated or patient referrals, and likely has a value less than \$100, so it's okay to accept it.

A relative has applied for Health Net coverage and asked me to help get his membership forms processed quickly. I know this person doesn't have any major health issues. Can I ask someone in Enrollment to put a rush on his paperwork?

No. In processing member applications, we must apply due diligence and follow all necessary procedures. Helping your relative in this way is not only a conflict of interest, it could result in fraud if it turns out that important information was overlooked in the underwriting process.

MP913-105141 Associate Policy:
Use of Company Assets

MP913-95353 Associate Policy:
Corporate Opportunities

MP912-111512 Associate Policy:
Confidentiality of Company Information



Our Commitment to Each Other

Creating a positive workplace

A positive workplace is a work environment that engages all associates and enables excellence. At Health Net, each of us must be committed to a workplace that is diverse and free from unlawful discrimination and harassment. Our interactions with one another should always be fair, respectful and professional.

We do this by engaging in open and honest communication, and working as a collaborative team in an effort to achieve better outcomes. As Trusted Can-Do Champions and Dependable Performers, building effective and trusting relationships with each other is as important as those we build with our external stakeholders.

Diversity

The diversity of our work force is a large part of what makes us successful in delivering quality health care solutions to people from a variety of backgrounds. Each of us benefits from a work environment in which fairness and equity are the guiding values in selection,

compensation, benefits, and personal growth. We always hire and promote associates based on their ability to demonstrate excellence in their work and dedication to meeting our members' needs. We make reasonable accommodations for individuals with physical or mental disabilities, as required by applicable U.S. federal or state law.

Preventing discrimination and harassment

We do not tolerate any form of discrimination, harassment or unwelcome conduct based on an individual's race, color, religion, creed, citizenship status, gender, national origin, age, ancestry, medical condition, physical disability, marital status, veteran status, sexual orientation, gender expression or identity, or any other protected status.

Sexual harassment can include unwelcome sexual advances, requests for sexual favors, unsolicited physical contact, propositions, unwelcome flirtations, or offensive verbal, visual, or physical conduct of a sexual nature. Examples may include suggestive or lewd remarks, unwanted touches, or offensive jokes

We are all committed
to a workplace that
is diverse and free
from harassment and
discrimination.

or visuals. We should all be aware of – and sensitive to – the fact that what one person may consider to be a joke or an inoffensive comment may be extremely offensive to someone else. For this reason, we must avoid any conduct that might reasonably be interpreted as offensive, suggestive or hostile.

Fair employment practices

Health Net pursues fair employment practices in every aspect of our business. Each of us is responsible for supporting fair employment values by complying with applicable labor and employment laws, including anti-discrimination laws and laws related to privacy. You are responsible for understanding and complying with the laws, regulations and policies that are relevant to your job. If you need help understanding a requirement, talk to your supervisor, the Legal Department, your Organization Effectiveness representative, or the Chief Ethics Officer. You and the Company may be civilly liable if we do not comply with labor and employment laws.

Workplace safety

A safe, productive and healthy work environment is vitally important to our success. Every Health Net associate must work safely and encourage others to maintain a healthy and safe workplace. You must comply with health and safety laws, as well as Company health and safety policies and procedures.

Having safety rules is not enough, though. Your commitment to safety includes staying alert to safety risks and promoting the safety of your co-workers.

Violence prevention

Having a safe workplace also means a workplace free from violence. All Health Net associates, and the employees of other companies working on or visiting our premises, should feel secure and safe in our work environment. Health Net will not tolerate violence or threats of violence in the workplace.

Verbal assaults, threats, stalking, intimidation, coercion, and harassment can all be considered workplace violence. These forms of violence can affect our business in the same way as physical violence and will not be tolerated.

You should always take threats and warning signs seriously. Don't ignore your observations or instincts. If you see a violent or potentially violent act unfolding, you should immediately contact your supervisor, facility security or the Health Net Integrity Line.

No one is permitted to bring weapons of any kind onto Health Net premises except duly authorized law enforcement personnel. As a Health Net associate, you are never permitted to have weapons in your possession while on Company business, whether the business is conducted on Health Net premises or off site. This policy applies even if you have obtained a legal permit to carry weapons.

I saw an associate confront another associate in the company parking lot. Their voices were raised and one person was shoving the other. Should I report this?

Yes. You observed inappropriate workplace conduct. You should immediately report it to your supervisor, your facility security department or the Health Net Integrity Line.

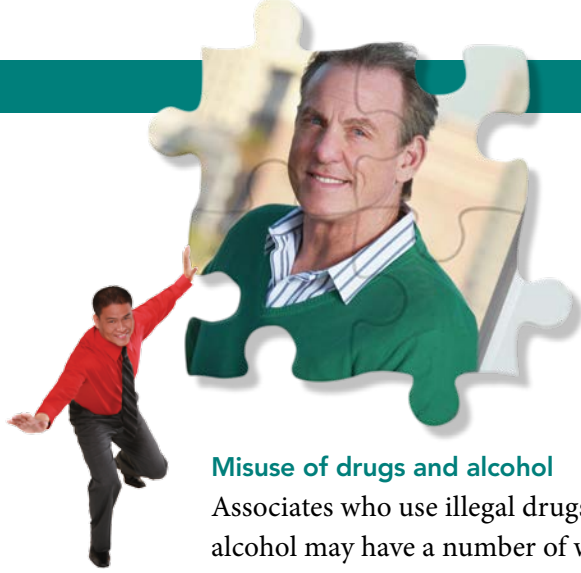
Everyone in my department is under a lot of pressure. Sometimes there's a lot of yelling in the office and the atmosphere is tense enough to give me a headache. What can I do?

Immediate steps must be taken to improve the atmosphere in your department.

There are ways of dealing with stress that don't involve yelling or arguing. Talk to your supervisor, if you can. If you don't feel comfortable speaking to your supervisor, contact your Organization Effectiveness representative or call the Health Net Integrity Line.



Keeping a safety mindset at all times is both our priority and responsibility.



Misuse of drugs and alcohol

Associates who use illegal drugs or misuse alcohol may have a number of work-related problems, including absenteeism, tardiness, low productivity, and increased accidents or injuries. Any of us with problems involving drugs or alcohol are strongly encouraged to seek help from the Company's Employee Assistance Program.

While working for Health Net at any location, operating a vehicle or equipment for the company, or performing services on behalf of Health Net, we are prohibited from:

- Using, possessing, buying, selling, manufacturing, distributing, dispensing, or transferring illegal drugs;
- Being under the influence of illegal drugs or alcohol; or
- Possessing or consuming alcohol.

An associate in my area has worked with our supervisor for many years and sometimes seems to get preferential treatment. It doesn't seem fair that the rest of our team doesn't get the same consideration. What should we do?

All Health Net supervisors are responsible for treating associates fairly and objectively.

The length of your supervisor's working relationship with your fellow associate should not affect the assignment of work, performance reviews, raises, or promotions. If you believe that you or any other associate is being treated unfairly, contact the Organization Effectiveness Department to discuss the situation. If you still have concerns, you may also call the Health Net Integrity Line.

An associate occasionally gives his fellow associates back-rubs during stressful times. Is this appropriate?

No. This behavior is not appropriate in the workplace. You should report the behavior to your Organization Effectiveness representative, the Chief Ethics Officer or the Health Net Integrity Line.

One of my co-workers is often late to work and is frequently nodding off at her desk. I suspect drug use. Should I do something?

Yes. If you feel comfortable doing so, speak to your co-worker and urge her to seek help from the Company's Employee Assistance Program. You may also speak to your supervisor about the problem or contact the Health Net Integrity Line.

MP21-134918 Associate Policy:

Prohibition Against Sexual Harassment and Other Workplace Harassment

MP19-81853 Associate Policy:

Workplace Violence Prevention

MP21-1521 Associate Policy:

Alcohol and Drug Misuse

Our Commitment to the Marketplace

Fair dealing

Health Net's success depends on our ability to outperform our competitors but only by fair and ethical means. We support our reputation for honesty, transparency and fair dealing by proactively working to build trust, foresee and avoid potential issues, and learn from our experiences.

You are expected to deal fairly with fellow associates as well as with the Company's members, suppliers, and competitors. You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts, or any other unfair practice. For example, we do not misappropriate and/or misuse a competitor's confidential information or make false statements about a competitor's business or business practices. You are expected to treat others with respect and professionalism that reflect well on Health Net.

Compliance with antitrust and competition laws

Antitrust and competition laws of the United States and other countries are designed to promote and preserve competition, and prevent unfair business practices. Health Net competes vigorously and ethically while complying with all antitrust and competition laws in all countries, states and localities in which we conduct business.

We do not engage in any actions that would be contrary to laws governing competitive



practices in the marketplace, including federal and state antitrust laws. For example, we do not enter into agreements or understandings with competitors on prices or terms or conditions of sale, or exchange competitively sensitive information with competitors.

Violations of antitrust laws carry severe consequences and may expose the Company and our associates to substantial civil damages, criminal fines and, in the case of individuals, prison terms. If you doubt the legality of a particular action or arrangement, get guidance from the Chief Ethics Officer or the Legal Department.

Improper payments and kickbacks

A kickback is anything of value provided for the purpose of rewarding, obtaining or attempting to influence the award of a contract or subcontract. Each of us is responsible for complying with all anti-kickback laws that apply to our business. If you have questions about the provisions of these laws, you should speak with your supervisor or the Legal Department.

We are committed to
success only by honest
and ethical means.

Insider trading

There may be times, in the course of your job, when you become aware of information about the Company that is not yet available to the general public. The use of such nonpublic or “inside” information for purposes of securities trading is strictly prohibited.

U.S. law restricts anyone who possesses material, nonpublic information about a company from trading in its stock or other securities. “Material” information is usually defined as any information that might influence a reasonable investor to buy, sell or hold stock.

Any securities trading based on inside information violates Health Net’s high standards of integrity – as well as the law.

My department just finished successfully testing a vendor’s new software system that Health Net is going to buy. Once Health Net buys the software, I think other managed care companies will want to buy it, too, and the vendor’s stock will go up. Can I invest in the software company and get in on the ground floor of their success?

No. Your knowledge of Health Net’s plans to use the vendor’s software would be considered material nonpublic information (i.e., inside information). If you purchase or sell the vendor’s securities on the basis of this information before it becomes public, you are engaging in insider trading.

I accidentally saw a copy of a confidential memo describing a large contract that our Company will soon sign with another company. I know I can’t purchase any of the other company’s stock on the basis of this information before news of the contract is made public. But I want to tell my brother this information so he can buy stock. Is this considered insider trading?

Yes. Nonpublic information about large contracts would be material inside information. If you tell your brother this information and he buys stock, both you and your brother are engaging in insider trading.

No tips

You must never give someone (e.g., your spouse, a co-worker, a friend, etc.) a tip regarding nonpublic inside information. This prohibition includes Internet blog posts and chat rooms. At Health Net, we are careful to comply with applicable federal and state securities laws. Violations of those laws can result in severe fines and criminal penalties, as well as disciplinary action up to and including termination of employment.

Public communications

Health Net places a high value on our credibility and reputation in the community. We’re committed to providing public disclosure regarding the Company in a manner consistent with legal and regulatory requirements. It is our policy to provide timely, accurate and complete information in response to public requests from media, analysts, stockholders, securities market professionals, and others. Our public disclosures must be consistent with our obligations to maintain the confidentiality of competitive and proprietary information. We also comply with the requirements of the Securities and Exchange Act, such as Regulation FD (“Fair Disclosure”), which requires the fair disclosure and reporting of information.

If you are contacted by a member of the public, a securities market professional, a stockholder or member of the news media for information about Health Net, do not provide any information. You must immediately contact Health Net's Investor Relations or Corporate Communications Department.

I've just been hired at Health Net from another managed care company. I have a box of files from my former employer that I think would be helpful in my work at Health Net. Can I bring the files to work and use the information at Health Net?

No. You should not bring records from your prior job, just as you would not be allowed to take our confidential information to one of our competitors. We must never use the confidential information of others except in special circumstances when it has been authorized by the third party. If you have any questions about whether special circumstances exist, contact the Legal Department.

I need to order some office supplies but our procurement process is a hassle. I need the supplies quickly for legitimate work reasons. Can't I just contact the vendor directly and bypass the procurement process?

No. The procurement process was put in place to make sure that the Company's procurement practices are fair, proper and prevent any appearance of improper favoritism, bribes or kickbacks. You may contact the Procurement Department to explain the urgency of your order, but you may not go outside Health Net's authorized process.

My friend just took a job with a competitor. When we get together, we often talk about work. He sometimes shares confidential information with me that's useful to my job, like when he tells me details of provider contracts he's negotiating. Can I pass along the information to my supervisor?

No. Explain to your friend that when you talk together about work, neither of you should reveal confidential information about either company.

Our Call Center has received a number of member complaints about one of our brokers. It looks to me like there's a pattern to the broker's behavior. Should I report my suspicions to someone?

Yes. Health Net is responsible for ensuring our brokers are fully trained and share our commitment to treating members with fairness and respect. You must raise this issue with your supervisor, the Chief Ethics Officer or the Health Net Integrity Line.



MP913-101751 Associate Policy:
Fair Dealing

LM88-19330 Associate Policy:
*Insider Trading and Disclosure of
Material Inside Information*



Our Commitment *in the* Global, Government *and* Political Arenas

Our business with all governments and their representatives must be conducted with honesty and integrity, and in compliance with the law. Transparency is our priority.

Global business

Health Net maintains the highest ethical standards in all business transactions, including those involving foreign countries. Our operations may be subject to the laws of many different countries. Health Net associates and business partners must comply with applicable laws and regulations and uphold this Code at all times. Cultural differences or local laws and customs may require a different interpretation of this Code. If such a situation arises, always consult the Legal Department before taking any action.

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) prohibits all of us and anyone acting on our behalf, including our suppliers, agents, joint venture partners, and the like, from paying or promising to pay any kind of bribe or kickback or giving anything of value to foreign government workers, political parties and

their officials, and political candidates. Persons associated with state-owned enterprises may be considered foreign government employees for purposes of the FCPA, and there is no minimum amount that must be exceeded before an FCPA violation can be found. Violation of the FCPA can result in civil and criminal sanctions, including severe fines and imprisonment.

If your work involves trade or travel outside of the U.S., you must be familiar with and understand the requirements of the FCPA. Although the FCPA allows us to make certain facilitating payments or reasonable payments directly related to demonstrating our products and services, we must be very cautious before making payments of any kind to any government official, and the FCPA requires that we maintain exacting records of all such payments. Always seek guidance from the Legal Department before making

payments of any kind to a government or public official or authorizing others to do so on our behalf. Additionally, if you think there is a chance that a payment may be perceived as being made to secure improper conduct by the recipient (whether they are a government official or not), you should seek guidance from the Legal Department.

Anti-boycott laws

Anti-boycott laws prevent Health Net from taking action in support of a boycott imposed by a foreign country upon a nation that is friendly with the United States. Health Net is required to report to the United States government certain boycott-related requests. To ensure compliance with anti-boycott laws, we all must refer any boycott issue or question to the Legal Department, the Chief Ethics Officer or the Health Net Integrity Line.

Anti-money laundering

Money laundering is a method of attempting to conceal the origins of money gained through illegal activity and is itself a crime that can result in substantial criminal and civil sanctions, including fines and prison terms. To ensure compliance with anti-money laundering laws and regulations, it is Health Net's policy to conduct business only with legitimate customers and counterparties whose funds are derived from legitimate commercial activity.

Our reputation as a company can be severely damaged by failing to detect transactions or relationships that put us at risk. Each of us is expected to be familiar with our programs to detect, prevent and report fraudulent activities and to report suspected money laundering, evidence of criminal activity by a customer, transaction structures or forms of payment that lack commercial justification, or other suspicious activity to a supervisor, the Legal Department, the Chief Ethics Officer, or the Health Net Integrity Line.

Office of Foreign Assets Control regulations

It is Health Net's policy to refrain from doing business with any country, person or entity designated under the Office of Foreign Assets Control (OFAC) regulations. If you suspect that Health Net may be conducting business with a country, person or entity prohibited under OFAC regulations, you should report such activity to the Legal Department, the Chief Ethics Officer or the Health Net Integrity Line.

Excluded parties

Health Net is required to screen, monitor and not conduct business with a variety of excluded parties. Excluded parties are determined by federal and state government agencies, like the U.S. Department of Health & Human Services Office of the Inspector General, or California's Department of Managed Health Care or Department of Health Care Services, among others. Health Net conducts screenings before engaging associates and contractors and also monitors hiring and other business practices regularly to ensure that we do not employ or contract with excluded (sometimes called sanctioned) individuals or vendors.

We're negotiating an agreement with a vendor in a foreign country and the agreement states we will abide by all the laws of their country. Since we always obey overseas laws, isn't it okay to accept this agreement?

No. Agreeing to abide by another country's laws may amount to signing a contract to support an unsanctioned boycott, which violates U.S. anti-boycott laws. You must discuss the terms of the contract with Health Net's Legal Department before signing any contracts or agreeing to any terms.

MP87-9462 Associate Policy:
*Special Restrictions with Respect to
Government Employees and Public Officials*

MP226-82258 Associate Policy:
Dealing with the Government

MP226-8137 Associate Policy:
Political Activities

MP95-65755:
*Monitoring of Individuals and Entities
Sanctioned or Excluded from Participation
by the Government*

MS210-165311: *International
Anti-Bribery Laws*

Interactions with government

Health Net conducts business with federal, state and local governments. Our business with all governments and their representatives must be conducted with the highest standards of business ethics and in compliance with all applicable laws and regulations.

In our interactions with the government, we must:

- Be forthright and honest at all times. We must never misstate or omit any material information from any written or oral communication with the government;
- Exercise extreme care in maintaining records for – and allocating costs to – government contracts; and
- Know and follow the rules on recruiting and hiring current or former government workers. Health Net's Legal Department must give us approval before we approach any such individuals about working at Health Net.

Some government entities prohibit the Company from offering gifts, gratuities or favors to government employees or officials, regardless of the value of the items or purposes of the gift. In other cases, gifts may be given, but may not exceed a specified value. We are all responsible for consulting the Legal Department for advice before providing or offering anything of value to any government employee or official. Failure to abide by these laws could subject the Company and the government employee or official to fines and adverse publicity.

If your job responsibilities include interacting with the government, you are expected to understand and comply with the special laws, rules and regulations that apply to your position. If you have questions or doubts about whether a course of action is lawful or acceptable, seek advice immediately from your supervisor, the Chief Compliance Officer or Chief Ethics Officer, or the Legal Department.

Next week, I am hosting an all-day meeting to discuss a Medicaid contract with U.S. government employees. Can we provide a box lunch for the participants during the meeting?

No. Providing lunch may seem like a small gesture, but federal laws prohibit certain employees from accepting any gratuities, including meals, regardless of the value of the items or the purposes of the gifts. As a result, to avoid the appearance of trying to unduly influence their decision, you should not serve lunch. Although there is an exception for de minimis gifts, such as providing coffee at a meeting, you should proceed with caution when offering anything of value to any government employee or official, and should consult the Chief Compliance Officer or the Legal Department with any questions.

Part of my job involves work on a contract that is paid by the federal government. My supervisor asked me to charge more hours to this contract than I actually worked. What should I do?

It is essential that we accurately report any time charged to government contracts. Failure to maintain accurate time accounting could result in serious fines and penalties for the Company, as well as possible exclusion from future government business. Immediately contact the Legal Department or the Health Net Integrity Line to report this situation.

Contact with regulators, media and the public

On occasion, someone outside of Health Net, including regulators or members of the media, may approach you for information. It is important that you not make any unauthorized statement to anyone outside our Company. Only individuals designated for such contact may communicate to those outside the Company. If you are approached for such information, you must immediately contact your supervisor or the Legal Department.

This principle also applies to electronic communications of any kind. You must never share information about the Company on Internet newsgroups, chat boards, blogs, or social networking sites. Offering this kind of information not only damages our business, it may also violate our legal obligations as a public company.

I have been approached by a government regulator who has asked me for a number of specific documents. Should I provide them?

Health Net always provides complete and accurate information in response to regulator requests, subpoenas, etc. In general, the Compliance Departments are Health Net's designated contacts for communications with regulators. As such, before you ever provide information to anyone outside of our Company, you must first report the request to your supervisor and await further instructions.

I received a call from a research team at the local university asking for information about trends in certain treatment areas. I am able to answer their questions, but should I provide this kind of information?

No. Contact your supervisor or Health Net's Media Relations Department for instructions on responding to questions from people outside the Company. They will determine whether the information should be shared and will get back to you if your expertise is needed.

A journalist doing a story on health care has contacted me for an interview. I have several positive stories to share with him. Is it okay for me to be interviewed?

No. Although you are proud of Health Net's reputation and would say only positive things about the Company, information you share with the media might be misinterpreted and may negatively impact the Company's reputation. Health Net's Media Relations Department will determine what information to share and will involve you if they feel you are the right person to be quoted.

Political activities

Health Net encourages all of us to be good citizens and to participate fully in the political process. However, any time you engage in the political process, you must make every effort to ensure that you do not leave the impression that you speak or act on behalf of Health Net.

Political contributions

Federal law allows federal candidates, political parties and political action committees (commonly called “PACs”) to receive contributions from a company-sponsored PAC. Health Net has established a PAC which raises voluntary contributions from Health Net associates at the Director level and above, and others. Federal law allows Health Net’s corporate resources to be used to support the administration of the Health Net PAC but prohibits Health Net resources from being used to make contributions to any candidate, party or PAC in connection with a federal election.

Some states allow political contributions by corporations. The Company makes political contributions in some of the states where corporate contributions are permitted.

Any political contribution made by the Health Net PAC or by the Company must fall within the limits and restrictions of all applicable laws and must be properly reported. Making illegal contributions or failing to properly report a legitimate contribution could subject Health Net to fines and adverse publicity.

We must never use Health Net resources – such as time, email, phone systems, or personnel – to engage in personal political activities. No one may solicit, offer or make a contribution, including non-monetary, in-kind contributions, on behalf of Health Net to any candidate, party, PAC, or other political organization without the express approval of the Government Relations or Legal Departments.

Refer any questions concerning political contributions to the Chief State Health Programs and Regulatory Relations Officer.

I am working for the campaign of a local candidate whom I know supports positions favorable to Health Net. Can I ask her to come to our office to meet our team informally?

All political endorsements and lobbying efforts must be approved by the Chief State Health Programs and Regulatory Relations Officer. Given that your candidate’s platform is favorable, contact the Government Relations Department to suggest the idea; be sure to get approval before you extend the invitation.

My supervisor asked everyone in our department to contribute to our Company’s PAC. Although my supervisor said that the contributions were voluntary, I felt pressured to donate money. What can I do about this?

Solicitations to support the company-sponsored PAC are regulated by federal laws. All donations to the company-sponsored PAC must be voluntary. No action – favorable or unfavorable – may be taken by the Company based on an associate’s decision to donate or not to donate, or the amount of the donation. Furthermore, it is inappropriate for any supervisor to pressure an employee to make a donation to the PAC.

If you believe a supervisor has violated these rules, you should report his actions to your Organization Effectiveness representative, the Chief Ethics Officer or the Health Net Integrity Line.

When we engage in personal political activities, we must be certain not to leave the impression that we are acting on behalf of Health Net.

I know that in some cases our Company cannot support certain issues or candidates, but would it be okay to host a fundraiser in our conference room for a ballot measure that affects health care?

No. In a case where Health Net cannot support candidates or issues, allowing Health Net's premises to be used for a fundraiser could be considered a contribution (even though not monetary) and, therefore, subject to all the legal restrictions of monetary contributions. Contact the Health Net Integrity Line or the Chief State Health Programs and Regulatory Relations Officer if you have any questions.

Health Net will always abide by the laws governing lobbying activities. Conducting illegal lobbying activities or failing to properly report legitimate efforts to influence policy could subject Health Net to fines and adverse publicity.

Lobbying

Federal, state and local lobbying laws regulate attempts to influence government legislation, rulemaking, policies, or practices. Health Net, Inc. and our business units may at times seek to influence federal, state and local government actions, including legislation and regulation. The Company's position on these matters will be decided by senior management and will be expressed by designated associates and contractors. Certain Health Net associates are, or may become, registered lobbyists, and only Health Net's registered lobbyists are permitted to engage in lobbying activities. If you have questions about whether your job responsibilities qualify as lobbying activities, contact the Government Relations or Legal Departments for more information.



Our Commitment *to Our* Communities *and the* Environment

Sustaining healthy relationships with our stakeholders

As a company, and as individuals, we are committed to creating value and building enduring, productive and collaborative relationships with all of our stakeholders – both internal and external. We understand that human well-being and environmental health are basic values we share with our customers, fellow associates, shareholders, business partners, and the communities in which we live, work and play. In our daily actions, we uphold these shared values by showing concern for others, respecting the dignity of the individual, and acting as responsible stewards of the environment.

At Health Net, our corporate responsibilities are expressed in a number of ways, including professional development, community involvement and sustainability.

Professional development

Health Net encourages every associate to make a meaningful contribution to the business while developing his or her own career skills. We believe in lifelong learning and offer internal learning and development opportunities to associates.

Community involvement

Health Net is committed to helping improve the communities that our business serves. Every one of us should feel obligated to speak up when we see some aspect of Health Net's interaction with the communities beyond our four walls that might be made better. While we must at all times make prudent business decisions, there are always considerations beyond the bottom line that go into such decisions.

In addition, the Company supports associates who choose to perform community service, because we recognize that healthy communities and a safe environment depend in good measure on the combined efforts of many volunteers. A spirit of service motivates both our professional work and our civic engagements.

Sustainability

Health Net takes seriously our responsibility to act as good stewards of the environment. In addition to complying with environmental laws and regulations, we are committed to conserving resources and reducing our ecological footprint wherever possible. Each of us is accountable for helping Health Net find new and better ways of achieving this goal.



Human well-being
and environmental
health are basic values
we share with many
stakeholders.



Our Commitment *to* Fight Fraud, Waste *and* Abuse

Fraud, waste and abuse are serious problems in our industry. At Health Net, we are on the constant lookout for red flags that may signal fraud, waste or abuse in the health care continuum. Health insurance fraud is commonly described as the intentional submission of a “document or statement” that contains a material misrepresentation made by an individual or entity, knowing that the document or statement contains false or misleading information, for the purpose of receiving benefits to which they would not have otherwise been entitled.

Waste is commonly defined as loss through carelessness, inefficiency or ignorance. Abuse is considered to be an action that is not consistent with generally accepted standards and practices related to the applicable industry.

A number of laws as well as our contracts with payers contain strict requirements about preventing, detecting and reporting fraud, waste and abuse. If you uncover or suspect potential fraud, waste or abuse, bring it to your supervisor’s attention immediately.

Health Net will investigate allegations of fraud, waste and abuse. Health Net’s Special Investigations Unit is available as a resource to Health Net associates, members and providers, as well as to Health Net’s Delegates – First Tier, Downstream and Related entities. Health Net’s Fraud Hotline and Integrity Line are available 24/7 for reporting potential fraud, waste and abuse.

*For Health Net Compliance
and Ethics Resources*

Health Net Integrity Line

1-888-866-1366

Health Net Ethics Office

Bruce R. Anderson, MA, FLMI, CCEP, CHC, CHPC

Chief Ethics Officer

Health Net, Inc.

(818) 676-6621 – phone

(818) 676-8122 – confidential fax

bruce.r.anderson@healthnet.com