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CALOPTIMA HEALTH

CODE OF CONDUCT

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Message from Chief Compliance Officer



John Tanner
CCO

CalOptima Health is committed to its mission “to serve member health with excellence and dignity, respecting the value and needs of each person.” Foundational to fulfilling this commitment is conducting ourselves in an ethical and compliant manner in the course of our daily activities and interactions. CalOptima Health expects all employees, contractors, officers, board members, network providers, subcontractors and downstream contractors act ethically and have a responsibility in ensuring compliance.

This document is a guide with 11 principles and related standards to provide a framework for CalOptima Health’s Code of Conduct and how we are to conduct ourselves in serving our members. Please review this Code of Conduct and reach out to the Chief Compliance Officer or a representative from the Office of Compliance if you have any questions regarding this information.

It is incumbent upon all Board members, employees, providers and contractors to report any potential issues of non-compliance or misconduct. Reporting can be done online via the InfoNet or the CalOptima Health website, email, or phone.

You also have the option to anonymously report issues to the:

**Compliance and Ethics Hotline at
1-855-507-1805**

If you are unsure of a particular matter or situation, talk to your supervisor or a representative from the Office of Compliance to discuss your concerns and get guidance. Conducting our business compliantly and ethically is key to sustaining our business and maintaining our focus in serving our members.

Thank you for your dedication to serving our members and to following this Code of Conduct.

Code of Conduct 11 Principles

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Principles and Standards

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Mission, Vision, and Values

CalOptima Health is committed to its Mission, Vision, and Values

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

Values

CARES — Collaboration, Accountability, Respect, Excellence, Stewardship

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Member Rights

CalOptima Health is committed to meeting the health care needs of its members by providing access to quality health care services.

- **Access & Continuity of Care:** Follow policies ensuring member choice and coordination of services.
- **Health Equity:** Prioritize equity in all programs.
- **Cultural & Linguistic Services:** Provide appropriate communication support.
- **Disabled Member Access:** Comply with ADA Title III.
- **Emergency Treatment:** Follow EMTALA and anti-dumping laws.
- **Grievance & Appeals:** Inform members of rights and resolve complaints promptly.

Member Choice, Access to Health Care Services, Continuity of Care

Employees and contractors must follow CalOptima Health policies, procedures, and laws regarding member choice, access to healthcare, and continuity of care. They must also coordinate medical and support services for individuals with special needs.

Health Equity

Employees and contractors shall endeavor to address and prioritize health equity in the design and implementation of CalOptima Health strategies and programs.

Cultural and Linguistic Services

CalOptima Health and contractors must deliver culturally, linguistically, and sensory appropriate services to ensure members understand their diagnosis, medical history, treatment, and health education.

Disabled Member Access

CalOptima Health's facilities must comply with Title III of the Americans with Disabilities Act of 1990, ensuring access for disabled members.

Emergency Treatment

Employees and contractors must follow all guidelines, policies, procedures, and laws related to CalOptima Health member access and emergency service payments, including EMTALA and state anti-dumping laws, prior authorization limits, and payment standards.

Grievance and Appeals Processes

CalOptima Health, its physician groups, Health Networks, and third-party administrators (TPA) must inform members of their grievance and appeal rights, including the state fair hearing process, through member handbooks and other communications according to policies and laws. Employees and contractors must promptly and fairly address, investigate, and resolve member complaints and grievances per CalOptima Health policies and applicable laws.

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Compliance with the Law and Applicable Program Requirements

CalOptima Health is committed to conducting all activities and operations in compliance with applicable law and program requirements.

- **Transparent Conduct:** Operate with integrity and fairness.
- **Obeying the Law:** No lying, stealing, or cheating.
- **Fraud, Waste & Abuse (FWA):** Prevent, detect, and report FWA. Training is mandatory.
- **Political Activities:** No use of CalOptima resources for political purposes.
- **Antitrust Compliance:** Avoid price-fixing, bid rigging, and unfair trade practices.

Business Conduct Policies

CalOptima Health follows all federal and state laws, regulations, and DHCS contract standards. Employees, contractors, officers, board members, network providers, subcontractors, and downstream contractors are expected to act ethically and ensure compliance.

Obeying the Law

Board members, employees, and contractors (including First Tier and Downstream Entities included in the term “FDRs”) shall not lie, steal, cheat, or violate any law in connection with their employment and/or engagement with CalOptima Health.

Fraud, Waste, & Abuse (FWA)

CalOptima Health is committed to preventing, detecting, and reporting Fraud, Waste, and Abuse (FWA). The organization ensures Board members, employees, contractors, and FDRs receive necessary FWA training as per regulations. The Compliance Plan outlines examples of potential FWA and details employee and contractor obligations, as well as possible sanctions under federal and state laws. CalOptima Health requires that all parties avoid any conduct violating FWA laws, including anti-kickback statutes, false claims acts, and civil monetary penalty laws.

Political Activities

CalOptima Health is legally restricted in political participation. Its funds, property, and resources cannot be used for political campaigns or parties. Board members, employees, and contractors may engage in politics on their own time and expense but must not imply representation of CalOptima Health.

Anti-Trust

All Board members, employees, and contractors must comply with applicable antitrust, unfair competition, and similar laws which regulate competition. Such persons shall seek advice from legal counsel if they encounter any business decisions involving a risk of violation of antitrust laws. The types of activities that potentially implicate antitrust laws include, without limitation, agreements to fix prices, bid rigging, and related activities; boycotts, certain exclusive dealings, and price discrimination agreements; unfair trade practices; sales or purchases conditioned on reciprocal purchases or sales; and discussion of factors determinative of prices at trade association meetings.

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Business Ethics

In furtherance of CalOptima Health's commitment to the highest standards of business ethics, employees and contractors shall accurately and honestly represent CalOptima Health and shall not engage in any activity or scheme intended to defraud anyone of money, property, or honest services.

- **Candor & Honesty:** Be truthful in all communications.
- **Financial & Data Reporting:** Ensure accuracy in all records and submissions.
- **Regulatory Agencies:** Engage openly and honestly.

Candor & Honesty

CalOptima Health requires candor and honesty from everyone in their duties and communications, including with the Board of Directors, supervisors, attorneys, and auditors. No one shall make false or misleading statements about CalOptima Health's products or services to any members or business partners.

Financial and Data Reporting

All financial reports, accounting records, research reports, expense accounts, data submissions, attestations, timesheets, and other documents must accurately represent the relevant facts and true nature of a transaction. CalOptima Health ensures all transactions are authorized by Management and recorded properly to maintain asset accountability. Fraudulent accounting or false reporting is against CalOptima Health's policy and may violate laws and regulations.

Regulatory Agencies and Accrediting Bodies

CalOptima Health will deal with all Regulatory Agencies and accrediting bodies in a direct, open, and honest manner. Employees and contractors shall not take action with Regulatory Agencies and accrediting bodies that is false or misleading.

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Conflicts of Interest

Board members, employees, and contractors owe a duty of undivided and unqualified loyalty to CalOptima Health.

- **Disclosure Required:** Report any personal or family ties to vendors, providers, grantees or any other individual or organization with whom CalOptima Health has or is considering a business relationship.
Example: If a family member, i.e. your brother works for a vendor under consideration, disclose it to HR.
- **Policy References:** GA.8012 (Conflicts of Interest), AA.1204 (Gifts), AA.1216 (Solicitations)

Conflicts of Interest

Designated employees and contractors shall comply with the requirements of CalOptima Health Policy GA.8012: Conflicts of Interest, and applicable laws. Board members, employees, and contractors are expected to conduct their activities to avoid impropriety and/or the appearance of impropriety, which might arise from the influence of those activities on business decisions of CalOptima Health, or from disclosure of CalOptima Health's business operations.

In addition to these provisions, designated employees are also subject to the provisions of the Conflict of Interest Code adopted by the CalOptima Health Board of Directors in compliance with the California Government Code. Designated employees must complete a Form 700 Statement of Economic Interests and a CalOptima Health Supplement to Form 700 upon hire, annually, and upon separation of employment. The HR department coordinates this activity with the CalOptima Health Clerk of the Board.

CalOptima Health Policy GA.8012: Conflicts of Interest describes in detail prohibited conflicts of interest relative to your employment with CalOptima Health.

One aspect of particular interest is any conflict related to family members. As noted in CalOptima Health Policy GA.8012: Conflicts of Interest:

- If an employee or an employee's immediate family member, as defined in the Political Reform Act, has a financial or employment relationship with a current or potential provider, supplier, vendor, consultant or member, the employee must disclose this fact in writing to HR.
 - » For example, if CalOptima Health is considering contracting with a vendor for which your spouse is an employee, you must disclose this in writing to HR.
- CalOptima Health Employees shall not handle member or provider issues, applications, requests, or cases on behalf of CalOptima Health for member(s) of the employee's own family or for personal friends.

For further specific information on Conflicts of Interest; Gifts, Honoraria, and Travel Payments; and Solicitation and Receipts of Gifts see CalOptima Health Policies GA.8012: Conflicts of Interest, AA.1204: Gifts, Honoraria, and Travel Payments, and AA.1216: Solicitation and Receipt of Gifts to CalOptima Health. If you have any questions regarding these policies, you may reach out to the Chief Human Resources Officer or the Chief Compliance Officer.

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Public Integrity

CalOptima Health and its Board members, employees, and contractors shall comply with laws and regulations governing public agencies.

- **Public Records:** Comply with the California Public Records Act.
- **Use of Funds:** No gifts of public funds unless legally justified.
- **Public Meetings:** Follow the Ralph M. Brown Act.

Public Records

CalOptima Health shall provide access to CalOptima Health Public Records to any person, corporation, partnership, firm, or association requesting to inspect and copy them in accordance with the California Public Records Act, California Government Code Sections 6250 et seq. and CalOptima Health policies.

Public Funds

CalOptima Health, its Board members, employees, and contractors shall not make gifts of public funds or assets or lend credit to private persons without adequate consideration unless such actions clearly serve a public purpose within the authority of the agency and are otherwise approved by legal counsel. CalOptima Health, its Board members, employees, and contractors shall comply with applicable law and CalOptima Health policies governing the investment of public funds and expenditure limitations.

Public Meetings

CalOptima Health, its Board members, employees, and contractors shall comply with requirements relating to the notice and operation of public meetings in accordance with the Ralph M. Brown Act, California Government Code Sections 54950 et seq.

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Confidentiality

Board members, employees, and contractors shall maintain the confidentiality of all confidential information in accordance with applicable law and shall not disclose such confidential information except as specifically authorized by CalOptima Health policies, procedures, and applicable laws.

- **No Personal Benefit:** Do not use confidential info for personal gain.
- **Safeguard Member Info:** Comply with HIPAA, HITECH, and state laws.
- **Personnel Files:** Maintain confidentiality.
- **Proprietary Info:** Protect contractor data and provider IDs.

No Personal Benefit

Board members, employees, and contractors must not use CalOptima Health's confidential or proprietary information for personal gain or to benefit others, during or after their time with CalOptima Health.

Duty to Safeguard Member Confidential Information

CalOptima Health is committed to protecting its members' confidentiality. Board members, employees, and contractors must secure member identity, eligibility, social security, medical details, and other confidential information per applicable laws, including Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health Act

(HITECH Act), California Security Breach Notification Law, California Confidentiality of Medical Information Act, and CalOptima Health policies and procedures.

Personnel Files

Personal information contained in employee personnel files shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws.

Proprietary Information

Subject to its obligations under the Public Records Act, CalOptima Health shall safeguard confidential proprietary information including, without limitation, contractor information and proprietary computer software, in accordance with and, to the extent required by contract or law. CalOptima Health shall safeguard provider identification numbers including, without limitation, Medi-Cal license, Medicare numbers, social security numbers, and other identifying numbers.

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Compliance Program Reporting

Board members, employees, and contractors have a duty to comply with CalOptima Health's Compliance Program and such duty shall be a condition of their respective appointment, employment, or engagement.

- **Reporting Requirements:** Promptly report violations to supervisors or the hotline.
- **Hotline:** 1-855-507-1805 (anonymous option available)
- **Disciplinary Action:** Non-compliance may lead to termination or legal penalties.
- **Training:** Mandatory for all employees and contractors.
- **Non-Retaliation:** Retaliation is prohibited. Retaliation can result in disciplinary action including termination.
- **FWA Referrals:** Coordinate with regulators as required.
- **Certification:** All personnel must certify understanding and compliance.

Reporting Requirements

In alignment with CalOptima Health's reporting policies, all Board members, employees and contractors are expected and required to promptly report suspected violations of any statute, regulation, or guideline applicable to Federal and/or State health care programs or

of CalOptima Health’s policies and Compliance Plan.. Such reports may be made to a Supervisor, the Chief Compliance Officer or may also be made to CalOptima Health’s Compliance and Ethics Hotline number below. Persons making reports to the hotline can do so on an anonymous basis.

Compliance and Ethics Hotline: 1-855-507-1805

No Personal Benefit

Failure to comply with the Compliance Program, including the Code of Conduct, policies, and/or applicable statutes, regulations and guidelines may lead to disciplinary action. Discipline for failure to abide by the Code of Conduct may, in CalOptima Health’s discretion, range from oral correction to termination in accordance with CalOptima Health’s policies. In addition, failure to comply may result in the imposition of civil, criminal, or administrative fines on the individual, or entity, and CalOptima Health or Exclusion or Preclusion from participation in Federal and/or State health care programs.

Training and Education

CalOptima Health provides training and education to Board members, employees, contractors, and FDRs. Timely completion of compliance and HIPAA training is mandatory for all CalOptima Health employees and contractors.

Non-Retaliation Policy

CalOptima Health prohibits retaliation against any individual who reports discrimination, harassment, or compliance concerns, or participates in an investigation of such reports, in good faith. Employees and contractors involved in any retaliatory acts may be subject to discipline, up to and including termination of employment.

Referrals of FWA to Government Agencies

CalOptima Health is obligated to coordinate compliance activities with federal and state regulators. Employees and contractors shall comply with CalOptima Health policies related to FWA referral requirements to federal and state regulators, delegated program integrity contractors, and law enforcement agencies.

Certification

All Board members, employees, and contractors are required to certify, in writing, that they have received, read, understand, and will abide by the Code of Conduct and applicable policies.

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Discrimination

CalOptima Health acknowledges that fair and equitable treatment of employees, contractors, members, providers, and other persons is fundamental to fulfilling its mission and goals.

- **No Discrimination:** Prohibited on the basis of race, gender, disability, etc..
- **Reassignment:** Must not be based on health status.

No Discrimination

CalOptima Health is committed to compliance with applicable anti-discrimination laws including Title VI of the Civil Right Act of 1964. Board members, employees and contractors shall not unlawfully discriminate on the basis of race, color, national origin, creed, ancestry, religion, language, age, marital status, gender (which includes sex, gender identity, gender transition status and gender expression), sexual orientation, health status, pregnancy, physical or mental disability, military status or any other classification protected by law. CalOptima Health is committed to providing a work environment free from discrimination and harassment based on any classification noted above.

Reassignment

CalOptima Health, physician groups, and Health Networks shall not reassign members in a discriminatory manner, including based on the enrollee's health status.

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Participation Status

CalOptima Health requires that employees, contractors, providers, and suppliers meet Government requirements for participation in CalOptima Health's programs.

- **Eligibility:** Must not be excluded from federal/state programs.
- **Screening:** Regular exclusion checks are conducted.
- **Disclosure:** Report any investigations or disciplinary actions.
- **Licensure:** Maintain valid credentials.

Federal and State Health Care Program Participation Status

Board members, employees, and contractors shall not be currently suspended, terminated, debarred, or otherwise ineligible to participate in any Federal or State health care program, including the Medi-Cal program and Medicare programs.

CalOptima Health Screening

CalOptima Health will Monitor the participation status of employees, individuals and entities doing business with CalOptima Health by conducting regular Exclusion and Preclusion screening reviews in accordance with CalOptima Health policies.

Disclosure of Participation Status

Board members, employees and contractors shall disclose to CalOptima Health whether they are currently suspended, terminated, debarred, or otherwise ineligible to participate in any Federal and/or State health care program. Employees, individuals, and entities that do business with CalOptima Health shall disclose to CalOptima Health any pending investigation, disciplinary action, or other matter that could potentially result in their exclusion or preclusion from participation in any Federal or State health care program.

Delegated Third Party Administrator Review

CalOptima Health requires that its Health Networks, physician groups, and third-party administrators review participating providers and suppliers for licensure and participation status as part of the delegated credentialing and recredentialing processes when such obligations have been delegated to them.

Licensure

CalOptima Health requires that all employees, contractors, Health Networks, participating providers, and suppliers who are required to be licensed, credentialed, certified, and/or registered in order to furnish items or services to CalOptima Health and its members have valid and current licensure, credentials, certification and/or registration, as applicable.

Government Inquiries / Legal Disputes

Employees and contractors shall notify CalOptima Health upon receipt of government inquiries and shall not destroy or alter documents in response to a government request for documents or information.

- **Notification:** Inform Compliance immediately upon receiving inquiries.
- **No Destruction:** Do not alter or destroy documents.
- **Preservation:** Follow legal instructions for data retention.

Notification of Government Inquiry

Employees and contractors shall notify the Chief Compliance Officer and/or their supervisor immediately upon the receipt (at work or at home) of an inquiry, subpoena, or other agency or government requests for information regarding CalOptima Health.

No Destruction of Documents

Employees and contractors shall not destroy or alter CalOptima Health information or documents in anticipation of, or in response to, a request for documents by any governmental agency or from a court of competent jurisdiction.

Preservation of Documents Including Electronically Stored Information

Board members, employees, and contractors shall comply with all obligations to preserve documents, data, and records including, electronically stored information in accordance with CalOptima Health policies and shall comply with instructions on preservation of information and prohibitions and destruction of information issued by legal counsel.

Frequently Asked Questions

What constitutes an unfair competitive advantage for an employee's outside business activity?

An unfair competitive advantage occurs when an employee's outside employment, consulting, or business activity influences decisions made by CalOptima Health, thereby giving an unfair advantage to the employee's outside business.

Can CalOptima Health employees use privileged or official information for personal gain?

No, the use of privileged or official information for personal financial gain is prohibited. This applies to both current employees and those who have separated from employment. Privileged information includes, but is not limited to, personal health information (PHI), provider rates, personnel records, and proprietary information not available to the public.

Are employees allowed to use information obtained from CalOptima Health in their outside consulting work?

No, employees acting as independent consultants or as employees of another organization cannot use proprietary information, skills, or knowledge obtained from CalOptima Health, especially if it pertains to current, in-progress, or proposed projects that are not yet public.

Is outside employment or consulting activity allowed if it competes with CalOptima Health?

No, an employee's outside employment or consulting activity must not compete with current or proposed CalOptima Health projects, programs, or initiatives.

Can CalOptima Health employees handle issues for family or personal friends?

No, employees are prohibited from handling member or provider issues, applications, requests, or cases on behalf of CalOptima Health for their own family members or personal friends.

What should an employee do if the employee or an employee's immediate family member, as defined in the Political Reform Act, has a financial or employment relationship with a current or potential provider, supplier, vendor, consultant or member?

The employee must disclose this fact in writing to HR. For example, if CalOptima Health is considering contracting with a vendor for which your spouse is an employee, you must disclose this in writing to HR.

Are CalOptima Health employees allowed to perform a second job?

Employees are prohibited from performing a second job that creates a conflict of interest. They must report any non-CalOptima Health job positions that might create such a conflict and complete an Employee Report of Outside Interest and/or Other Employment form for HR approval.

What activities require prior written approval from the Chief Executive Officer or the Chair of the CalOptima Health Board of Directors?

The following activities require prior written approval:

- Performing work or rendering services for any contractor/vendor/provider or related association that does or seeks to do business with CalOptima Health.
- Performing work or holding a position with a job-related non-profit/charitable business or organization.
- Being a director, officer, or consultant of any contractor/vendor/provider or related association that does or seeks to do business with CalOptima Health.
- Allowing your name to be used in a manner that indicates a business connection with any contractor/vendor/provider or related association that does or seeks to do business with CalOptima Health.



CalOptima Health

CalOptima Health, A Public Agency
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caloptima.org