MAGELLAN HEALTH

Code of Conduct

Last updated: February 2017
# Table of Contents

**Message from the CEO** ........................................... 2

**Introduction** ...................................................... 3  
  About the Code of Conduct .................................. 3  
  Our commitment to an ethical workplace .................. 4  
  Who to contact with questions or concerns .......... 5  
  What does it mean to maintain a commitment to ethical business conduct? 6  
  Corporate Compliance .................. 7

**Our promises to Magellan** ........................................ 8  
  Conflicts of Interest ........................................... 8  
  Gifts, meals, and invitations for entertainment ...... 10  
  Keeping accurate records ensures accurate reporting and  
  protection of corporate information ..................... 12  
  Bribes and other illegal payments ....................... 13  
  Proper use of Magellan's resources ..................... 14  
  Safeguarding Magellan's information ................... 14  
  Political, legislative, and regulatory activities ........ 16  
  Communicating publicly .................................. 16  
  Advertising ........................................... 16  
  Solicitation ........................................... 16

**Our promises to each other** ...................................... 17  
  Respect and safety in the workplace ................. 17  
  Enforcement of standards .................. 21

**Our promises to conduct business fairly** ...................... 22  
  Fraud and abuse laws .................................. 22  
  Anti-kickback laws .................................. 24  
  Licensure and accreditation .................. 24  
  Antitrust laws .................................. 24  
  Securities laws .................................. 25  
  Litigation or government investigations ............ 27  
  Record retention .................................. 27

**Resources for raising and reporting concerns** .................. 28
Message from the CEO

Health care is a highly regulated industry and Magellan is committed to conducting business honestly, ethically, and responsibly to the community at large. It is our responsibility as an institution and as individuals to always act with integrity and to conduct our business with respect and compassion. The people we serve trust us to do the right things, so the way in which we accomplish our mission is as important as meeting the goal itself. We will only truly fulfill our mission if we do not compromise our integrity.

As such, I encourage you to take some time to read the following pages and become familiar with our Code of Conduct. Maintaining ethical standards is everyone’s responsibility. So, if you know of a problem or issue, you cannot remain silent—you must step forward to report it! Thanks to employee reporting, we have been successful in protecting our organization and have avoided and/or rectified many internal compliance concerns. Please continue to be diligent since compliance is everyone’s business at Magellan.

The contents of this document may not prepare you for every situation you might encounter while you work at Magellan. When the best course of action is unclear, you should seek the guidance of your supervisor or a member of the Corporate Compliance Department.

I thank you for your unwavering commitment to doing the right thing for yourself, for Magellan, and for our members, customers, clients, and partners, and for the great service that you and we provide.
Introduction

Each of us must be committed to the highest standards of business conduct.

About the Code of Conduct

Magellan Health and its affiliates and subsidiaries, including but not limited to, Magellan Healthcare, National Imaging Associates, Magellan Rx Pharmacy, Magellan Medicaid Administration, Magellan Complete Care, Magellan Rx Management, CDMI, AlphaCare of New York, 4D Pharmacy Management Systems, The Management Group and Armed Forces Services Corporation (Magellan or the Company) are dedicated to conducting business honestly, ethically, and with integrity. In order to live up to this commitment, Magellan has developed principles and rules to be followed by all employees, members of the Boards of Directors, and other individuals who work with Magellan.

This Code of Conduct is to familiarize individuals with the ethical standards that guide our business and member relationships in the highly regulated environment in which we work and provides guidelines for helping each of us maintain the highest possible standards of ethical behavior in our work every day. It serves as a continuous reminder of our commitment to ethical behavior in all that we do. By putting these principles and guidelines into action, we maintain our reputation for delivering on our promises to all our customers and members. Employees, officers, and directors of Magellan are expected to perform their business responsibilities in compliance with this Code of Conduct, applicable laws and regulations, and company policies.

Your responsibility is to comply with the set of standards included in this Code of Conduct and all of the policies that apply to you. Individuals who violate these principles may be subject to serious penalties, up to and including termination of employment or contract. If you become aware of a violation of this Code of Conduct, the law, or our policies, you have an obligation to report it immediately.

Members of our Boards of Directors make the high level strategic and policy decisions that are implemented by that company’s officers and other employees. Because of their responsibilities, Directors have a fiduciary relationship with the company on which they serve as a Director. Under the law, a fiduciary is required to act with the utmost good faith and to exercise his or her powers solely in the interest of the company and not in his or her self interest. When the Directors are engaged in activities related to Magellan, the Code of Conduct applies to them. Directors must avoid conflicts of interest and must disclose any potential conflict of interest as soon as the conflict is discovered.

Magellan contracts with a number of entities for various services relating to the administration or delivery of health benefits. These contractors play an integral role in helping us to reach our goals. We make our Code of Conduct available to these contractors and expect that they will adhere to the spirit of this Code of Conduct while working on behalf of Magellan.

Making decisions that support our principles can be challenging. Therefore, use these guidelines when conducting Magellan business.

Be clear, open, and honest:
• Make what you know accessible to others.
• Deliver bad news early and personally.
• Raise concerns and problems.

Keep promises:
• Hold yourself and others accountable for targets and deadlines.
• Do what you say you will do.
• Take responsibility for correcting your mistakes and do all you can to fix them.

Make sure you are fair in your dealings with others:
• Express differences of opinion with others in a respectful manner.
• Assume positive intent.
• Strive for a win-win outcome with customers, employees, colleagues, providers, and suppliers.

Uphold our legal obligations:
• Comply with all applicable laws and regulations.
• Honor contractual obligations.
Our commitment to an ethical workplace

Because the highest standards of ethics and integrity are required of every Magellan employee, all employees must follow the guidelines below:

• Treat members with dignity and respect, always focusing on the best interest of the member;
• Set an example through your behavior;
• Avoid situations that may result in conflicts of interest with Magellan and its business, i.e., situations where personal interests conflict or could be perceived as conflicting with Magellan’s business interests;
• Market Magellan’s services in compliance with applicable state and federal requirements and forego any business that can only be obtained by improper or illegal means;
• Create a workplace that is free from harassment, drugs, narcotics, alcohol, and discriminatory practices;
• Comply with all applicable laws and Magellan’s policies, including, but not limited to, those addressing fraud, waste and abuse, HIPAA, as well as other federal and state laws regarding patient privacy and employees’ health, safety, and welfare in the workplace;
• Be familiar with insider trading laws (i.e., inside information cannot be used for personal gain);
• Comply with applicable state and federal laws; and
• Be familiar with Magellan’s policies on document retention and confidentiality and abide by all applicable state and federal laws, regulations, and contractual requirements regarding the retention of records.

What does it mean to conduct business with integrity?

Integrity is “adherence to moral and ethical principles; soundness of moral character; honesty.” Acting with integrity means living the Code of Conduct, not just reading it. Keep your Code of Conduct handy so you can refer to it easily and review it regularly so it is always fresh in your mind. The Code is available in hard copy or electronically on Magellan’s intranet site, MagNet, or on MagellanHealth.com.

How can I demonstrate integrity in the workplace?

Demonstrating integrity in the workplace means conscientiously making the best possible decisions—every day, in every situation. It means being aware of, disclosing, and avoiding potential conflict of interest situations, protecting Company confidential and proprietary information, safeguarding members’ Protected Health Information, using corporate assets responsibly, making sure reported figures and statistics are factual, paying attention to how we keep, protect and/or discard Company or member information, and doing everything we can to maintain a safe and healthy work environment.

How does integrity affect my business relationships outside the workplace?

As an employee, you are expected to foster courteous and productive working relationships with Magellan’s contractors and customers and abide by the terms of our contracts. This includes:

• Being fair and honest.
• Providing accurate information and representations.
• Protecting a contractor’s or customer’s confidential and proprietary information.
• Following Magellan policy when giving or receiving gifts and/or providing or accepting entertainment.
How does integrity affect my response to suspected misconduct or a code violation?

In addition to the requirements of the Code of Conduct and our corporate policies, you should also use your common sense and good judgment and act with integrity. You are required to ask questions if ethical dilemmas arise and to report suspected violations. This ensures that the ethical culture we all enjoy is preserved. There may be times, however, when you are unsure what action to take. Never feel as though you must go it alone.

Who to contact with questions or concerns

Open discussion of ethical and legal issues without fear of retribution is the cornerstone of Magellan’s compliance program. You can be assured that Magellan will not tolerate retaliation against any employee who, in good faith, reports an ethical or legal concern. If you have a question about a legal or ethical issue related to your job or Magellan, always feel comfortable doing one of the following:

• Discuss the issue with your supervisor;
• Speak to your department manager;
• Contact the Corporate Compliance Hotline, 800-915-2108;

   Magellan’s Corporate Compliance Hotline is available to all Magellan employees 24 hours a day/7 days a week. An outside vendor receives the Hotline calls and callers may remain anonymous. A trained staff member responds to each call to the Hotline; each call will be treated confidentially and all calls will be investigated. Magellan prohibits any employee from retaliating against a Hotline caller.

• You may also contact any of the following:
   – Corporate Compliance Officer, 410-953-4703
   – Corporate Legal Department, 410-953-4701
   – Corporate Finance Department, 860-507-1977
   – Corporate Human Resources Department, 860-507-1972

• You may also communicate with the Corporate Compliance Department by sending an email to Compliance@MagellanHealth.com.

I know of a situation that may violate our Code. Should I report it even if I am not completely sure there is a problem?

Yes. You are responsible for reporting possible violations immediately. Report it to your supervisor or call the Corporate Compliance Hotline. Your report will be taken seriously and investigated. It is better to report a suspicion that turns out not to be an issue than to ignore a possible violation.
What does it mean to maintain a commitment to ethical business conduct?

*Every employee’s responsibility: ethical performance*

As an employee of Magellan, you have an obligation and responsibility to be respectful, fair, and honest in all your dealings with providers, customers, members, contractors, third parties, and each other, as well as comply with all applicable laws and Magellan’s policies and procedures. This is your responsibility and our success as an organization depends on you always maintaining a commitment of ethical business conduct. This Code of Conduct will help you fulfill this responsibility by explaining how you should exemplify business integrity in everything that you do.

If you are confronted with a questionable *ethical situation*, answering the following questions can help you determine a response or course of action:

- Does it comply with applicable law and Magellan’s policies and procedures?
- How would it look to your family, friends, colleagues, our clients, members, shareholders, and the general public?
- Would you want this done to you?
- If you know it is wrong and/or unethical, do not do it.
- If you are not sure, ask. Keep asking until you get an answer that makes sense.

*Manager’s responsibility: ethical leadership*

Leadership requires setting a personal example of high ethical standards in the performance of your job. It is up to you, as a manager, to set the tone for Magellan and your employees and to expect employees to take responsibility for their actions. Therefore, we ask that you make sure that your employees understand and apply the ethical standards set forth in this Code of Conduct. Please also make sure that they feel comfortable coming to you with any questions or concerns.

Please use the resources available within Magellan to address ethical issues before they become problems.
Corporate Compliance

Our Corporate Compliance Program, along with our policies and procedures, provide guidance in maintaining appropriate business practices. The Program is designed to help you be aware of, understand, and follow federal and state laws related to your job. The Compliance Program also demonstrates to the community at large Magellan's commitment to conducting business honestly and responsibly.

Magellan's Corporate Compliance Department is responsible for the Company's awareness of applicable state and federal laws and regulations. The Corporate Compliance Officer, who reports to the General Counsel, leads the Compliance Department. The Corporate Compliance Officer is charged with the overall responsibility for compliance with the Corporate Compliance Program. Magellan's Compliance Committee is responsible for overseeing Magellan's Compliance Programs. At any time, the Corporate Compliance Officer may escalate compliance issues directly to Magellan's executive management team, to the Chief Executive Officer, or to Magellan's Board of Directors.

Written policies, procedures, and standards of conduct

Magellan maintains an extensive library of policies and written guidelines to ensure that every employee knows and understands his or her individual responsibility regarding ethical business practices. This library is made available to employees on MagNet.

Training and education

Training and education are integral to Magellan's overall Compliance Program. At Magellan, compliance training is mandatory for all new employees (including full-time, part-time, temporary workers, contractors, and volunteers) and must be completed within 30 days of the date of hire. Thereafter, all employees, contractors, temporary workers, and volunteers are trained annually.

All mandatory annual trainings (Fraud Identification & Recognition Education (FIRE), Code of Conduct, and HIPAA Privacy and Security) must be completed prior to the course deadline provided. If an employee does not complete all three of these mandatory annual training courses by the course deadline provided, the employee may be placed on an unpaid “leave of absence.” After five days of unpaid “leave,” if the training has not been completed, the employee may be terminated.

Miscellaneous targeted trainings may be developed by the Compliance Department, by the local Training department, by the Special Investigations Unit, or by the applicable operational area(s) and/or business unit(s).

The primary components of the Corporate Compliance Program include, but are not limited to, the following:

- Written Policies and Procedures
- Designation of a Compliance Officer and a Compliance Committee
- Conducting Effective Training and Education
- Developing Effective Lines of Communication
- Enforcement Through Publicized Disciplinary Guidelines and Policies Dealing With Ineligible Persons
- Auditing and Monitoring
- Responding to Detected Offenses, Developing Corrective Action Initiatives, and Reporting to Government Authorities
- Whistleblower Protection and Non-Retaliation policy
Our promises to Magellan

All of our business decisions must be made in Magellan’s best interest.

Conflicts of Interest

Avoid personal conflicts of interest

As a Magellan employee, you have a responsibility to act in the best interest of the Company at all times. A conflict may arise whenever the interests or actions of the employee conflict or even appear to conflict with the interests of Magellan. Employees should not engage in any activity that could appear to conflict with the employee’s interests and the best interests of Magellan. Employees must avoid actual, potential, or perceived conflicts of interest with Magellan in their professional and personal relationships. It is your responsibility to disclose to Magellan any transaction or relationship that you feel could give rise to an actual, potential, or perceived conflict of interest. The complete Magellan policy on conflicts of interest is available to Magellan employees on MagNet.

Conflicts of interest standards

A conflict of interest is any activity that is inconsistent with or opposed to Magellan’s interest or even gives the appearance of impropriety. A conflict of interest exists when:

- An employee’s duty to give undivided commercial loyalty to Magellan is (or can be) compromised by an actual, potential, or perceived benefit (other than nominal) to that employee from another source; or
- An employee uses his or her position with Magellan for personal financial gain or an employee’s decision making is or could reasonably be influenced by the promise of, or potential for, personal gain (e.g., choosing to conduct business with someone who works for or who owns part of a company with whom Magellan conducts business simply because of a personal relationship).

Examples of conflict of interest situations that need to be disclosed include:

- An employee, his or her spouse, domestic partner, or family member has a significant financial interest in a competitor, vendor, or other entity that conducts or seeks to conduct business with Magellan;
- An employee, his or her spouse, domestic partner, or family member accepts gifts of more than a token or nominal value (gifts that exceed more than $150 in any given year) from a vendor, entity, or competitor that conducts or seeks to conduct business with Magellan. In addition, gifts of less than $150 in any given year from these parties can create a conflict of interest if given for an improper purpose (e.g., inducements or bribes) or creates the appearance of impropriety;
- An employee, his or her spouse, domestic partner, or family member receives improper personal benefit as a result of the employee’s employment with Magellan. An example of an improper personal benefit is when a Magellan employee accepts free services or favors from a vendor that does or seeks to do business with Magellan;
- An employee who is in a position to influence member or provider decisions about health benefits managed by Magellan, and could become biased in his or her actions by external organizations that have an interest in influencing those decisions (e.g., referral decisions, network inclusion or exclusion, and decisions to deny or approve services); and/or
- An employee takes actions, or has personal, financial, or other interest that may interfere with the employee’s ability to perform his or her work for Magellan objectively and effectively. An example would be when an employee uses corporate property, information, or position for personal gain.
Common sources of conflicts

It is impossible to describe every actual, potential, or perceived conflict of interest. Therefore, Magellan relies on the commitment of its employees to exercise good judgment, seek advice when appropriate and adhere to the highest ethical standards in conducting their professional and personal affairs.

What is a significant financial interest?

- For the purpose of the conflicts of interest policy, a financial interest becomes “significant” if, for any one enterprise, the interest represents a five percent (5%) ownership or investment interest.
- An employee shall disclose any significant financial interest (other than passive investments such as a mutual fund or a 401(K)) in any class of securities listed on any of the national securities exchanges or regularly traded over-the-counter in a vendor, entity, or competitor that conducts or seeks to conduct business with Magellan;
- The existence of an interest bearing loan, at normal rates prevailing at the time of the actual borrowing, from a recognized financial institution is not regarded as “significant” and does not need to be disclosed; and
- An employee shall disclose any significant financial interest in the stock or ownership of a vendor, entity, or competitor that conducts or seeks to conduct business with or on behalf of Magellan.

Significant financial interests may present an actual, potential, or perceived conflict of interest and require employee disclosure. In addition, employees have a duty to disclose all material facts when there is an actual, potential, or perceived conflict of interest. Required disclosures of material facts and significant financial interests are outlined in the Conflicts of Interest policy, which is available to Magellan employees on MagNet.

My uncle owns a maintenance company that does excellent work at a very fair price. May I recommend his company to work for Magellan?

It depends. You may recommend that your relative’s company be considered, but you must disclose your relationship at the time you make the recommendation. Normal bidding procedures must be followed. If your job would involve negotiating or administering the contract involving your relative, you may not recommend him or use your influence to have his company chosen for a job. In addition, you may not be involved in the decision to make the award.

My wife is an employee benefits manager for a customer. I am a customer service representative. Is this a conflict of interests?

It could be. Report the relationship to your supervisor or the Corporate Compliance Department. To avoid the appearance of a conflict, you should not be involved in matters related to your wife’s company, and you should never discuss Magellan confidential information with your wife.
Gifts, meals, and invitations for entertainment

Giving and receiving gifts

Giving and receiving business gifts have long been considered part of good business etiquette. Of course, we want to project a positive image in the marketplace. However, we also need to make sure that our decisions are not influenced by favoritism or other inappropriate motives. Never give or take a gift that could be perceived as a bribe or an attempt to influence business decisions.

- Acceptance of cash is strictly prohibited. Acceptance of gifts or gift certificates that exceed $150 in any given calendar year from members, vendors, customers, or any other persons is strictly prohibited;
- Acceptance of gifts totaling less than $150 in any given calendar year is also prohibited if the gift is made for an improper purpose or if acceptance may create the appearance of impropriety (e.g., gifts that might be made as a bribe or other improper inducements or even create the appearance of impropriety). Prior to accepting any gifts, you should check with your supervisor or contact the Corporate Compliance Department for guidance;
- Gifts to business associates cannot exceed $150 per calendar year;
- Giving gifts of cash, gift certificates, or any other cash equivalents to members, vendors, customers, or any other persons or entities is strictly prohibited;
- Items of a promotional nature, which generally have a value of less than $10, are excluded from the per year limitation;
- No gifts may be given to employees or representatives of federal, state, or local governments;
- Allowing a competitor, supplier, or client’s representative to pay for a meal is permitted, so long as purposes of the meal is to discuss business and there is absolutely no intention of subverting the employee’s loyalty. When meeting with a competitor, supplier, or client’s representative, the meal should take place at a moderately priced restaurant;
- Occasional invitations to attend social events from current or potential business associates are allowed. The cost associated with such events must be reasonable and appropriate, and should generally not exceed $150 per person. Travel and overnight lodging expenses are not to be paid for by the business associate; and
- Invitations to attend social events extended by Magellan employees to current or potential business associates are allowed. The cost associated with such events must be reasonable, but must not include expenses paid for travel costs or overnight lodging. The cost of the event should generally not exceed $150 per person. During these events, a Magellan host must be present and topics of a business nature must be discussed.

The safest course of action is not to give or receive any gifts at all. However, circumstances may arise where gifts are permissible. If you must give or receive a gift, inexpensive or promotional items are generally appropriate. Even inexpensive gifts should not be given or accepted if they are intended as, or could be perceived to be, a bribe or an attempt to influence business decisions.

A vendor gives me a gift certificate for $125. This is under the $150 limit. However, the vendor’s contract is up for renewal and I will be on the team making the decision regarding whether to renew. May I accept the gift certificate?

No. Accepting the gift may be perceived as affecting your business judgment or creating the appearance of impropriety, so you should not accept it. Prior to accepting any gifts, you should check with your supervisor or contact the Corporate Compliance Department for guidance.
Outside employment and activities

Any outside employment by a Magellan employee with a competitor, provider, vendor, or entity that does or seeks to do business with Magellan may present an actual, potential, or perceived conflict of interest and requires disclosure. Additionally, an employee should not engage in any outside employment or activity that negatively impacts his or her job performance. For more information, please refer to the Referrals to Magellan Employee—Practitioners policy, which is available to Magellan employees on MagNet.

As you know, Magellan values and supports employees’ involvement in community activities as well as activities of personal fulfillment. However, employees’ outside activities should not interfere, either directly or indirectly, with the employee’s work performance or in any way negatively impact Magellan’s reputation in the community.

• An employee should not engage in any outside employment or activity that negatively impacts his or her job performance [Also see Referrals to Magellan Employee—Practitioners policy].

• If the demands of any outside activity or employment hinder or distract an employee from the performance of his or her job or even appear to influence the judgment or performance on behalf of Magellan, a conflict of interest may arise and should be disclosed.

• An employee should not serve as a director or officer of, receive compensation from, or provide consulting or other services to organizations, competitors, providers, vendors, or other entities that do or seek to do business with Magellan without first disclosing it in accordance with the Required Disclosure and Review Procedure as outlined in the Conflicts of Interest policy.

Honoraria

Magellan generally prohibits employees from accepting an honorarium. As such, if an employee receives an honorarium related to his or her employment with Magellan, prior to acceptance of the honorarium, the employee must disclose it in accordance with the Required Disclosure and Review Procedure contained in the Conflicts of Interest policy, which is available to Magellan employees on MagNet. For additional guidance, also see Honoraria, Professional Education Credits and Outside Sponsored Events for Magellan Employees policy, which is available to Magellan employees on MagNet.

May I attend educational events & seminars?

Magellan may sponsor seminars and other educational events for business associates, including providers and their office staff. However, these events must be related to the operating activities of Magellan. All other proposed types of sponsorships and other educational events must receive prior approval from the Corporate Compliance Officer in accordance with the Required Disclosure and Review Procedure.

An employee’s attendance at outside sponsored educational events, workshops, training sessions, and seminars are generally acceptable activities. However, compensation or other remuneration, including direct payments for professional education credits provided in connection with these activities, may present a potential, actual, or perceived conflict of interest and may require disclosure. For additional guidance, reference the Honoraria, Professional Education Credits and Outside Sponsored Events for Magellan Employees policy.
Required disclosure and review procedure

It is every employee’s duty to report and disclose all material facts related to an actual, potential, or perceived conflict of interest to his or her immediate supervisor or to the Corporate Compliance Officer.

Any employee who knowingly fails to fully and truthfully disclose conflict of interest situations or fails to comply with any stipulated plan for managing the disclosed conflict may be subject to corrective action up to and including termination.

Each year, all employees must attest to the requirements and obligation in the Conflicts of Interest policy through the annual Code of Conduct training course.

Employees have a continuing obligation to immediately disclose any actual, potential, or perceived conflict of interest situation that might arise during their course of employment by using the Magellan Employee Statement of Disclosure of Potential Conflict of Interest form, which is available to Magellan employees on MagNet.

Keeping accurate records ensures accurate reporting and protection of corporate information

Our record keeping must always be accurate, legal, and proper. We are required to submit many documents and reports to the U.S. Securities and Exchange Commission and other regulators. These materials and any other Magellan public communications must be complete, fair, accurate, timely, and easy to understand.

Accounting

Federal and state laws require companies to maintain accurate books and records. No Code of Conduct can review the extensive accounting requirements which Magellan must fulfill. To meet these obligations, Magellan relies on employee truthfulness and representations in accounting practices. Magellan's financial reporting system's entries must be accurate and reflect all Magellan financial transactions. Magellan employees must not engage in any conduct that results in false, artificial, or misleading entries being made in any records.

Sarbanes-Oxley Act

The Sarbanes-Oxley Act is a federal law relating to the documentation and disclosure of certain information by publicly traded companies designed to bolster investor confidence. One of the requirements of this law is that publicly traded companies must establish and maintain adequate internal controls and procedures for financial reporting. In addition, public companies are responsible for the safeguarding of assets. The Sarbanes-Oxley Act impacts every department that oversees activities or processes that could significantly influence Magellan's financial statements. The Company assesses the effectiveness of these internal controls and procedures for each fiscal year and has an external auditor attest to the adequacy of these controls.
Bribes and other illegal payments

As we strive to further our business interests and outperform our competitors, we do so honestly, fairly, openly, and with integrity. We have a zero tolerance policy towards bribery. We will never—either personally or through a third party, such as a broker or consultant—accept, make, or approve:

- Bribes or the promise of an improper benefit;
- Payments, which generally are small payments to low-ranking officials, to expedite the performance of a routine act to which we are already entitled;
- Payment for illegal activity; or
- Use of Magellan property or resources in a way that creates a conflict of interest or is against applicable federal or state laws.

What is a Payment?

A “payment” refers to anything of value. This includes money or other benefits such as charitable or political contributions, sponsorships, scholarships, gifts, hospitality, entertainment, and travel. A government official may include government workers, political parties, and their officials, political candidates, and the family members of these individuals—or others you might not think of as government officials, such as providers, in certain instances.

Magellan foregoes any business opportunity that can only be obtained by improper and illegal means. Magellan will not make any unethical or illegal payments to anyone to induce the use of our services. If you are not certain as to the ethical or legal nature of a given business arrangement, you are to immediately consult with your supervisor, the Legal Department, or the Corporate Compliance Officer.

**Foreign Corrupt Practices Act (FCPA)**

The Foreign Corrupt Practices Act was enacted for the purpose of making it unlawful for persons or entities to make payments to foreign government officials to assist in obtaining or retaining business. For additional information about the FCPA and how to report violations, please see *A Resource Guide to the U.S. Foreign Corrupt Practices Act* issued by the Criminal Division of the U.S. Department of Justice and the Enforcement Division of the U.S. Securities and Exchange Commission.

**Other Prohibited Payments**

Magellan will not pay incentives to providers, employees, or physician advisors based on the denial of benefits to persons requesting treatment. The decision to authorize treatment is a separate and independent clinical decision. For more information, please see the *Benefit Certification and Appeal General Guidelines* policy, which is available to Magellan employees on MagNet.
Proper use of Magellan's resources

Software and copyright infringement
Because unauthorized copying of software programs may expose you and Magellan to legal action, making copies of copyrighted software for personal and/or company use, if such reproduction is not permitted by a written license agreement, is strictly prohibited.

Email and other computer and network usage
Magellan provides employees with email and other computer and network access so they can fulfill their job responsibilities as effectively and efficiently as possible. It is your responsibility to ensure that no use of Magellan owned computers, software, or access to its networks conflicts with Magellan's primary business and/or with applicable laws and regulations.

It is important for you to know that Magellan has the right to monitor and examine all information sent over its systems and networks and by using these systems and networks, you are giving your consent to this monitoring. Unauthorized use will be subject to disciplinary action, including termination of employment, and may also result in criminal prosecution. The policies regarding email, internet, and other computer and network usage are available to Magellan employees on MagNet.

Business opportunities
At times, you may become privy to business opportunities that are proprietary to Magellan. It is your duty to keep this information confidential and never use it for your benefit or for the benefit of others. Please know that if you leave or are no longer affiliated with Magellan, company resources and confidential information must remain with Magellan.

Safeguarding Magellan's information

Guidelines for safeguarding trade secrets, confidential, and proprietary information
Magellan has a variety of information assets that are essential to its business. Employees often have access to trade secrets and other confidential and proprietary information about Magellan's business during the course of their employment. This information is the property of Magellan and must be kept strictly confidential. Trade secrets, confidential or proprietary information may be divulged only to individuals within the Company who need to receive, and are authorized to receive, such information in order to perform their job functions. Trade secrets, confidential or proprietary information shall not be disclosed to any outside party or removed from Company premises unless authorized by Company policy or with the express prior permission of the Legal Department.

Magellan's trade secrets, confidential or proprietary information shall not be used by any employee or other person for the purpose of furthering current or future outside employment or for obtaining personal gain or profit. Employees or others who leave Magellan may not take originals or copies, including electronic copies, of any trade secrets, confidential or proprietary information and shall not use or disclose confidential or proprietary information without the prior authorization of the Company. In addition, employees are obligated to keep this information confidential even after their employment with Magellan ends.

My son is selling chocolate as a fundraiser for his school. May I send an email from my Magellan account to my co-workers asking them to support my son's fundraising?

No. You are provided with email to fulfill your job responsibilities as effectively and efficiently as possible and the use of the Magellan network is limited to work related activities. However, with your supervisor’s approval, you may leave a brochure or the candy in a generally accessible location, and if someone wishes to make a purchase, they can do so.
Whistleblower protection for disclosing trade secrets

Pursuant to the Defend Trade Secrets Act of 2016, an individual will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to that individual's attorney and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

Please see the False Claims Laws and Whistleblower Protections policy located on page 23 for additional information about Whistleblower Protections as it relates to the disclosure of trade secrets.

Confidentiality of health information

Magellan recognizes the importance of privacy and confidentiality for our customers and members—it is a key principle of our business. All Magellan employees are required to understand and comply with the Health Insurance Portability and Accountability Act (HIPAA), as well as other federal and state laws applicable to the protection of confidential health information. To that end, Magellan has an extensive set of policies and procedures in place to address the protection and privacy of member information that is used or disclosed by Magellan in any format.

Magellan’s policies and procedures are designed to protect member confidentiality by:

- Establishing strict guidelines for how member information may be used and disclosed;
- Requiring all employees to be familiar with the process for responding to unauthorized uses and disclosures of confidential member information;
- Requiring Magellan staff, employees, and visitors to sign statements concerning the confidentiality of member information, the release of confidential information, and communication requirements;
- Using and requiring an Authorization to Use or Disclose Protected Health Information form and other forms that comply with applicable state and federal laws and client-specific requirements;
- Monitoring provider adherence to privacy and confidentiality requirements during site visits, quality reviews, and routine contact;
- Monitoring member feedback through the complaint process, member satisfaction survey results, and quality audits;
- Compliance with applicable state and federal laws and accrediting organization confidentiality standards;

My coworker wanted to find out if her neighbor was receiving behavioral health services, so she looked up his information in the claim system. I think this may have been a breach of privacy. What should I do?

Yes, your coworker acted improperly, since she had no reason to access her neighbor’s information as part of her job responsibilities. You must report this to your supervisor or to the Corporate Compliance Officer.
• Establishing mechanisms for timely and appropriate responses to member rights issues, including, but not limited to, member requests for confidential communications, access to protected health information, amendments to protected health information, and accounting of disclosures;

• Implementing technical barriers to systems by requiring authorization and passwords to access systems containing confidential information; and

• Requiring only the minimum necessary information for routine uses and disclosures of health information.

We encourage you to review Magellan’s complete set of privacy policies and procedures, which are available to Magellan employees on MagNet.

All Magellan employees are required to understand and comply with HIPAA, as well as other federal and state laws applicable to the protection of confidential health information.

**Political, legislative, and regulatory activities**

**Personal political activities**

Magellan encourages employee participation in political activities such as voting in federal, state, city, municipality, and neighborhood elections and becoming educated about issues that affect the community and Magellan. However, your involvement in politics must remain separate from your responsibilities as an employee.

While on Magellan-owned property, employees must not participate in political campaign activities unless such activities are reviewed and approved by the Legal Department. In addition, employees must not use Magellan resources (e.g., telephone, computer, fax, etc.) for any political campaign, unless such use is reviewed and approved by the Legal Department. To avoid even the appearance of impropriety, Magellan will not provide gifts or payments of any kind to or on behalf of any government representative or employee and will not reimburse any Magellan employee for any such gifts or payments. Furthermore, Magellan will not provide any payment or reimbursement for expenses incurred by any government representative or employee.

**Communicating publicly**

When communicating in any public venue, including via the internet or on social media sites, if your Magellan affiliation is known, you must keep your own views separate from Magellan’s views.

All media inquiries should be directed to Corporate Communications at CorporateCommunications@MagellanHealth.com for response.

**Advertising**

In order for Magellan’s brand and messaging to remain consistent, employees must send all advertising and marketing materials requests to Magellan’s Marketing and Communications and Legal Departments for approval before use.

Magellan does not use advertisements or marketing programs which might cause confusion between our services and those of our competitors. We will never disparage the service or business of a competitor through the use of false or misleading representations.

**Solicitation**

Magellan has a no solicitation rule. Employees must not engage in solicitation or the distribution of literature and other materials not directly connected with their work at Magellan while on Magellan property and/or while on duty (unless pre-approved by both Magellan management and Human Resources). Magellan also does not allow non-Magellan employees to solicit or distribute literature and other materials on Magellan property, unless pre-approved by the Human Resources Department.
Our promises to each other

We treat one another with respect and collaborate to achieve results.

Respect and safety in the workplace
Magellan recognizes that its greatest and most valuable asset is its workforce and is committed to making every effort to provide you with a safe working environment. Our policies and programs are designed to promote fairness and respect for all individuals and to foster a workplace where diversity and inclusion are valued. We treat one another with respect and collaborate to achieve results. We do not tolerate discrimination, harassment, or retaliation. Behaviors that put our employees or business partners at risk are not allowed.

Equal employment opportunities
In determining suitability for employment, promotions, transfers, demotions, and wages, Magellan looks only at the individual’s ability to perform the job. Magellan extends equal employment opportunities and freedom from harassment to all individuals, without regard to race, color, creed, religion, sex, gender identity and expression, sexual orientation, marital status, age, national origin, ancestry, citizenship, physical or mental disability, disabled veteran or veteran of the Vietnam Era status, or any other factors protected by law.

Americans with Disabilities Act
The Americans with Disabilities Act (ADA) and amended ADA Amendments Act (ADAAA) prohibit discrimination and ensures equal opportunity for persons with disabilities in employment, state, and local government services, public accommodations, commercial facilities, and transportation. Magellan may not discriminate against a qualified applicant because of a disability. The ADA provides that an applicant must be able to perform the “essential functions” of the position either on his or her own or with a “reasonable accommodation”, which could include altering the layout of or equipment in an employee’s workstation. Applicants who are able to perform these essential functions must be considered for the position without regard to their disability.

Drugs, narcotics, and alcohol
Magellan prohibits the use, sale, dispensing, or possession of illegal drugs and narcotics by its employees, whether on or off Magellan premises. Unless authorized by the CEO for certain corporate functions, Magellan also prohibits the consumption of alcoholic beverages on Magellan premises. Magellan will immediately discipline or discharge employees who violate this policy.

Consistent with Magellan’s overall mission as a company, the Human Resources Department can arrange for confidential counseling for drug and/or alcohol dependence problems. The Human Resources Department may also make and coordinate referrals for medical and/or psychological treatment and arrangements for leaves of absence.
**Workplace access**

Unauthorized access to Company premises by non-employees is strictly prohibited and, therefore, no one other than a Magellan employee may enter into a Magellan office or building without following proper procedures, which includes signing in with the receptionist and indicating the reason for his or her presence. If you are aware of a non-Magellan employee's unauthorized access into a Magellan building, you are required to notify management immediately.

To easily recognize Magellan employees from non-Magellan employees, we require that you wear your Employee ID badge at all times while in a Magellan building. If your badge becomes lost and/or stolen, you must notify the Security Department immediately.

**Relationships in the workplace**

In order to prevent situations that might result in conflicts of interest, unfair preferential treatment, or the creation of a hostile work environment, Magellan does not hire, transfer, promote, or retain immediate relatives of a current employee into the same Reporting Chain.

Employees and applicants have an obligation to inform Magellan of any family relationships that could result from hiring and to inform Magellan of any family relationships that develop or are formed during the course of employment.

Immediately report accidents, injuries, or unsafe practices occurring on Magellan’s grounds to the HR Service Center.

Every employee is obligated to promptly report any incident that compromises the safety of Magellan’s workplace to the HR Service Center at 7MyHR (x76947) or 888-411-6343.

**Harassment/sexual harassment**

Magellan is committed to providing all employees with a work environment that is free of harassment, including sexual harassment. Therefore, Magellan will not tolerate harassment in the workplace and does not condone any actions or comments of a harassing nature when based upon race, sex, color, creed, religion, gender identity and expression, sexual orientation, age, national origin, ancestry, citizenship, disability, marital status, or any other category protected by applicable state or federal law. If an allegation of harassment is reported, Magellan will investigate it right away. If it is then determined that harassment in violation of this policy has occurred, appropriate disciplinary action, up to and including termination, will take place.

At the same time, Magellan recognizes and respects that employees have personal opinions. However, all employees should be aware that personal opinions expressed in the workplace may offend others and create a harassing and hostile work environment in some instances. Magellan expects employees to be aware of how their opinions and behaviors affect others and to treat each other with respect. We are committed to a work environment free of harassment and ensure that managers and employees are aware of the Company’s policy through internal communications and company publications.
Harassing behavior in violation of this policy may include, but is not limited to, the following conduct:

- Sexual flirtations, advances, or propositions that are not freely and mutually agreeable to both parties;
- Verbal abuse of a sexual nature, sexually related comments and joking, graphic or degrading comments about an employee’s appearance;
- Any physical contact or touching, such as patting, pinching, brushing against another’s body, impeding or blocking movement, or any physical interference with normal work or movement when directed at any individual;
- Visual forms of harassment such as derogatory posters, sexually oriented cartoons, pictures, drawings, or the display of sexually suggestive objects or pictures in the workplace;
- Undesirable work assignments due to gender or sexual orientation; or
- The use of sexual behavior to implicitly or explicitly threaten, coerce, influence, or affect the employment, job status, salary, or performance of another employee.

Magellan prohibits any employee from sexually harassing any other employee or customer of the company. We expect all employees to act appropriately with everyone they come into contact with in the course of completing their job duties. Any employee who violates this policy will be subject to disciplinary action, up to and including termination.

Sexual harassment includes, but is not limited to, unwelcome sexual advances (verbal or physical), requests for sexual favors, and any other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment or used as the basis for employment decisions, or
- Submission to or rejection of such conduct by an individual is used as the basis of employment decisions affecting such individual; or
- Such conduct interferes with work performance or creates an intimidating, hostile, or offensive working environment.

Notify the HR Service Center if you experience or witness discriminatory conduct or harassment in your workplace or retaliation for reporting discrimination or harassment.

Magellan extends equal employment opportunities and freedom from harassment to all individuals, without regard to race, color, creed, religion, sex, gender identity and expression, sexual orientation, marital status, age, national origin, ancestry, citizenship, physical or mental disability, disabled veteran or veteran of the Vietnam Era status, or any other factors protected by law.
Workplace violence

Providing a safe work environment for our employees and visitors is a key responsibility of Magellan; therefore, we have a policy of zero tolerance for violence. Violence includes, but is not limited to, physically harming or threatening to harm another person, shoving, pushing, assaulting, brandishing or threatening the use of weapons, or any related conduct, even when conducted in a joking manner. This definition includes threats that are delivered via telephone, fax, electronic or conventional mail, or any other communications medium. Employees who engage in or threaten to engage in any form of violence in the workplace may be terminated immediately.

All employees have a responsibility to report any alleged threats of violence that they either hear personally or come to know of through other means. A report of the situation should be made to their supervisor or the Security Department for immediate investigation.

For more information on respect and safety in the workplace, please refer to the Employee Handbook, which is available to Magellan employees on MagNet.

Employment reference checks and drug screening

To ensure that individuals who join Magellan are well qualified and have strong potential to be productive and successful, any offer of employment is contingent upon the successful completion of a satisfactory background investigation and a drug screening. This background investigation process respects the privacy and dignity of the prospective employee. For more information on this process, you can access the Employment Background Investigations policy on HR Central, which is available to Magellan employees on MagNet.

Exit interview process

When leaving employment at Magellan, all employees are asked to participate in an exit interview conducted by Human Resources. This exit interview process includes rating the Company on a number of factors, as well as explaining the reason for leaving Magellan. We will also ask if the employee is aware of any compliance violations and if the resignation or dismissal is related to any refusal of the employee to commit or conceal a violation.
Enforcement of standards
Magellan takes its commitment to compliance with the standards of conduct described in this Code very seriously. Disciplinary action is taken against employees who authorize or participate directly in a violation of applicable state or federal law, this Code of Conduct, or policies and procedures and also will be taken against any employee who may have deliberately failed to report such a violation or who hinders an investigation. Disciplinary standards provide for timely, consistent, and effective enforcement of the standards when non-compliance or unethical behavior is determined.

Performance improvement
Serious and/or severe violations may be grounds for termination or other disciplinary action, depending on the circumstances of each violation as determined by the Human Resources Department in consultation with the Corporate Compliance Officer or his designee.

Magellan utilizes a progressive coaching and performance improvement process, which offers a fair, equitable, and consistent method of guiding employees toward acceptable job performance and conduct in instances where employee conduct problems do not rise to the level of serious/severe.

Publicizing disciplinary guidelines
All Magellan employees are informed that violations of the Code of Conduct, Magellan policies, regulations, or laws may result in appropriate disciplinary action, up to and including termination of employment. Disciplinary Guidelines are communicated to employees in trainings at the time of hire and annually, as well as posted on MagNet. A summary of the Disciplinary Guidelines are also included in the Employee Handbook, which is provided to all employees at the time of hire and upon request, and is available to Magellan employees on MagNet.

Magellan prohibits retaliation or intimidation against any employee who, in good faith, reports an ethical or legal concern, even if investigation of the concern does not result in a confirmed violation. Magellan believes non-retaliation for good faith reporting encourages internal reporting of potential violations, allows Magellan to enforce the appropriate disciplinary action for confirmed violations, and enables Magellan to proactively implement business policies, processes, and training to prevent reoccurrence.

Magellan reserves the right to impose proper disciplinary action on an employee who reported the confirmed violation if it is determined that the reporting employee was involved in the violation. In this instance, Magellan may consider the decision to report the violation and any subsequent cooperation as mitigating factors in any disciplinary action.
Our promises to conduct business fairly

Magellan’s reputation and continued success depend on each of us conducting business in a fair, honest and responsible manner. Laws and regulations guide our commitment to integrity.

Fraud and abuse laws

Magellan is subject to both federal and state laws designed to prevent fraud and abuse in government programs (such as Medicare and Medicaid) and private insurance. These laws are commonly referred to as fraud and abuse laws. In addition to preventing fraud and abuse, these laws are designed to ensure that health care providers exercise their best, independent judgment when deciding which services to order for their patients, and also prevent situations that could lead the provider to providing goods or services that are not medically necessary.

If you see something that is not right, it is your responsibility to report any suspected fraud, waste, or abuse to your supervisor, department head, or the Corporate Compliance Officer for further investigation or call the Magellan Compliance Hotline at 800-915-2108.

Magellan has corporate policies and procedures in place to address, fraud, waste, and abuse. The policies regarding fraud, waste, and abuse are Magellan Compliance Program for Non-Government Funded Health Care Program, Medicaid Program—SIU, and Verification of Services Provided to Members—SIU, which are available to Magellan employees on MagNet.

False Claims Laws

Magellan is required by federal law to provide information to employees, contractors, and agents regarding the Federal False Claims Act and any applicable state laws pertaining to civil and criminal penalties for false claims and statements, including the remedies and whistleblower protections under these laws.

The False Claims Laws and Whistleblower Protections policy is available to Magellan employees on MagNet.
Federal False Claims Act

The Federal False Claims Act is a federal statute that covers claim fraud involving any federally funded contract or program, including the Medicare and Medicaid programs. The Act establishes liability for any person who knowingly presents or causes to be presented a false or fraudulent claim to the U.S. government for payment.

Violation of the federal False Claims Act is punishable by a civil penalty of between $11,000 and $21,563 per false claim, plus three times the amount of damages incurred by the government.

Whistleblower provisions

A federal false claims action may be brought by the U.S. government. In addition, the False Claims Act includes a “qui tam” or whistleblower provision to encourage individuals to come forward and report misconduct involving false claims. This provision essentially allows any person with actual knowledge of false claims activity to file a lawsuit on behalf of the U.S. government. Under federal law, the whistleblower may be awarded a portion of the funds recovered by the government, typically between 15 and 30 percent. The whistleblower also may be entitled to reasonable expenses, including attorney’s fees and costs for bringing the lawsuit.

Remember, under federal law, you are not required to report a possible false claim violation to Magellan before bringing a civil action under the False Claims Act.

No retaliation

In accordance with federal law, Magellan prohibits retaliation or intimidation against any employee who, in good faith, reports an ethical or legal concern, including a False Claims Act violation, even if investigation of the concern does not result in a confirmed violation. Federal law also prohibits Magellan from discriminating against an employee in the terms or conditions of his or her employment because the employee initiated or otherwise assisted in a false claims action.

State False Claims Laws

Various states in which Magellan does business have enacted State False Claims laws. Corporate Compliance maintains a summary of State False Claims Laws, which is available to Magellan employees on the Compliance webpage on MagNet.

What are examples of false claims and false statements?

- Billing for services or procedures that have not been performed;
- Submitting false information about the services performed or the charges for services performed;
- Inserting a diagnosis code that has not been obtained from a physician or other authorized individual;
- Misrepresenting the services performed (for example, upcoding to increase reimbursement);
- Violation of another law. For example a claim was submitted appropriately, but the service was the result of an illegal relationship between a physician and the hospital (e.g., a physician received kickbacks for referrals); and
- Submitting claims for services ordered by a provider that has been excluded from participating in Medicare, Medicaid, and other federally funded health care programs.
Anti-kickback laws

The anti-kickback statute is a federal law that prohibits persons from offering, providing, or receiving kickbacks or bribes in exchange for goods or services covered by Medicare, Medicaid, and other federally funded health care programs. Some states have enacted similar laws that apply to goods or services covered by the state health care programs and, in some cases, such laws even apply to private insurance.

These laws prohibit someone from knowingly or willfully offering, paying, seeking, or receiving anything of value (remuneration) in return for referring an individual to a provider to receive services or for recommending the purchase of supplies or services that are reimbursable under a government health care program.

Failure to comply with these laws can expose the employee to civil and criminal penalties.

Licensure and accreditation

Magellan, its affiliates and subsidiaries, maintain licenses and/or certification in all jurisdictions requiring such licenses and/or certification where we have business. Magellan, its affiliates and subsidiaries, also maintain accreditation with URAC, a nationally recognized accreditation organization and also meet the utilization management standards of the National Committee for Quality Assurance (NCQA).

A complete listing of Company licenses is available in the Resource Section of the Compliance webpage, which is available to Magellan employees on MagNet.

Antitrust laws

Antitrust laws are designed to preserve and promote competition and protect and strengthen our free economy. It is the policy of Magellan to strictly comply with all requirements of the antitrust laws. It is the responsibility of each officer, director, employee, and agent of Magellan to understand and comply with these laws, as any violation can have a serious and lasting negative effect on Magellan, its operations, and its position in the community. Therefore, a deliberate and willful violation of the antitrust laws by any person will be grounds for termination. In addition, violation of the antitrust laws may result in both criminal and civil proceedings against the responsible person and Magellan.

If you have any questions or doubts as to the legality of a proposed course of action involving Magellan in regard to compliance with the antitrust laws, you should immediately contact your supervisor, the Legal Department, or the Corporate Compliance Officer.
Securities laws

Insider trading
While working for Magellan, employees may learn material, non-public information about Magellan or another company. Material, non-public, or “inside” information includes any financial, technical, or other information about Magellan or another company that is not known to the public and of which an employee becomes aware in the course of his or her employment. Some examples are information related to acquisitions and mergers, stock splits, dividend rates or earnings, new contracts, products or inventions, major management changes, and expansion plans. Magellan employees must not buy or sell Magellan securities, directly or indirectly, on the basis of material, inside information, or communicate such information to others for that purpose. Magellan does not wish to discourage employees from investing in Magellan. However, such investments are to be based on public information only.

Disclosure of company information
The Federal Securities and Exchange Commission (SEC) and NASDAQ have adopted regulations to address the selective disclosure of information by publicly traded companies. These regulations are designed to stamp out selective disclosure, in which some investors (often large institutional investors such as banks) receive “market moving” information before others (often smaller, individual investors like you and me). These regulations require that publicly traded companies must disclose material information to all investors at the same time.

Magellan is committed to providing timely, transparent, consistent, and credible information to the investing public consistent with these requirements. Magellan endeavors to provide consistent disclosure in good times and bad, avoiding selective disclosure, and ensuring that all potential investors have fair and equal access to information. To that end, the Company has implemented a Disclosures policy.

Magellan’s Disclosures policy prohibits all employees from discussing material, non-public Company information, matters, or developments with anyone outside of the Company (including the media, investors, family members, relatives, friends, acquaintances, former employees, and in online chat rooms). In general, employees should only discuss Company information that may be material with other employees, advisors, and agents that have a need to know the information in order to carry out their responsibilities to Magellan. Employees shall not discuss any non-public information with anyone outside the Company, nor should you discuss your views about the Company, its business or prospects, its stock, stock price or trading activity, or the value of the Company, with any person other than as necessary to conduct Company business with vendors, lenders, and current and prospective customers.
It is impossible to provide a complete definition of what constitutes “material” Company information. Under the federal securities laws, information can be material if its disclosure is likely to have an impact on the price of a security or if a reasonable person would believe such information to be important in making an investment decision. Both positive and negative information can be material. Examples include, but are not limited to:

- Bids on or awards of new contracts;
- The launch of a new product;
- A pending or prospective merger, acquisition, or tender offer;
- The sale of significant assets or a subsidiary;
- Changes in Senior Management;
- The gain or loss of a customer or supplier;
- Earnings or losses and other financial results of operations of the Company, including results of an interim period;
- A change in earnings or in forecasted earnings or other change in financial or business outlook or condition (whether such change is positive or negative);
- Changes in dividend policies or the declaration of a stock split or the offering of additional securities; and
- Financial liquidity problems or impending bankruptcy.

Information that indicates whether an event may or may not occur or information that indicates the existence of any of the above-mentioned information may also be material.

While sharing information with third parties while conducting Company business may be appropriate in some circumstances, it is important that the third party understand the need to maintain the confidentiality of the information and to refrain from trading on the basis of that information. In certain situations, this may require the third party to sign a confidentiality agreement prior to providing the information.

For more information, please refer to the Disclosures policy (that includes a worksheet providing specific guidance as to what to do in particular situations), which is available to Magellan employees on MagNet.

THE BOTTOM LINE: If you are unsure whether information can be shared with a third party, you must contact the General Counsel.
Litigation or government investigations

It is Magellan's policy to comply with the law and to cooperate with any reasonable demand made in a government investigation and litigation. In doing so, however, it is essential that the legal rights of Magellan, its employees, and members be protected. If any employee receives an inquiry, a subpoena, or other legal document regarding Magellan business, whether at home or in the workplace, from any governmental agency or an attorney, or learns of litigation or a government investigation (pending or threatened), Magellan requires that the employee notify his or her supervisor and the Legal Department immediately. This does not apply, however, to actions brought by an employee against Magellan.

Sometimes, it is difficult to predict when a routine government inquiry, audit, or review may evolve into a more formal governmental investigation. Magellan relies on the common sense and alertness of its employees for making this important determination. If you have any questions, you should consult with the Legal Department.

Record retention

All records generated in the course of official business by Magellan are the property of Magellan. Magellan retains records in a manner and timeframe required by contractual obligations and applicable federal and state law. Records that require destruction under applicable federal and state law or that have exceeded their required retention period are destroyed accordingly. Each employee must be familiar with the standards for handling, transporting, and destroying records outlined in Magellan's Record Retention, Transport and Destruction policy, which is available to Magellan employees on MagNet.

What are some examples of Company records?

- Accounting and Tax documents;
- Claims records;
- Committee meeting minutes;
- Work time reporting;
- Vouchers;
- Bills;
- Payroll;
- Contracts;
- Expense reports;
- Policies and procedures;
- Financial statements;
- Licenses;
- Marketing documents;
- Quality improvement files;
- Performance measurement data;
- Benefit enrollment forms;
- Sales reports;
- Utilization review and medical data;
- Any other records pertaining to corporate funds or Magellan property;
- Operating statistics and measurements;
- Corporate complaints; and
- Credentialing records.

What is a record?

All documentary materials or other materials created, maintained, reproduced or received by Magellan in connection with the transaction of corporate business and related to Magellan’s legal obligations constitute records. They must be retained as required by law and regulation, as well as by corporate policy. Records are retained in all types of media, including, but not limited to, imaging, paper documents, facsimile, photocopies, electronic mail, and sound recordings.
Resources for raising and reporting concerns

Each of us applies our own judgment to a range of situations, both anticipated and unanticipated, every day. The choices and decisions we make define who we are as a Company. You, as a Magellan employee, play a vital role, regardless of your job responsibilities or position within Magellan. When you are not sure how to resolve a particular issue or concern, we have resources to help you, as listed below. Together, we can sustain a culture of integrity and compassion that drives and shapes our performance and innovation.

- Discuss the issue with your supervisor;
- Speak to your department manager;
- Contact the Corporate Compliance Hotline, 800-915-2108:
  
  *Magellan’s Corporate Compliance Hotline is available to all Magellan employees 24 hours a day/7 days a week. An outside vendor receives the Hotline calls and callers may remain anonymous. A trained staff member responds to each call to the Hotline; each call will be treated confidentially, and all calls will be investigated. Magellan prohibits any employee from retaliating against a Hotline caller.*

- You may also contact any of the following:
  - Corporate Compliance Officer, 410-953-4703
  - Corporate Legal Department, 410-953-4701
  - Corporate Finance Department, 860-507-1977
  - Corporate Human Resources Department, 860-507-1972
- You may also communicate with the Corporate Compliance Department by sending an email to Compliance@MagellanHealth.com.

Thank you for your ongoing compliance with the standards outlined in this Code of Conduct.