

CONNECTICUT HEALTH INSURANCE EXCHANGE

Policy: ETHICS

All officials and employees of Connecticut's quasi-public agencies are subject to the State's Code of Ethics for Public Officials (Connecticut General Statutes §§1-79 through 1-89) (the "Ethics Code"). These rules are intended to prevent the use of public position or authority for personal financial benefit. Employees of quasi-public agencies, such as the Connecticut Health Insurance Exchange (the "Exchange"), are treated as "state employees" for purposes of the Ethics Code. Similarly, members of the Exchange Board of Directors are treated as "public officials" and are subject to many of the same requirements and restrictions that govern the conduct of state employees.

This ethics policy establishes the high standards of honesty, integrity and quality of performance that each Exchange director, officer and employee must meet. It is a general guide in determining what conduct is prohibited so that it may be avoided. This policy supplements, but does not supersede, the Ethics Code, other applicable provisions of the Connecticut General Statutes, Executive Orders Nos. 1 and 7b of Governor Rell, and Exchange employment policies.

Exchange employees, officers and directors are encouraged to read the relevant statutes, executive orders, regulations and other materials, which are available on the Office of State Ethics website at www.ct.gov/ethics. A copy of the Office of State Ethics' current Guide to the Code of Ethics for Public Officials and State Employees is attached to, and forms a part of, this policy.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

Current Employee Prohibitions. The main prohibitions for Exchange employees are as follows:

- A. **Gifts.** In general, Exchange employees are prohibited from soliciting or accepting gifts from anyone (1) doing business with the Exchange, (2) seeking to do business with the Exchange, (3) engaged in activities regulated by the Exchange, (4) known to be a registered lobbyist or lobbyist's representative, or (5) pre-qualified for large state contracts by the Connecticut Department of Administrative Services. This prohibition extends to the acceptance by an Exchange employee of goods or services provided to the Exchange by any such person for use on Exchange property, to support the Exchange employees' participation at an event, or otherwise to facilitate Exchange actions or functions.

No Exchange employee and his or her supervisor(s) may exchange a gift having a value of more than \$99.99.

“Gifts” generally refers to any gift, discount, gratuity, payment or other thing of value that is not offered on the same terms to the public at large. Certain gifts of small value, such as food and beverage, and in connection with “major life events” are exempted from the prohibition on gifts under the Code of Ethics.

- B. Outside Employment and Interests.** No Exchange employee may accept outside employment that (1) would impair the employee’s independence of judgment as to his or her official duties, (2) would require or is likely to induce disclosure of confidential information gained in service to the Exchange, or (3) would interfere with the performance of his or her duties at the Exchange. Exchange employees shall report all outside employment and outside work performed as a consultant or independent contractor, to the Exchange’s Ethics Compliance Officer.

No employee of the Exchange shall be employed by, a consultant to, a member of the board of directors of, affiliated with, or otherwise a representative of any insurer, insurance producer or broker, Health Care Provider, health care facility or health or medical clinic. “Health Care Provider” means any person that is licensed in Connecticut, or operates or owns a facility or institution in Connecticut, to provide health care or health care professional services in Connecticut, or an officer, employee or agent thereof, acting in the course and scope of such officer’s, employee’s or agent’s employment.

No employee of the Exchange may be a member, a member of the board of, a consultant to, or an employee of a trade association of (1) insurers, (2) insurance producers or brokers, (3) Health Care Providers, or (4) health care facilities or health or medical clinics while on the staff of the Exchange.

No employee of the Exchange may be a Health Care Provider unless (1) (a) such employee receives no compensation for rendering services as a health care provider or (b) the Chief Executive Officer approves the hiring of such provider as an employee on the basis that such provider fills an area of need of expertise for the Exchange and (2) such employee does not have an ownership interest in a professional health care practice.

Any employee of the Exchange whose primary purposes is to assist individuals or small employers in selecting health insurance plans offered on the Exchange to purchase shall be licensed, not later than eighteen (18) months after such employee begins employment with the Exchange, as an insurance producer under chapter 701a of the Connecticut General Statutes.

- C. Financial Benefit.** Exchange employees may not use their official positions for their own personal financial benefit or to benefit a family member or a business with which they or a family member are associated.
- D. Confidential Information.** Exchange employees may not use confidential information gained in service to the Exchange for their own personal financial benefit or to benefit a family member or a business with which they or a family member are associated.

- E. **Business Interests.** No Exchange employee shall have, directly or indirectly, an interest in any business or enterprise doing business with the Exchange or any other agency or public instrumentality of the state that could cause or create the appearance of a conflict with, or influence the performance of, the employee's duties with the Exchange.
- F. **Contracts.** No Exchange employee may enter into a contract with the Exchange or any other agency or public instrumentality valued at \$100 or more, unless the contract has been awarded through an open and public process. This ban extends to immediate family and associated businesses. Additionally, neither the Exchange Chief Executive Officer (CEO) nor the members of such individual's immediate family or businesses with which such individual is associated may enter into any contract with the Exchange.

No Exchange employee may enter into any contract for goods or services for personal use with any person doing business or seeking to do business with the Exchange unless it is on the same terms that such goods or services are readily available to other members of the public.

- G. **Appearance Fees.** No Exchange employee may accept any fee or honorarium given in return for a speech or appearance made, or article written, in the employee's official capacity.

Post-Employment Prohibitions. Exchange employees are prohibited from engaging in the following activities after they leave Exchange employment for any reason:

- A. **Confidential Information.** No former Exchange employee may disclose or use confidential information gained in state service for the financial benefit of any person.
- B. **Acting as a Representative.** No former Exchange employee may represent anyone (other than the Exchange) concerning any particular matter (1) in which he or she participated personally and substantially while employed by the Exchange and (2) in which the Exchange has a substantial interest. In addition, former Exchange employees may not, for one year after leaving Exchange employment, represent anyone for compensation before the Exchange.
- C. **Employment with Exchange Contractors.** No former Exchange employee who participated substantially in or supervised the negotiation or award of a contract with the Exchange or any other agency or instrumentality of the state valued at \$50,000 or more may accept employment with a party to the contract for one year after resignation from employment with the Exchange if the resignation occurs within one year after the contract was signed. "Employment" includes work as an independent contractor or consultant.
- D. **Employment with Health Carriers.** No employee of the Exchange shall, for one year after terminating employment with the Exchange, accept employment with any Health Carrier that offers a qualified health benefit plan through the Exchange. "Health Carrier" means an entity that provides, delivers, pays for, or reimburses the cost of health care

services, including an insurer, HMO, fraternal benefit society, hospital or medical service corporation, or other entity subject to Connecticut's insurance laws and regulations or the insurance commissioner's jurisdiction.

Reporting

- A. **Apparent Violations.** An employee who becomes aware of any apparent violation of this policy shall promptly report such apparent violation to the Ethics Compliance Officer for review and appropriate action.
- B. **Potential Conflict of Interest.** If an employee, in the discharge of his or her duties, would be required to take an action that could affect his or her personal financial interest or that of a family member or a business with which such employee is associated, he or she shall promptly report such conflict of interest to the Ethics Compliance Officer. The employee must prepare a written statement, under penalty of false statement, which describes the potential conflict. The employee must deliver the statement to his or her immediate supervisor (which in the case of the CEO shall be deemed to be the Chairperson of the Board of Directors) who will assign the matter to another Exchange employee.

Board of Directors

Members of the Exchange Board of Directors, as public officials, are subject to many of the same provisions of the Ethics Code that govern the conduct of Exchange employees. There are, however, differences. In general, members of the Board of Directors are subject to the following provisions described above as applicable to Exchange employees:

1. Gifts;
2. Use of official position for personal gain;
3. Misuse of confidential information;
4. Contracts with the Exchange;
5. Appearance fees; and
6. Post-state employment limitations.

Outside employment and business interests of a member of the Exchange Board of Directors (other than *ex officio* members) do not constitute a conflict of interest so long as such member discloses such employment and business interests and abstains and absents himself or herself from any deliberation, action and vote by the Board of Directors with respect to any matters regarding such member's employer or the business in which such member has an interest.

In the event of a potential conflict of interest, the affected member of the Board of Directors shall promptly report such potential conflict to the Chairperson of the Board of Directors. The Ethics

Compliance Officer should be contacted in connection with conflict of interest disclosures by members of the Exchange Board of Directors.

Statements of Financial Interest

Members of the Exchange Board of Directors, the CEO and any other Exchange employee with responsibility for the review, award or monitoring of Exchange contracts shall file statements of financial interest with the Office of State Ethics in accordance with the requirements of Section 1-83 of the Connecticut General Statutes.

Ethics Compliance Officer

The Exchange has appointed an Ethics Compliance Officer whose responsibilities include the development and administration of ethics policies for the Exchange, the coordination of ethics training programs for the Exchange, and the monitoring of Exchange programs for compliance with the Ethics Code and this Ethics Policy. The Exchange's Ethics Compliance Officer is Virginia A. Lamb.