

HEALTH CARE SERVICE CORPORATION POLICY

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| DEPARTMENT: Human Resources (HR) | |
| POLICY NUMBER: HR3.02 | POLICY TITLE: Background Investigation Policy |
| EXECUTIVE OWNER: VP Talent Solutions | BUSINESS OWNER: Manager Talent Acquisition Operations |
| ORIGINAL EFFECTIVE DATE (IF KNOWN): | COMMITTEE APPROVAL DATE: 07/14/2025 |

I. SCOPE

This Policy applies to all workers of Health Care Service Corporation, Dearborn Group, Luminare Health and CareAllies Inc. (collectively, “HCSC”).

II. PURPOSE

It is the policy of HCSC to prohibit hiring or continued employment of, forming or continuing a contract with, purchasing from, or entering into or doing business with an Ineligible Party unless, in the judgment of the Chief Ethics, Compliance and Privacy Officer (CECO) in consultation with the Human Resources Department, there is a compelling reason to do so. HCSC defines an “Ineligible Party” as any individual or entity charged with or convicted of a felony criminal offense related to Government Programs, or who is listed as debarred or otherwise excluded from federal, state or local health care program participation or who has engaged in illegal activities or other conduct inconsistent with an effective compliance program.

The purpose of this policy is to describe HCSC’s reasonable inquiry into the status of any individual considered for employment or engagement. The purpose of this policy is to outline factors related to hiring any worker with HCSC to include appropriate drug testing, background Investigations which include employment and criminal histories to provide a safe environment for our employees and minimize legal exposure for HCSC.

DEFINITIONS

NHBI – New Hire Background Investigation

SAT – Substance Abuse Test

III. POLICY

NHBIs will be conducted to verify the accuracy and completeness of statements made by applicants about their background and experience related to the position and to develop additional relevant information concerning the applicant necessary to make informed hiring decisions. HCSC retains the right to deny employment in circumstances where the applicant’s criminal record, reputation or associations may adversely impact the HCSC’s reputation, workforce morale or safety.

All offers of employment are conditional pending successfully passing the NHBI and Substance Abuse Test (SAT). This policy applies to all HCSC applicants, contingent workers and any former

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employee seeking to be rehired after a separation of 61 consecutive calendar days or more. Employees with a break in service over 61 days but less than 6 months do not have to repeat employment or educational screens but must complete all other required screens.

All background screens are required to be completed within the 60 days preceding applicant start date.

The applicant may begin working pending final verification of employment and education, known as “contingent starts,” but under no circumstances will a contingent start be authorized without successfully passing criminal checks and the SAT. Contingent starts must have all open NHBI elements cleared within 60 days of the first day of employment. This policy does not apply to HCSC employees in good standing seeking a new position within HCSC. There shall be no exceptions to this policy unless specifically approved by the Chief HR Officer with concurrence by the SVP of CASSIP.

Roles and Responsibilities. The NHBI program is managed by HCSC’s Human Resources Department in partnership with Corporate Protection and Security. The background investigation for contingent workers will be conducted by their agency; an attestation will be provided by the agency to HCSC confirming the background check requirement has been met. NHBIs are conducted in accordance with all applicable laws and regulations, including but not limited to the Fair Credit Reporting Act, and all results are reviewed in conjunction with applicable laws, regulations and HCSC’s hiring policies.

Basic Requirements. The following shall constitute the basic requirements for employment and will be the major determinant of investigative scope and coverage.

Each employment applicant must provide the company with all information requested for making an informed employment decision.

Applicants who have been convicted of a felony involving dishonesty or breach of trust (unless a waiver is obtained as described below), sale or distribution of a controlled substance in the workplace, or violations of any state or federal privacy and security laws shall be rejected for employment in accordance with federal law and HCSC’s policies. Applicants with other felony convictions not involving dishonesty or breach of trust, sale or distribution of a controlled substance in the workplace, or violations of any state or federal privacy laws are subject to further review and investigation by the Corporate Protection and Security Department.

Adjudication of these applicants’ backgrounds is then subject to review by the cross-functional review team comprised of representatives from Security, Legal, HR and the Ethics and Compliance Department. Other information learned from a background investigation should be considered with all other information known about the applicant and an individualized assessment shall be made as to suitability for employment. Factors to be considered include the nature of the information, the time elapsed and the nature of the position being sought.

Conviction of certain felonies related to dishonesty or breach of trust excludes a person from working at HCSC without a written waiver from the appropriate state insurance commission. These felony convictions include but are not limited to:

- Commission of a fraud including mail fraud or false representations
- Violation of a fiduciary relationship
- Violation of federal or state antitrust statutes securities offenses

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- Embezzlement, theft, forgery, bribery, falsification or destruction of records
- Making false statements
- Tax evasion
- Receiving stolen property

Elements. The following investigation will be conducted on HCSC employment applicants to screen to determine to the extent practicable, whether he or she has:

- A history of criminal conduct or
- Is otherwise an “excluded” or “ineligible party”

Deferred Adjudications. For applicants with deferred adjudication involving an exclusionary felony, ECD may track such reviews by opening a case in the ECD case management system and schedule public database searches at 6-month intervals post offer, to search for adjudication. If the search results in adjudication of the exclusionary felony, ECD will follow up with the employee to confirm, ask follow-up questions and take appropriate corrective action.

A. To determine a history of criminal conduct:

- Ten years of previous employment in the United States. Employment outside the United States will only be verified if it spanned more than two years and occurred within the last ten years.

B. County, state and federal criminal records in the United States and in foreign countries will be searched in the applicant’s jurisdiction of residence and employment for misdemeanor convictions spanning the past seven (7) years and for felony convictions regardless of the time frame. To determine Excluded and Ineligible Parties, HCSC requires the applicant to disclose if he or she is:

- Charged with a criminal offense involving government business;
- Listed by a federal or state agency as debarred;
- Proposed for debarment or suspension; or
- Otherwise excluded from federal, state or local program participation; or
- A party to one or more public transactions (federal, state or local) terminated for cause or default within the past three years

C. Background Check Vendor HCSC screens for debarment using applicable state exclusion lists, the Office of Inspector General List of Excluded Individuals and Entities (LEIE), the System for Award Management Excluded Parties List System (SAM) and Office of Foreign Asset Control (OFAC).

D. HCSC also reviews:

- The NHBI will also include a review of the National Sex Offender Database and sex offender website searches for the states in the applicant’s jurisdiction.
- Social Security Number check for use in a credit data base (This is not a credit check).
- When applicable, verification of the highest academic degree earned and required professional licenses.

- Substance Abuse Test (SAT) in accordance with HCSCs Alcohol Free and Drug Free Workplace Policy.

Exceptions, International Search. An international search may become delayed because of inaccessibility in the country of origin or due to unknown factors. An alternative method of verification of criminal history may be conducted by the Director of Corporate Protection and Security as appropriate.

IV. CONTROLS/MONITORING

| Control/Monitoring Document or Control/Monitoring Description | Control/Monitoring Owner |
|---|---------------------------------|
| ECD may track deferred adjudications, as appropriate. | Ethics & Compliance Department |
| Background Investigation enacted upon request | Corporate Protection & Security |

V. RELATED DOCUMENTS

1. [Office of Inspector General List of Excluded Individuals and Entities \(LEIE\)](#)
2. [System for Award Management Excluded Parties List System \(SAM\)](#)
3. [Office of Foreign Asset Control \(OFAC\)](#)
4. [Compliance Program Charter](#)
5. [Compliance Program](#)
6. [Code of Ethics and Conduct](#)
7. [Corporate Policy 5.02 Compliance with Law](#)
8. [Corporate Policy 5.11 Ineligible Parties Validation](#)
9. [Corporate Policy and Procedure 9.03 - Office of Foreign Asset Control \(OFAC\)](#)
10. [ECD Procedure 7A Applicant Criminal Disclosure](#)
11. [Equal Opportunity Employment Policy](#)
12. [Rehire and Reinstatement Policy](#)
13. [National Sex Offender Database](#)

VI. SOURCES/REFERENCES

| Federal/State | Regulatory Requirements & References |
|---------------|---|
| Federal | Federal Sentencing Guidelines |
| Federal | Fair Credit Reporting Act: 15 U.S.C. §§ 1681-1681x |
| Federal | Title 18 – Crimes and Criminal Procedure: U.S.C. 1033 - Crimes by or affecting persons engaged in the business of insurance whose activities affect interstate commerce |

VII. IMPACTED BUSINESS AREAS

1. Corporate Protection & Security
2. Ethics & Compliance Department

VIII. POLICY REVISION HISTORY

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Human Resources – HR3.02 – Background Investigation Policy

| Description of Changes | Revision Date |
|----------------------------------|---------------|
| Annual review with minor updates | 07/14/2025 |