

STATEMENT OF ACTIVITIES THAT ARE INCONSISTENT,
INCOMPATIBLE, OR IN CONFLICT WITH THE
DUTIES OF AN OFFICER OR EMPLOYEE OF THE
CALIFORNIA HEALTH BENEFIT EXCHANGE

California Government Code Section 19990 prohibits state officers and employees from engaging in activities that are incompatible with their duties as state officers or employees. The purpose of this statement is to guide officers and employees in the identification of situations that are, or could be, activities that are incompatible with their duties at the California Health Benefit Exchange (“Exchange/CC”).

The following activities are deemed to be inconsistent, incompatible, and in conflict with, or inimical to the duties and obligations of, Exchange/CC officers and employees:

1. General Standards of Conduct

- a. Using the prestige or influence of the state or Exchange/CC for private gain or advantage, or the private gain or advantage of another.
- b. Using state time, facilities, equipment, or supplies for private gain or advantage, or for the private gain or advantage of another.
- c. Using, or having access to, confidential information available by virtue of state employment for private gain or advantage or providing confidential information to persons to whom issuance of this information has not been authorized.
- d. Receiving or accepting money or any other consideration from anyone other than the State for the performance of his or her duties as an Exchange/CC officer or employee.
- e. Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the Exchange/CC or whose activities are regulated or controlled by the Exchange/CC under circumstances from which it reasonably could be substantiated that the gift was intended to influence the officer or employee in his or her official duties or was intended as a reward for any official actions performed by the officer or employee.

- f. Subject to any other laws, rules, or regulations as pertain thereto, not devoting his or her full time, attention, and efforts to his or her Exchange/CC office or employment during his or her hours of duty as an Exchange/CC officer or employee.
- g. Unauthorized use of Exchange/CC resources and equipment, including but not limited to time, intellectual property, office equipment, e-mail, internet access, computer applications, and other communications devices to perform activities other than Exchange/CC business. Minimal or incidental use is permitted to the extent allowed by policy or collective bargaining agreement, or law.
- h. Acting as a seller or marketer of goods or services to the Exchange/CC, either directly or indirectly.
- i. Seeking employment outside state service while on state time.
- j. Preparing, presenting, or publishing any speech, article, or other writing related to the operation of the Exchange/CC for compensation from a source other than the State.
- k. Engaging in partisan political activity prohibited under the federal Hatch Political Activity Act, 53 Stat. 1147, as amended, or applicable state statutes and case law.
- l. Engaging in any outside employment, activity, or enterprise that involves such a time demand that it results in less efficient or impaired performance of the employee's duties with the Exchange/CC.

2. Outside Employment and Business Relationships

- a. Being employed by, a consultant to, a member of the board of directors of, affiliated with, or otherwise a representative of, a health insurance carrier or other insurer, an agent or broker, a health care provider, or a health care facility or health clinic, or any trade association of the foregoing entities. Additionally, an officer or employee of the Exchange/CC shall not be a health care provider unless he or she receives no compensation for

rendering services as a health care provider and does not have an ownership interest in a professional health care practice.

- b. Performing an act, in other than his or her capacity as a state officer or employee, while knowing or having reason to know that such act will later be subject to the control, inspection, review, audit, or enforcement of such officer or employee.
- c. Entering into or engaging in any partnership, profit-sharing, employment, or other business relationship, including consulting services, with anyone who has, or may reasonably be expected to thereafter attempt to obtain, a contract or contracts with the Exchange/CC, or sells, or may reasonably be expected to sell, equipment, services, or supplies to the Exchange/CC, or holds or is seeking a license, permit, or other entitlement for use from the Exchange/CC. Exemptions from this procedure may be obtained in writing from the Office of Legal Affairs in special cases where it is clearly evident, from the nature of the particular employee's state work, that the employee cannot influence the amount of business done by such person with the Exchange/CC.
- d. The private practice of law or other outside employment by an employee who is a member of the State Bar, which may require his or her appearance before any state agency, board, or commission, or any committee of the Legislature on behalf of her outside employment or client in a matter in which the Exchange/CC is involved.
- e. Any employment outside state service for which the employee is selected or retained wholly or partially because of his or her position with the Exchange/CC.

3. Scope of Rules

Nothing in this Statement shall exempt any officer or employee from applicable provisions of any other laws of this state. The standards of conduct set forth in this Statement are in addition to those prescribed in the Exchange/CC's Conflict of Interest Code.

4. Appeal Process

If an employee is notified that he or she has violated any provision of this statement, or if an employee is notified that any outside employment in which the employee

wishes to engage is in violation of any provision of this statement, the employee may file an appeal by following the complaint procedure shown below:

- a. The employee may appeal the determination to the Executive Director/Chief Deputy Executive Director within ten working days after the receipt of denial. The appeal should contain
 - i. A copy of the notice that the employee has violated this statement; and
 - ii. A statement explaining why the employee believes the employment, activity, or enterprise in question is not incompatible, inconsistent, or in conflict with his/her assigned duties as an Exchange/CC employee.
- b. Within fifteen working days after receipt of the appeal, the Executive Director/Chief Deputy Executive Director or his/her designee will meet with the appropriate Division Chief to review the appeal and issue a final determination. The employee will be advised of the time and date of said meeting and will be given an opportunity to attend.

If the employee submits proof to the Executive Director/Chief Deputy Executive Director that the length of the appeal process would cause him/her to lose the opportunity to participate in the employment, activity, or enterprise in question, an accelerated appeal procedure may be used. Under this procedure, the employee is required to submit the appeal to the Executive Director/Chief Deputy Executive Director within five working days of receipt of the determination that the employee has violated this statement. The Executive Director/Chief Deputy Executive Director or his/her designee shall respond with a final determination within fifteen working days.

In all cases, the Executive Director's/Chief Deputy Director's decision shall be final.