



Comprehensive Healthcare Compliance Program

Genomic Health Inc. (“GHI”) is committed to establishing and maintaining a comprehensive and effective healthcare compliance program in accordance with the Office of Inspector General, U.S. Department of Health and Human Services, “Compliance Program Guidance for Clinical Laboratories” (OIG Guidance) and applicable U.S. federal and state and international laws, rules and regulations. Our Healthcare Compliance Program reflects our unwavering commitment to the highest standards of corporate conduct and integrity.

COMPREHENSIVE HEALTHCARE COMPLIANCE PROGRAM DESCRIPTION

The GHI Healthcare Compliance Program, described in further detail below, contains policies, procedures and processes to address risk areas identified in the OIG Guidance, as well as applicable laws, rules and regulations. We believe that our Healthcare Compliance Program is scalable to address the size, organizational structure and operations of our company. The purpose of GHI’s Healthcare Compliance Program is to prevent and detect violations of law or GHI policy. GHI expects all employees, executive officers, directors and contractors to comply with applicable laws and regulations, GHI’s Code of Business Conduct (“Code of Conduct”), and the policies and procedures established in support of the Code of Conduct

GHI’s Healthcare Compliance Program addresses areas specific to clinical laboratories under the OIG Guidance, such as:

- Communicating to physicians that ordered tests must be medically necessary and reasonable based on the patient’s medical needs
- Providing annual notice to physician customers regarding Medicare payment requirements
- Monitoring of test utilization to prevent fraud and abuse of the Medicare system
- Developing test requisitions that provide adequate information to physicians about the testing services
- Ensuring appropriate billing for all testing services
- Prohibiting any inducement to refer or use the Company’s testing services

The elements of our Healthcare Compliance Program are as follows:

1. Leadership and Structure

Compliance Officer. GHI has appointed a Chief Compliance Officer, who is charged with establishing, operating and monitoring the Healthcare Compliance Program. The Compliance Officer has direct access to the Board of Directors and senior management. The Chief Compliance Officer provides periodic reports on the status of the Healthcare Compliance Program to the GHI Compliance Committee and the Board of Directors (or a designated committee thereof).

Compliance Committee. GHI has appointed a Compliance Committee to advise and assist in the implementation of the Healthcare Compliance Program. The Compliance Committee is comprised of senior management from functional units across the company. It meets on a regular basis to assess the compliance program and identify areas for enhancement.

2. Written Standards

GHI has established written policies and procedures to ensure compliance with the OIG Guidance, GHI's Code of Conduct, and implementing policies and procedures that outline our commitment to compliance and corporate accountability.

3. Education and Training

All employees are required to receive compliance training applicable to their job function and responsibilities, which includes both initial and annual training on the Healthcare Compliance Program, the Code of Conduct, and policies and procedures. In addition, further specialized training may be provided where a need for additional training has been identified. Training programs are reviewed and updated annually and as needed.

4. Internal Lines of Communication

GHI is committed to open dialogue between management and employees. Our goal is to foster a "speak up" culture where employees may ask questions or report potential instances of inappropriate activity without fear of retribution. We have established an anonymous toll-free compliance hotline, ReportIt. The ReportIt hotline may be reached at 1-877-778-5463 and the website accessed at www.reportit.net (User: GHDX, Password: Hotline).

5. Auditing and Monitoring

GHI recognizes that an auditing and monitoring plan is critical to maintaining the effectiveness of its Healthcare Compliance Program. The subject of our auditing and monitoring assessments, as well as the extent and frequency of our reviews, may vary according to a variety of factors, including new regulatory requirements, changes in business practices and other considerations. As a result, GHI establishes an annual auditing and monitoring plan based on these factors.

6. Responding to Potential Violations

In the event that GHI becomes aware of potential violations of law or company policy, the Compliance Department, in conjunction with senior management as appropriate, will promptly manage the investigation of the matter. If needed, disciplinary action and implementation of corrective measures to address potential policy gaps and prevent future violations will be taken. Employees who violate company policies and procedures and/or applicable state and federal laws will be subject to disciplinary action, up to and including termination, as determined on a case-by-case basis.

7. Corrective Action Procedures

A key element of GHI's Healthcare Compliance Program is to provide clear disciplinary policies that set out the consequences of violating the law or company policy. After investigation of a reported or detected issue, the company will assess whether disciplinary action is appropriate, and whether a violation is in part due to gaps in our policies, practices, training or internal controls, and take action to prevent future violations.