



MONTEFIORE MEDICAL CENTER

The University Hospital for the
Albert Einstein College of Medicine

ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT:	CONFLICT OF INTEREST	NUMBER:	JH20.1
OWNER:	DEPARTMENT OF COMPLIANCE		
EFFECTIVE:	REVIEW/REVISED:	SUPERSEDES:	
05/93	01/12, 12/08	09/06, 11/03, 12/00	
CROSS-REFERENCE: Administrative Policies: JP30.1: Ethical Relations with Suppliers – Honoraria, Payments in Connection with Educational Activities; JF10.1: Charitable Contributions; Fundraising; MP02.1: Pharmaceutical Company Service Representatives; JE16.1: Ethical Conduct, Legal Compliance, Fraud and Misconduct; JR20.1: Ethical Relations with Suppliers and Other Third Parties Privately Sponsored Research/Programs; JP30.1: Political Activity; MMC Code of Conduct; MMC Supplier Guidelines, Information for Vendors and Sales Representatives.			

Purpose:

This Policy is issued by resolution of the Board of Trustees of Montefiore Medical Center (“MMC”), pursuant to Article V, Section 12, of the Bylaws of Montefiore Medical Center.

The purpose of this Policy is to ensure that all institutional decisions are made solely to promote the best interests of MMC and MMC’s patients without favor or preference based on personal considerations, and to provide for the highest standards of ethical conduct with respect to the actions and business relationships of all MMC trustees, officers, associates, and employed physicians.

Scope:

This Policy applies to all trustees, officers and associates of MMC, including employed physicians, and employees of the CMO The Care Management Organization, Emerging Health Information Technologies, the Montefiore Medical Group, the Montefiore Home Health Agency and all other affiliated and subsidiary entities (“Covered Persons”).

Definitions:

- A. Conflict of Interest: A “Conflict of Interest” is any activity that violates or could potentially violate the standards and principles set forth in this Policy, including the examples provided in section IV.C., below, and any other relationship or interest that could interfere with the Covered Person’s objectivity in performing his/her duties on behalf of MMC or that could create the appearance that the Covered Person may not be objective or free from self-dealing.

- B. Family Member: The term “Family Member” means: (1) a Covered Person’s spouse or domestic partner; (2) a Covered Person’s children, parents, siblings; and (3) any person who lives in the same household with a Covered Person.

- C. Business: A “Business” is any person, business, organization, association or entity that (1) is in the business of manufacturing or distributing or selling drugs, diagnostic or therapeutic equipment or devices, or any other supplies, items or services that are of the nature or type that MMC purchases for use in the conduct of its activities, whether or not the Business currently is or has ever been an MMC vendor; or (2) otherwise has or is seeking to do business or have a financial relationship with MMC. Examples include pharmaceutical and medical device manufacturers, real estate companies, environmental services companies, parking garage services, etc.

Application:

A. General Standard

All Covered Persons must exercise sound judgment and the utmost good faith, care and diligence in all matters relating to their duties and responsibilities to MMC, guided by the highest standards of professional and business ethics. Health care providers owe their patients undivided loyalty and uncompromised decision-making that is in the best interest of the patient. In discharging their duties and responsibilities to and on behalf of MMC, all Covered Persons shall act in the best interests of MMC and MMC’s patients. Covered Persons shall refrain from using their MMC positions, or knowledge gained from their positions, for inappropriate personal advantage. Furthermore, the judgment and independence of Covered Persons in the discharge of their duties and responsibilities on behalf of MMC may not be impaired, or appear to be impaired, because of any personal or financial interest or relationship they may have, or any activity in which they may engage.

B. General Approach – Disclosure and Conflict Resolution

MMC has designated the Vice President & Counsel, Compliance to be the compliance officer (“Compliance Officer”) for this policy.

Disclosures of possible Conflicts of Interest must be made to the Compliance Officer in accordance with Section IV.D. of this Policy. The Compliance Officer will make every effort to provide guidance to permit resolution of any actual or potential Conflict of Interest. The Compliance Officer will take appropriate actions, including advising the MMC Executive Compliance Committee and/or the Compliance Committee of the Board of Trustees, as necessary, regarding particular Conflicts of Interest.

C. Areas of Potential Conflict of Interest

It is impossible to anticipate and describe every circumstance that might create a Conflict of Interest and that must, therefore, be disclosed. The following are illustrations of activities that might give rise to a Conflict of Interest and that must be disclosed. They do not comprise an exclusive list.

1. Ownership, Control or Management of a Business or MMC Competitor

Being connected directly (as owner, trustee, partner, officer, director, participant, licensee, shareholder, stock option holder, manager, or recipient of any compensation of value) or indirectly (as a Family Member, silent partner, etc.) with any Business or MMC competitor or otherwise being in a position to influence or direct the activities of a Business or MMC competitor must be disclosed to the Compliance Officer.

These financial interests do not include interests in entities listed on a national stock exchange or traded over the counter provided the Covered Person and Family Members do not own in the aggregate 5% or more of the entity’s outstanding shares unless special circumstances exist.

2. Consulting Arrangements

A consulting arrangement exists between a Covered Person and an entity when the Covered Person is compensated by the entity in exchange for providing services or advice utilizing his or her professional knowledge and expertise related to his or her professional field or discipline. The Covered Person providing services might function as a speaker, scientific or advisory board member, or focus group member for the entity, or otherwise play a role in providing endorsement, marketing, public relations or advertising services to an entity. Such relationship must be disclosed to and approved in advance by the Covered Person's supervisor or Department Chair, as applicable. Any relationship with an entity that results in compensation to the Covered Person in excess of \$10,000 per year must be disclosed to the Compliance Officer and approved by the Executive Vice President, Operations.

All consulting arrangements, regardless of amount of compensation, must satisfy the following conditions (a) the arrangement is set out in writing; (b) there is a legitimate need for the services; (c) the services are actually provided; (d) the compensation is at fair market value; and (e) all of the above characteristics are documented prior to payment.

Any consulting arrangement between a Covered Person and a competitor of MMC must be disclosed to and approved by the Covered Person's supervisor or Department Chair, as applicable, and to the Compliance Officer if the arrangement results in compensation to the Covered Person in excess of \$10,000 per year.

3. Outside Employment

Engaging in outside business or employment that interferes with a Covered Person's ability to fulfill his or her employment obligations to MMC is prohibited. Such activities are subject to review and approval by the Covered Person's supervisor or Department Chair, as applicable.

4. Outside Activities

Nothing in this Policy prohibits any Covered Person from serving as an outside director, trustee or other volunteer to a not-for-profit corporation or organization or any civic or public interest or social welfare organization as a community service, provided that such position does not conflict with the Covered Person's responsibilities at MMC and is disclosed to the Covered Person's supervisor and/or the Compliance Officer. Such activity must not involve the use of the Covered Person's name or endorsement in a manner that would conflict with MMC's interests or activities.

5. Gifts and Other Benefits

Covered Persons may not solicit or accept payments, loans, services, or gifts or favors ("Gifts"), for their own personal use or benefit, or for the benefit of a Covered Person's Family Member, from a Business or MMC competitor. It is expected that any Gift that is offered or given to a Covered Person is unsolicited. If a Covered Person should receive a Gift from a Business or MMC competitor, the Covered Person must promptly report it to the Compliance Officer, who will arrange for its return, or for its donation to MMC through the MMC Office of Development.

Notwithstanding the foregoing, unsolicited, de minimis non-cash gifts whose aggregate value per year from any Business does not exceed \$100 are not required to be reported or refused. When possible, divisible gifts (candy and the like) should be shared with other employees, particularly those who have interactions with the giver, both out of fairness and to avoid any appearance of favoritism.

Occasional business meals and related entertainment are permitted if they are of reasonable value and if there is an MMC benefit in accepting them. Meals and entertainment can result in an MMC benefit if attended with the giver or a representative of his/her company; attendance with only MMC associates or with only family members does not result in an MMC benefit.

Reimbursement for reasonable costs of business travel of an MMC associate by a Business or Competitor is only allowable under the following limited circumstances: 1) the MMC associate is a bona fide speaker or panelist at a conference or meeting sponsored by the Business or Competitor; 2) the MMC associate is receiving specialized clinical or technical training by the Business or Competitor which is more practically provided at an offsite location; 3) the MMC associate is performing functions pursuant to a consulting arrangement approved in accordance with this policy and within approved financial limits; OR 4) reimbursement for travel is pre-approved by the Compliance Officer. Any travel for which an associate anticipates seeking reimbursement from a Business or Competitor must be disclosed to and approved in advance by the Covered Person's supervisor or Department Chair, as applicable. Any such travel must be consistent with MMC Administrative Policy JF06.1, Travel and Employee Business Expense Reimbursement.

6. Debts/Loans

Any existing or proposed debt owed directly or indirectly by a Covered Person or Family Member to a Business or an MMC competitor must be disclosed to the Compliance Officer. (A loan from a bank or other qualified lending institution at interest rates and on terms prevailing in the market at the time the loan was made does not create a Conflict of Interest.)

7. Patents, Intellectual Property, Royalties

Covered Persons must report any outside commitment they are considering or engaged in that creates intellectual or tangible property rights in the way of patent ownership or licensing to an organization other than MMC. Such reportable circumstances include provision of financial or other support by a non-MMC entity for the utilization by the entity of intellectual property (e.g., inventions, know-how), tangible property (e.g., research materials) or original works of authorship (e.g., computer software, but not textbooks) of that Covered Person's academic work or the work of another person who reports to the Covered Person. See MMC's Policy on Patents, available from the Office of Research and Sponsored Programs, for additional information.

Work product created or developed by a Covered Person in his or her capacity as an associate or employed physician of MMC or any of its affiliates or subsidiaries, including those identified in Section II of this Policy, shall be the property of MMC.

8. MMC Property; Confidential or Privileged Information

All materials, equipment, goods, products, designs, plans, ideas, data and records of MMC, whether or not written, are the property of MMC and are "Proprietary Materials." No Covered Person may give or disclose any Proprietary Materials to any person or entity for purposes other than to promote the interests of MMC. Further, confidential or privileged information may not be disclosed for any purpose, except as may be required by valid order of a court or governmental agency of competent jurisdiction or as approved by the Office of Legal Affairs.

9. Insider Trading

Covered Persons shall not use confidential information obtained from their employment at MMC to speculate or invest in the securities of any entity or to speculate or invest in real estate, commodity markets, or other business ventures. Covered Persons must refrain from sharing such information with Family Members or others to participate in such activities. If in doubt as to whether an activity is prohibited, the Covered Person should consult with his/her personal attorney.

10. Use of MMC Facilities, Equipment, Working Hours

Covered Persons may not use their time and/or efforts during normal working hours to promote non-MMC interests, nor use MMC facilities or equipment for such purposes, except in conformity with Human Resources Policy and Procedure VII-4 (Solicitations and Distribution of Literature, Products and Services).

11. Use of Position

Covered Persons may not use their positions at MMC for their own inappropriate personal benefit or for the benefit of a Family Member, friend or business associate. Decision-making with respect to a particular Business may only be made in consideration of MMC interests and may not be influenced in any way by a Covered Person's personal interests.

12. Use of MMC Name

Using MMC's name, logo, or other identifying marks in outside private business or employment or misrepresenting oneself as an agent of MMC is prohibited. Using MMC's name in the individual's sponsorship of a political party or cause or in a way that implies MMC endorsement of private services, business, equipment or supplies is prohibited.

13. Gifts to Supervisors

A Covered Person shall not offer or give any gift to his or her direct or indirect supervisor except a gift of de minimis value. Supervisors shall not solicit, request or demand any gift from Covered Persons who report directly or indirectly to him or her.

14. Effect of Trustee Position on Transactions

The trustees of MMC are individuals of diversified business interests and may be connected with other corporations and firms with which MMC does business ("Entities"). No contract or other transaction between MMC and an Entity shall be affected by the fact that a trustee of MMC is interested in, or is a director or officer of the Entity. No trustee shall vote on any transaction or attempt to influence the decision to enter into a transaction in which he or she or an Entity is interested. Disclosure of the interest to the Board and the fact that the trustee did not vote or participate in the deliberations shall be reflected in the minutes of the Board. The foregoing shall not be construed to forbid an interested trustee from calling to MMC's attention the availability of goods or services from Entities, from briefly stating his/her view on the matter or from responding to questions from other Board members.

D. Disclosure and Reporting Process

Upon employment, new associates shall be informed of this Policy by the Department of Human Resources and new attending physicians shall be informed of this Policy by the Medical Staff Credentialing Office. New trustees shall be informed of this Policy by the Compliance Committee of the Board of Trustees.

It is the responsibility of all Covered Persons to familiarize themselves with this Policy and to comply, and ensure compliance of Family Members where applicable, with the following procedures.

Disclosure of Conflicts of Interests

Covered Persons are required to complete and submit the MMC Conflict of Interest Disclosure Survey ("Survey") upon receipt, including at the time of hiring and/or appointment by MMC and at such other times as the Compliance Officer determines appropriate. Covered Persons must also disclose any activity or personal interest that may lead to a Conflict of Interest that arises at any time after filing the Survey, within ten (10) days of becoming aware of such Conflict. It is the Covered Person's responsibility to provide all pertinent information on the Survey to enable full review and analysis of the circumstances. A copy of such Survey shall be placed in the Covered Person's personnel, credentialing or equivalent file.

An updated questionnaire must be submitted by attending physicians prior to bi-annual re-credentialing.

Any Covered Person who is uncertain as to whether an activity is reportable under this Policy should contact the Compliance Officer for clarification. Any supervisor and/or Department Chair who is concerned that a particular activity or arrangement may constitute a Conflict of Interest should seek clarification from the Compliance Officer, even if the activity or arrangement does not otherwise require reporting to the Compliance Officer under this Policy.

Supervisors and/or Department Chairs, as applicable, of Covered Persons must ensure that Covered Persons complete and submit Surveys as requested.

E. Resolution of Conflicts

The Compliance Officer will review disclosures and reports submitted under Section IV.D., above, that contain information that suggests an actual or apparent Conflict of Interest or other potentially improper activity. To the extent that further investigation is required, the Compliance Officer shall direct such investigation and develop recommendations as to the resolution of any Conflict. To the extent necessary, the Compliance Officer shall advise the MMC Executive Compliance Committee and/or the Compliance Committee of the Board of Trustees concerning actual or potential Conflicts. A report of all Conflicts of Interest shall be made by the Compliance Officer at least annually to the MMC Executive Compliance Committee and the Compliance Committee of the Board of Trustees.

Unless otherwise authorized by the Compliance Officer or the Executive Vice President, Operations, the Covered Person with the actual or apparent Conflict Interest may not take part in any decisions to which the Conflict relates. Prohibited activities include, but are not limited to:

- Submitting, signing, or authorizing a purchase order to make purchases from the Business;
- Negotiating or entering into contracts with the Business on behalf of MMC; and
- Supervising or administering the performance and activities under a contract or relationship with the Business, or monitoring the business performance of the Business under the contract.

In addition, the Compliance Officer or the Compliance Committee may prohibit the Covered Person from engaging in the activity giving rise to the Conflict of Interest, consistent with applicable law.

F. Sanctions; Enforcement

Associates and employed physicians who violate this Policy may be subject to disciplinary action up to and including termination or removal from the medical staff. Trustees or officers who violate this Policy may be subject to removal.

G. Research, CME, Pharmacy – Conflict of Interest Disclosure Requirements.

The MMC Institutional Review Board has a conflict of interest and disclosure policy that covers potential conflict of interest in connection with research and provides for a Conflict of Interest disclosure process. The Center for Continuing Medical Education also has a conflict and disclosure policy regarding all Continuing Medical Education (CME) programs and provides for a Conflict of Interest disclosure process. The Pharmacy has a disclosure statement for use in proposing drugs for inclusion in the formulary. These policies and applicable procedures are administered by the Office of Research and Sponsored Programs in the case of research, by the Center for Continuing Medical Education in the case of CME, and by the Director of Pharmacy in the case of the formulary. Any information collected under these disclosure procedures that suggests an actual or potential Conflict of Interest must be promptly shared with the Compliance Officer.