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HOSPITAL POLICIES & PROCEDURES

Category:	Compliance
Title:	CONFLICTS OF INTEREST
Applicability:	TJUH System and its Controlled Affiliates (TJUH) TJUH Applies to the Trustees, Officers, Board Committee Members, and Senior Executives, and persons with control or substantive influence over the organization
Contributors/Contributing Departments:	General Counsel, Compliance, Finance

PURPOSE

This Policy is intended to ensure that Key Representatives and Research Key Personnel discharge their fiduciary responsibilities to TJUH in strict compliance with the Pennsylvania Nonprofit Corporation Law, the Internal Revenue Code, all other applicable laws and regulations, the TJUH and Medical Staff Bylaws, and the Code of Conduct, and, in accordance with the highest ethical standards. This Policy shall serve:

- to help Key Representatives and Research Key Personnel identify, avoid and/or resolve ethical, financial, legal or other conflicts of interest with TJUH, and to promote full disclosure of potential conflicts of interest;
- to prohibit Key Representatives and Research Key Personnel with conflicts from participating in or influencing any TJUH decisions involving the interest;
- to encourage Key Representatives and Research Key Personnel to arrange their personal, professional and financial activities and interests outside TJUH so as to avoid real or potential conflicts of interest with TJUH and excess benefit transactions [\[1\]](#);
- to require Key Representatives and Research Key Personnel to maintain the confidentiality of all proprietary and other sensitive information pertaining to TJUH; and
- to ensure that Key Representatives and Research Key Personnel at all times act in accordance with the best interests of TJUH.

NOTE:

Policy No. 111.22 Industry Relationships applies to all Key Representatives, as well as all employees of TJUH.

DEFINITIONS

Conflict of Interest: A conflict of interest may arise whenever a Key Representative or Key Research Personnel has, or appears to have, the opportunity to influence the decision-making of the Hospital in ways that could lead to personal, professional or financial gain or advantage and/or might benefit the private interest of the Key Representative/Key Research Personnel or in a possible excess benefit transaction, whether direct or indirect, or whenever external activities, interests or commitments burden or interfere in any way with the Key Representative's/Key Research Personnel's duty of loyalty and other fiduciary obligations to the Hospital.

Key Representatives: Consists of Trustees, Board Committee Members, Officers, Senior Executives or any other individual who has control or substantive influence over the organization's financial and management decisions as determined by the TJUH.

Research Key Personnel: Principal investigators and personnel designed by principal investigators as significant contributors to a research project.

POLICY

Identification and Disclosure of Actual or Perceived Conflicts of Interests

A conflict of interest may arise whenever a Key Representative or Research Key Personnel has, or appears to have, the opportunity to influence the decision-making of TJUH in ways that could lead to personal, professional or financial gain or advantage and/or might benefit the private interest of the Key Representative/Key Research Personnel or result in a possible excess benefit transaction, whether direct or indirect, or whenever external activities, interests or commitments burden or interfere in any way with the Key Representative's/Key Research Personnel's duty of loyalty and other fiduciary obligations to TJUH. The standards and examples set forth in Attachment "1" provide guidance in identifying areas where conflicts of interest might exist in certain situations. Key Representatives/Key Research Personnel are expected to exercise prudent personal judgment to meet the letter and spirit of this Policy and to avoid even the appearance of a conflict. Questions regarding potential conflicts of interest may be addressed to the Conflicts of Interest Committee ("COI Committee") at conflicts@jeffersonhospital.org.

PROCEDURE

I. Disclosure and Reporting

A. Annual Disclosure

Each Key Representative and Research Key Personnel of TJUH shall submit to the COI Committee of TJUH a completed Uniform Conflict/Duality of Interest and Confidentiality Statement ("Disclosure Statement") in the form attached hereto as Attachment "2," disclosing any conflict or potential conflict of interest. Such Disclosure Statements shall be made upon the Key Representative's/ Research Key Personnel's appointment or election and thereafter on an annual basis at the beginning of TJUH's fiscal year.

B. Interim Disclosure

The duty to disclose conflicts of interest is a continuing one. If any Key Representative or Research Key Personnel is involved in or becomes aware of any transaction or situation that results or could result in a conflict of interest, or an appearance of a conflict of interest, the Key Representative or Research Key Personnel shall promptly submit a complete written description of such transaction or situation to the COI Committee.

C. Reports of Apparent Conflicts, Unethical Conduct

If at any time a Key Representative or Research Key Personnel becomes aware of any apparent violation of this Policy, including the standards of conduct or other apparent unethical conduct, such person should report it to TJUH's Corporate Compliance Officer or COI Committee at conflicts@jeffersonhospital.org. The identity of the Key Representative or Research Key Personnel making such report under this subsection shall remain confidential.

II. Evaluation and Resolution of Conflicts

A. The Chairman of the Board and the CEO of TJUH shall be responsible for monitoring the conduct of and disclosure by Key Representatives and Research Key Personnel and shall identify, address and/or resolve actual or potential conflicts in consultation with TJUH's legal counsel, corporate compliance officer, and/or COI Committee. If deemed necessary or advisable, individual cases may be referred to the full Board or a committee thereof for resolution.

B. Whenever any matter comes before the Board or a committee thereof during a meeting, Key Representatives and Research Key Personnel should disclose actual conflicts or potential conflicts of interest, even if previously disclosed. The Key Representative and Research Key Personnel affected shall not be counted as present in determining a quorum for the matter to be voted upon, and should not participate in discussions or vote except to correct any misunderstanding of the facts or answer pertinent questions. After answering questions, the affected Key Representative and Research Key Personnel shall withdraw from the meeting until the matter has been acted upon. The Secretary of the Board or the relevant committee should include the following in the minutes: 1) the name of the Key Representative(s) and Research Key Personnel who disclosed or was otherwise found to have an actual or possible conflict of interest; 2) the nature of such potential conflict of interest, how it was disclosed, and the action taken to determine whether a conflict of interest was present; 3) that a quorum was present without counting the Key Representative(s) and Research Key Personnel affected and that the Key Representative(s) affected withdrew himself/herself from the meeting until the matter was concluded; 4) the names of the persons who were present for discussion and vote relating to the transaction or arrangement; 5) the Board's or committee's decision as to whether a conflict of interest in fact existed; 6) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and 7) a record of the vote.

C. If the Board or the relevant committee has reasonable cause to believe that a Key Representative and/or Research Key Personnel has failed to disclose actual or possible conflicts of interest, it shall inform the Key Representative and/or Research Key Personnel of the basis for such belief and afford him or her opportunity to explain the alleged failure to disclose. If, after hearing the Representative's response and making further investigation as warranted by the circumstances, the Board or committee determines that the Key Representative and/or Research Key Personnel has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective

action in accordance with the Hospital's Policy for enforcing and sanctioning non-compliance of conflict of interest disclosure.

III. Periodic Reviews

To ensure that TJUH continues to operate in a manner consistent with its charitable purposes and does not engage in any activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The scope of these reviews shall include whether compensation arrangements and benefits are reasonable and based on competent survey information and the results of arm's length bargaining. TJUH may, but need not, use outside experts and advisors to conduct periodic outside reviews, as necessary. Use of such outside experts and advisors shall not relieve the Board or relevant committee of its responsibility for ensuring periodic reviews is conducted.

IV. Certification

Key Representatives and Research Key Personnel shall certify (i) that they have received, read, and understand, and agree to comply with, this policy and the conflict of interest policies of TJUH; (ii) that they understand that TJUH is a charitable organization and in order to maintain its federal tax exemption status it must engage primarily in activities which accomplish one or more of its exempt purposes, and (iii) their commitment to maintain the confidentiality of the affairs of TJUH by annually completing the Conflict of Interest and Confidentiality Statement attached hereto as Attachment "2."

[1] An excess benefit transaction is a transaction in which the economic benefit received by a tax exempt organization is less than the consideration given (including services) to the organization in return for such benefit.

Attachment 1: [Ethical Standards of Conduct and Examples of Conflicts of Interest \(Word\)](#)

Attachment 2: [Conflict of Interest Disclosure Statement \(Word\)](#)

References:

1. Industry Relations Policy #111.22
2. Corporate Compliance Program-Disciplinary Actions Policy #122.08
3. Conflict of Interest Policy #122.13: Distribution to Employees who are involved in the Conduct and Evaluation of Scientific Research
4. Conflict of Interest Policy: Enforcement and Sanctions for Non-Compliance, Policy # 122.14

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Responsibility for maintenance of policy: 1. Associate General Counsel
2. Corporate Compliance Officer

(Signature on File)

Approved by:
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