

POLICY AND GUIDELINES

TOMAH HEALTH

TOMAH, WI 54660

EFFECTIVE DATE: 11/19/2024

DIVISION: Board of Directors

P&G #: 100-BOD-002

ORIGINATION DATE: 1/86

TITLE: Conflict of Interest

PAGE: 1 of 6

Author DATE: _____

Compliance Committee DATE: _____

Medical Staff President DATE: _____

Approved By: _____ DATE: _____
Board of Directors

INVOLVES

Tomah Health (“TH”) Board of Directors, Medical Staff, Administrative, Management staff, Purchasing Agents and other TH Staff.

PURPOSE

To ensure full disclosure, handling and documentation of actual and potential Conflicts of Interest by hospital leadership and medical staff members and clinicians. In addition, this policy is designed to be consistent with TH’s obligations as a tax-exempt organization to serve its charitable purpose throughout all activity, transactions and arrangements.

All TH leadership and staff shall be prohibited from using their positions and status for financial and/or personal advantage and shall promptly disclose any relationship or circumstance which might be construed as an actual or potential Conflict of Interest. This policy sets forth certain procedures to follow to avoid the possibility of such Conflicts of Interest.

DEFINITIONS

- A. “Conflict of Interest” or “Conflict” means a divergence between a Financial and/or Private Interests and their professional obligations to TH, TH’s employees and staff, and patients, such that an independent observer might reasonably question whether the Staff Member’s professional actions or decisions are determined by considerations of personal gain, financial or otherwise. Conflicts of Interest include but are not limited to the following situations:
1. Influence on purchases of equipment, instruments, materials, or services for TH from private firms in which the Staff Member or that individual’s Immediate Family Member has a Financial Interest;
 2. Unauthorized disclosures of patient or TH information for personal gain;

3. Giving, offering, or promising anything of value, as a representative of TH, to any government official to enhance relations with that official or the government they represent;
 4. Transmission of TH-supported work, products, results, materials, records, or information to a third party without authorization for personal gain;
 5. Influence on the negotiation of contracts between TH and private entities with which the individual or an Immediate Family Member has consulting or other significant relationships or will receive favorable treatment as a result of such influence;
 6. Improper use of TH resources for personal financial gain;
 7. Directorship or other participation in third parties involved with TH or that attempt to influence TH's policies or operations; or
 8. Acceptance of compensation, gifts, entertainment, or free services from a vendor, service provider, or contract of TH, when the individual is in a position to determine or influence TH's purchases from those entities.
- B. "Financial Interest" means a Staff Member or Immediate Family Member has directly or indirectly, through business or investment:
1. An ownership or investment interest in any entity with which TH has a transaction, arrangement, or financial relationship;
 2. A compensation arrangement with TH or with any entity or individual with which TH has a transaction, arrangement, or financial relationship;
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which TH is negotiating a transaction, arrangement, or financial relationship; or
 4. A potential ownership or investment interest in, or compensation arrangement with, any entity with which TH is a competitor.
- Compensation includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature. A Financial Interest is not necessarily a Conflict of Interest. A person who has a Financial Interest may have a Conflict of Interest only if the appropriate Board or committee decides that a Conflict of Interest exists.
- C. "Staff Member" means any member of the TH Board of Directors or Medical Executive Committee, other applicable Medical Staff, Administrative, Management Staff, and Purchasing Agents, as well as all other clinical and non-clinical staff of TH, whether or not employed directly by TH.
- D. "Personal Interest" mean those interests arising out of a Staff Member's (or Immediate Family Member's) personal activity, status or relationship that could impair the employee's ability to act impartially and in the best interest of TH.
- E. "Immediate Family Member" means:
1. A Staff Member's spouse or domestic partner and the parents and siblings of the spouse or domestic partner;
 2. A Staff Member's parents, grandparents, siblings (whole or half blood or by adoptions), children, grandchildren, and great grandchildren; and

3. Spouses of the Staff Member's grandparents, siblings, children, grandchildren, and great grandchildren.

GUIDELINES

A. Required Disclosure

1. Duty to Disclose:
 - a. All Staff shall disclose to the Board of Directors the existence and nature of any potential or actual Conflicts of Interest.
 - b. All Staff Members shall disclose any outside employment.
2. Timing of Disclosures:
 - a. All Staff Members shall complete the Conflict of Interest Policy & Disclosure Statement (see Attachment A) and shall disclose all actual and potential Conflicts of Interest at the time of hire, privileging or appointment.
 - b. All Staff Members shall complete the Conflict of Interest Policy & Disclosure Statement (see Attachment A) annually.
 - c. At any time when an actual or potential Conflict of Interest arises, the Staff Member must notify the CEO promptly.
 - d. Any Staff Member with knowledge concerning the existence of another Staff Member's actual or potential Conflict of Interest may call the Conflict to the attention of the CEO. The Board Executive Committee will make a final determination as to whether the provisions in this policy should apply.
 - e. All Staff Members shall verbally disclose an actual or potential Conflict of Interest in the course of meetings or other activity where such a disclosure may be relevant to the matter under consideration. These verbal disclosures shall be recorded in the minutes of proceedings, as shall abstentions and removals based on Conflicts. Each disclosed interest shall be assessed by the pertinent body or committee on a case-by-case basis in conformity with this policy. Following the meeting or activity, the actual or potential Conflict of Interest shall also be reported to the CEO.

B. Procedures for Addressing Potential or Actual Conflicts of Interest

1. Determination of Whether a Conflict of Interest Exists:
 - a. After a Staff Member discloses a potential Conflict of Interest, the Board shall review the situation and examine all facts thoroughly to determine if a Conflict exists. If the individual whose activities are in question is a member of the Board, that individual shall leave the Board meeting while the potential Conflict is discussed and voted upon. The remaining Board members shall decide if a Conflict of Interest exists.
 - b. If the Conflict involves a Board member, the following additional steps shall be taken:
 - i. The Board member who potentially has a Conflict may make a presentation at the Board meeting, but after the presentation, the Board member shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible Conflict.
 - ii. The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- iii. After exercising due diligence, the Board shall determine whether TH can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict.
 - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict, the Board shall determine by majority vote of the disinterested directors whether the transaction or arrangement is in TH's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board shall make its decision as to whether to enter into the transaction or arrangement.
 - c. The evaluation of whether a Conflict exists shall be interpreted reasonably by the persons involved, taking into consideration common sense and objective principles of fairness.
 - d. The fact that an individual voluntarily chooses to refrain from participation in a decision, or is excused from participation, shall not be interpreted as a finding of actual Conflict.
 - e. If a Board member is on the same committee (or other body) as an individual with a potential Conflict, this does not dispositively determine that the Board member also has a Conflict and each such matter shall be considered by the Board on a case-by-case basis.
2. Procedures for Addressing an Identified Conflict of Interest:
- a. In the event that the Board determines that an actual Conflict of Interest exists, the Conflict shall be resolved using the most appropriate and least disruptive remedial action available. The goal will be to preserve, to the maximum extent feasible, the ability of that Staff Member to carry out responsibilities of the role for which they have been hired, appointed, or elected. The Board shall determine how the Conflict of Interest will be addressed going forward and may consider the Staff Member's explanation in making this determination. One or more of the following actions may be recommended and the Staff Member will be alerted of the decision:
 - i. An exception may be granted allowing the Staff Member to continue to participate despite a Conflict of Interest, if the Board determines that TH would be best served by the granting of an exception. The meeting minutes should reflect the justification for the exception and delineate any conditions placed on the approval.
 - ii. The Staff Member may be allowed to participate in the discussion but recused from any vote on matters to which the Conflict of Interest relates.
 - iii. The Staff Member may be removed from the decision-making process and participation in (including the receipt of information related to) the matter to which the Conflict relates.
 - iv. Other actions as determined to be appropriate by the Board.

C. Failure to Comply with Conflict of Interest Policy

If it comes to the attention of the Board that a Staff Member has failed to disclose a potential Conflict, the Staff Member will be afforded the opportunity to explain why disclosure was not made. If, after hearing the explanation, the Board determines that the Staff Member has in fact failed to disclose an actual Conflict, the Board shall take appropriate disciplinary and/or corrective action based on the seriousness of the offense, which may include, but is not limited to: suspension of voting rights if applicable, rescission of any agreements, or termination of the position within the organization that would require participation in the matter creating the Conflict.

While forfeiture of a Staff Member's position within the organization will be a solution of last resort, such action may be necessary in extreme circumstances.

D. Records of Proceedings

1. The fact that a Conflict of Interest was considered or addressed shall be included in the minutes of any meeting of the Board or any committee at which such discussion occurred along with the following specifics:
 - a. The name of the Staff Member who disclosed or otherwise was determined to have a material financial, business, and/or personal interest in connection with an actual or potential Conflict of Interest;
 - b. The nature of the interest (e.g. Personal Interest or Financial Interest);
 - c. Any action taken to determine whether a Conflict of Interest was identified, and the ultimate determination as to whether a Conflict of Interest existed;
 - d. The names of all Staff Members who were present for the discussion; and
 - e. A record of any votes relating to the potential Conflict of Interest,
2. The individual recording the minutes has the discretion to include more or less detail about the content of the discussion as appropriate for the situation.

E. Periodic Reviews

1. To ensure TH operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by or at the direction of the Board of Directors. The periodic reviews shall, at a minimum, include the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures arrangements, and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in private inurement, or impermissible private benefit, or in an excess benefit transaction.

F. Compensation

1. A voting member of the Board who receives compensation, directly or indirectly, from TH for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee deciding on compensation matters and who receives compensation, directly or indirectly, from TH for services is precluded from voting on matters pertaining to that member's compensation.

3. Voting members of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from TH, either individually or collectively, are prohibited from providing information to any committee regarding compensation.
4. Physicians who receive compensation from TH, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. Physicians, either individually or collectively, are prohibited from providing information to any committee regarding physician compensation.

G. Contracts

TH contracts are reviewed for potential Conflicts of Interest. Contracts shall specify that any Conflict of Interest guidelines and disclosure are to be made available upon request.

FORMS

Conflict of Interest Policy Disclosure Statement-Tomah Health

COMPETENCY/REFERENCE DOCUMENTS (RD)

Appendix A

LIPPINCOTT PROCEDURES

REFERENCES

<https://www.irs.gov/instructions/i1023#idm139883039933648>

TO: Board of Directors
Medical Staff
Allied Health Professional Staff
Administrative and Management Staff
Purchasing Agents
All Staff

FROM: Chief Executive Officer

DATE: (Indicate – Month/Year here)

SUBJECT: **CONFLICT OF INTEREST POLICY
& DISCLOSURE STATEMENT-
TOMAH HEALTH (“TH”)**

The attached Conflict of Interest Policy was approved and adopted by the Board of Directors. Each year the Board of Directors, applicable Medical Staff, Administrative, Management Staff, Purchasing Agents, and All Staff will be asked to complete a disclosure statement.

Please review the policy and submit any circumstances or relationships which you feel should be disclosed. Please return this disclosure statement at the meeting where distributed or as otherwise directed.

Attachment: Conflict of Interest Policy

I hereby acknowledge that:

- I have received a copy of TH’s Conflict of Interest Policy;
- I have read and understand the Conflict of Interest Policy;
- I have completed Appendix A;
- I agree to comply with the Conflict of Interest Policy;
- I understand that TH is a charitable organization exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code; and
- I understand that, to maintain its federal income tax exemption, TH must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In addition to the foregoing:

[] I have no organizational relationships or other circumstances to disclose under Tomah Health’s conflict of interest policy.

[] I hereby disclose the following organizational relationships or circumstances for review by Tomah Health’s Chief Executive Officer and Board of Directors to determine whether I have any actual or potential Conflicts of Interest..

Date: _____

Signature: _____

Name (print): _____

Indicate Title (Board member, Medical Staff, Administrative,
Management Staff, purchasing agents, or staff): _____

Questions to consider when determining if a conflict of interest may exist.

	FINANCIAL CONFLICTS	
Financial Interests	Do you or your family members have any financial interests, stocks in vendors, suppliers, or companies that could be considered a potential competitor or conflict of interest?	
Gifts and Gratuities	Have you received any gifts or gratuities from any vendors, contractors or suppliers that could influence and/or create a biased perception on your decisions regarding their contracts or business dealings with our organization?	
Investment Activities	Do you have any investment activities that may conflict with your duties or obligations to our organization?	
Intellectual Property	Do you own or have partial interest in any intellectual properties, patents, licenses, or copyrights that could be relevant to your work at our organization?	
Insider Trading	Do you have access to or know of any inside information about our organization or any of our customers that could be used for personal gain?	
Personal Investments	Do you have any personal or planned future investments that could create conflicts of interest with your duties at our organization or influence your decision-making?	
Personal Loans	Do you have any personal loans or financial obligations that could create conflicts of interest with your work at our organization?	
	BUSINESS CONFLICTS	
Outside Employment	Do you have any outside employment or consulting arrangements with any potential competitors or companies that may be perceived to conflict with your responsibilities at our organization?	
Sponsorship Relationships	Have you ever received or potential future sponsorship or funding from organizations that could create conflicts of interest with your duties at our organization?	
Professional Relationships	Do you have any professional relationships with individuals or organizations that could create the perception of conflicts of interest with your duties at our organization?	
Licensing Agreements	Have you ever entered into any licensing agreements or other contracts that could create conflicts of interest with your work at our organization?	
Employee Benefits	Do you receive any employee benefits or perks that could create perceived conflicts of interest with your work at our organization?	
Related Party Transactions	Do you have any related party transactions, relationships or business dealings with any of the organization's related parties, such as subsidiaries, affiliates, joint ventures or competitors?	
Consulting Relationships	Do you have any consulting relationships with organizations that could create conflicts of interest with your work at our organization?	
Business Interests	Do you have any other business interests or investments that could create conflicts of interest with your work at our organization?	
Board Memberships positions of influence	Are you involved or serve on the board of directors or advisory board for any vendors, suppliers, or competitor companies that may have any current or potential business dealings with our organization?	
Confidential Information	Have you ever been exposed or know any confidential information that may be perceived as conflicts and impact our organization's operations or financial performance with your current or future work at our organization?	
Vendor Relationships	Have you ever worked for or had any business relationships with vendors, contractors, or suppliers that could be perceived as a conflict of interest?	

	PERSONAL CONFLICTS	
Personal Relationships	Do you have any personal relationships, such as friendships or family connections with vendors, contractors or competitors of this organization that could be perceived to lead you to provide preferential treatment or make bias decisions?	
Family Relationships	Do you have any family members who do business or work for competitors, vendors, or customers of our organization that could lead you to provide preferential treatment?	
Family Business	Do you have any family businesses or interests that could create conflicts of interest with your duties at our organization?	
Personal Activities	Do you have any personal activities or hobbies that could create conflicts of interest with your work at our organization?	
Political Activities	Do you have any political affiliations or activities that could create the appearance of potential conflicts or influence your decisions or actions for our organization?	
Non-profit Activities	Do you participate in any non-profit organizations that could be related to our organization's mission or activities that could be perceived to create conflicts of interest with your work at our organization?	
Legal Matters	Are you currently involved or may have future involvement in any legal proceedings that could create conflicts of interest with your work at our organization?	
Public Statements	Have you made any public statements that could create the perception of any conflicts of interest with your work at our organization?	
Educational Activities	Do you participate in any educational activities that could create conflicts of interest with your work at our organization?	
Charitable Donations	Do you make charitable donations to organizations that could create conflicts of interest with your duties at our organization?	
Other	Other conflicts that have not been disclosed?	

Describe the details any conflicts on the Disclosure Statement form.