

University of Chicago Medical Center
Policy and Procedure Manual

**UCMC Officer, Employee and Influential Medical Staff Member Conflict
and Vendor Relationship Policy**

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Staff

Member Conflict and Vendor Relationship Policy

Purpose

The University of Chicago Medical Center strives to maintain a business environment that is in the best interest of the hospital. One aspect of an appropriate business environment is taking particular care in employees' relationships with those who do business or want to do business with the hospital, avoiding not only actual improprieties but also the appearance of impropriety. Because The University of Chicago Medical Center (UCMC) places its trust and confidence in its employed officers, employees, and medical staff members, they shall refrain from actions detrimental to UCMC, provide full disclosure of possible conflicts of interest and exercise care in all relationships with vendors or potential vendors of UCMC.

This policy is separated into three parts and is intended to provide guidance in acceptable conduct for UCMC Associates (defined below) and certain medical staff members. The first part of this policy provides general standards of conduct for UCMC Associates. The second part addresses conflict of interest identification and disclosure for UCMC Associates and Influential Medical Staff Members (defined below). The third part addresses UCMC Associates' conduct with vendors or potential vendors. UCMC Associates and medical staff members should review the entire policy to determine which section most appropriately addresses the conduct in question. This policy supplements but does not replace any other UCMC policy or applicable law addressing the conduct of officers, employees and medical staff members.

Application

This policy shall cover the conduct of all UCMC officers and employees (referred to in this policy as "UCMC Associates"). This policy also covers the conduct of UCMC medical staff members who: (i) have administrative positions at UCMC; or (ii) are appointed to a UCMC committee or advisory panel that will have general or specific input on UCMC's procurement of items or services; or (iii) have significant influence on UCMC's procurement of an item or service (collectively, "Influential Medical Staff Members" or "IMSM").

The determination of whether a medical staff member is subject to the requirements of this policy shall be made by the applicable UCMC officer who has responsibility for the committee, or advisory panel, or, in the instance of an individual procurement decision, the UCMC officer who has responsibility for the department where the items or service will be paid for, managed or deployed. UCMC officers shall provide the Director of Internal Audit the names of individuals identified as IMSM in categories (i) and (ii) and shall update the information as membership on committees or administrative positions change. For individuals identified as IMSM in category (iii), the responsible UCMC officer shall inform the physician and the Director of Internal Audit when such determination is made.

General Standards of Conduct

UCMC Associates are expected to refrain from actions detrimental to UCMC, including, but not limited to:

- using funds or property of UCMC;
- using work time compensated by UCMC for personal benefit;
- disclosing UCMC information, including, but not limited to, patient information, non-public business information, personnel information, computer access codes, and quality assurance or peer review information;
- transacting UCMC business on terms that are less advantageous than those competitively available or those available through arms-length dealing;
- accepting anything of value, either in the form of a gift, entertainment or services, from UCMC vendors or potential vendors, that is not specifically permitted under this Policy;
- directly or indirectly soliciting gifts, contributions or other items of value from UCMC vendors in cash or kind in return for initiating or continuing a business relationship with the vendor.

Nothing in this policy prohibits UCMC (with approval from the President) from making contributions to other not-for-profit organizations. The UCMC Development Office and the Office of Legal Affairs has established guidelines for receiving appropriate charitable contributions from UCMC vendors.

Identification and Resolution of Conflicts of Interest

The conflict of interest disclosure procedure set forth below is designed to assist UCMC Associates and IMSM in identifying and fully disclosing any interests that could impair the exercise of their impartial, independent judgment or that could result in a perception that they failed to exercise their impartial, independent judgment in evaluating whether a proposed action is in UCMC's best interests.

A. Definitions

The following definitions are intended to assist UCMC Associates

and IMSM in determining whether a potential conflict of interest exists.

Compensation - includes wages, salary, independent-contractor payments and any other forms of direct and indirect remuneration, as well as gifts or favors that are of more than nominal value or of a type that could create a perception that such gifts or favors are intended to or may interfere with a UCMC Associate's or IMSM's independent judgment in evaluating whether an action is in the best interest of UCMC.

Family Member – means a spouse or domestic partner, any relative (by blood or adoption), or the spouse of any relative (by blood or adoption) of the UCMC Associate or IMSM. This includes, but is not limited to, a UCMC Associate's or IMSM's parents, children, and siblings.

Financial Interest – a UCMC Associate or IMSM has a Financial Interest if the UCMC Associate or IMSM has or seeks to have an ownership interest or a Compensation arrangement that is substantial enough to affect that person's judgment, or that could lead to a reasonable perception that such person's judgment could be affected. The relationship may be direct or indirect, through business, investment or a Family Member. Examples of Financial Interests include, but are not limited to:

- A direct or indirect agreement, understanding, employment relationship, ownership interest or investment interest in any vendor of goods or services that does business with, seeks to do business with, or competes with UCMC;
- A direct or indirect Compensation arrangement with any UCMC affiliate, or with a vendor of goods or services that does business with, seeks to do business with, or competes with UCMC; or
- A *potential* ownership or investment interest in, or Compensation arrangement with, any vendor of goods or services that does business with, seeks to do business with, or competes with UCMC.

Non-Financial Interest – any obligation other than a Financial Interest that is substantial enough to affect that person's judgment, or that could lead to a reasonable perception that such person's judgment could be affected. Such interests will typically involve fiduciary obligations. The interest may be direct or indirect, through business, investment or a Family Member. Examples of Non-Financial Interests include, but are not limited to:

- A UCMC Associate is a member of the Board of Directors (serving without Compensation) of an entity that competes with UCMC.
- A UCMC Associate's spouse is a corporate officer (serving without Compensation) of another charitable organization that contributes funds to or receives funds from UCMC.
- A UCMC Associate serves on an advisory board of a UCMC vendor.

Potential Conflict of Interest – means any Financial Interest or Non-Financial Interest.

B. Disclosures Obligations

Each UCMC Associate and IMSM has an obligation to disclose in writing Potential Conflicts of Interest as they are identified. Such disclosures should be in writing, and submitted to the reporting entity identified below. In addition to this ongoing obligation to disclose, UCMC Associates and IMSM will be required to periodically review this policy and complete a conflicts disclosure form upon the following:

- For all employees: Upon employment with UCMC.
- For UCMC officers, Level IV and Level III employees and all Purchasing Department staff: Upon appointment to a position of UCMC officer, manager or Purchasing Department staff if employed on the date of such appointment. In addition, this category of individuals shall also complete a written disclosure on an annual basis.
- Influential Medical Staff Members: Upon appointment to a UCMC administrative position; upon appointment to a committee or advisory group that may influence UCMC's procurement of items or services; and/or, upon a determination by the applicable UCMC officer that a medical staff member has significant influence over a specific procurement decision.

The Director of The Internal Audit Department and a representative of Human Resources will implement the disclosure process.

C. Acceptance and Review of Disclosures by Director

All disclosures required by Section B other than the general disclosure of all UCMC Associates upon employment shall be made or forwarded to the Director of The Internal Audit Department (Director) or the Director's designee. With respect to the disclosure collected upon the UCMC Associate's

employment with UCMC, Human Resources staff will collect the disclosure and forward to the Director only those disclosures that disclose a Potential Conflict of Interest. The Director shall conduct a preliminary assessment of each disclosure and may, as appropriate, consult with other UCMC senior leadership (e.g., appropriate personnel in compliance, legal affairs, or human resources) to evaluate the disclosure and the potential impact on UCMC interests. If necessary, the Director, in consultation with appropriate UCMC personnel, shall develop a plan to address the potential conflict, which may include: (i) documenting, or requiring the appropriate party to document, why the proposed business activity is in the best interest of UCMC without regard to the Potential Conflict of Interest; (ii) advising the disclosing UCMC Associate or IMSM not to participate in a particular UCMC business activity; (iii) documenting that the Potential Conflict of Interest could not reasonably be determined to impact a UCMC business activity in a manner that is not in the best interest of UCMC. The Director shall maintain the confidence of such disclosures, and shall only disclose the information necessary to carry out the purposes of this policy. The Director shall keep records of the activities under this Section C and periodically report such activity to the UCMC Board of Trustees or one of its Committees.

Vendor Relationships

UCMC recognizes that from time to time vendors who have or desire to have a relationship with UCMC may extend certain business courtesies to UCMC Associates. In some instances, such business courtesies may result in an appearance of impropriety. In other cases, such business courtesies could not reasonably be determined to inappropriately influence a vendor's existing or proposed relationship with UCMC. This section of the policy is intended to provide guidelines to UCMC Associates in appropriate conduct with respect to the acceptance of business courtesies.

For the purposes of this section, business courtesies are items or services provided by the vendor for the benefit of the UCMC Associate and include, but are not limited to, travel, event tickets, entertainment, food and/or meals.

A. Prohibited Conduct. As stated in Section III above, UCMC Associates may not accept anything of value or solicit gifts, contributions, or other items of value from a vendor or potential vendor. Specifically, a UCMC Associate may not on his/her own behalf or on behalf of a Family Member:

1. Solicit or request, directly or indirectly, any business courtesy or other item of value or suggest or imply that a business courtesy or other item of value is necessary in order for the vendor to conduct business with UCMC.
2. Accept cash or cash equivalents from a vendor or potential vendor.

3. Accept any business courtesy from a vendor or potential vendor that does not fall under Sections B or C.

B. Acceptable Conduct. UCMC Associates may:

1. Deminimus Exception. Accept business courtesies with a total retail value of \$50 or less in any one year from an individual or organization that currently has or proposes to have a business relationship with UCMC, but only if total business courtesies from all vendors during the year for the UCMC Associate do not exceed \$250.

2. Gifts of Food. Accept modest gifts of food from an individual or organization that currently has or proposes to have a business relationship with UCMC if:

- The gift is made available to an entire department or office for consumption on site;
- The frequency of such gifts to all members of the department or office is no more than once a year; and
- The gift is unrelated to a specific marketing of a product or service.

For the purposes of this section, modest gifts include the following and their equivalents: popcorn tins, a box of chocolates or candy, or a small selection of fruits. Modest gifts would not include catered lunches or dinners.

Note: This acceptable conduct exception only applies to the prohibition under Section A(3) above, not to the prohibitions under Section A(1) or A(2).

C. All Other Business Courtesies: Disclosure and Approval Requirements

All UCMC Associates offered business courtesies falling outside of the acceptable business courtesies outlined in Section B above must disclose such offer in writing with a good faith estimate of the value of the courtesy to the UCMC Associate's Level III supervisor or immediate supervisor, whichever is a higher level UCMC position (the "**Supervisor**"). All such disclosures must be made prior to receipt or immediately upon receipt of the business courtesy. If the business courtesy falls under Section A(1) or A(2), or if the Supervisor believes the offered business courtesy would lead to an appearance of impropriety, the Supervisor should require the UCMC Associate to refuse or return the courtesy, dispose of the courtesy, or, if necessary, require UCMC to reimburse the vendor for the value of the courtesy. Otherwise, the Supervisor may, at his or her option, permit the acceptance of the business courtesy. The Supervisor shall maintain records of all business courtesies approved under this Section C and shall

forward the information periodically to the Director. In the case of the President, he or she shall make all disclosures to the General Counsel.

All business courtesies received in connection with B above or approved through this Section C are exempt from Conflict of Interest disclosure obligations set forth in Section IV.

D. Confidentiality

Completed conflict and business courtesy disclosure forms shall be maintained in files, which are safeguarded from disclosure to unauthorized persons or for unauthorized uses.

Possible Violations by Others

UCMC Associates have a duty to report to the Director if and when they become aware of possible violations of this policy by UCMC Associates or IMSM.

These reports should be in writing, and will be treated confidentially.

Disciplinary Actions

Failure to adhere to the requirements of this policy shall lead to disciplinary actions that may include removal from office, termination of employment, or loss of administrative positions.

Authority, Interpretation, Implementation, and Revision

This policy will be interpreted by The Office of Legal Affairs and the Director of the Internal Audit Department, as appropriate.

Kenneth P. Kates
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