
 HAWAII HEALTH SYSTEMS CORPORATION <i>"Touching Lives Everyday"</i>	Quality Through Compliance	Policy No.: CMP 016B
		Revision No.: N/A
PROCEDURES	Issued by: Chief Compliance and Privacy Officer	Effective Date: October 13, 2011
	Subject: Conflict of Interest	Approved by:  Bruce S. Anderson HHSC PCEO
		Supersedes Policy: N/A
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I. **PURPOSE:** To provide procedures for reporting and addressing possible conflict of interests.

II. **PROCEDURES:**

A. Duty to Disclose: Persons with possible conflicts shall disclose the existence of any Financial Interest and be given the opportunity to disclose all material facts to the respective decision maker that is considering a proposed transaction or arrangement.

B. Procedures for Addressing the Conflict of Interest: Policies and bylaws of the governing body shall control the procedure to be followed in addressing the conflict. In the event a procedure has not been adopted, the following procedure shall be followed:

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

C. Violations of the Conflicts of Interest Policy: If the governing body has reasonable cause to believe a possible conflict of interest exists, it shall notify that member and afford the member the opportunity to explain why the alleged conflict of interest was not disclosed. If the

governing body determines that the member failed to disclose the conflict of interest, it shall take appropriate disciplinary and corrective action in accordance with its Policies/Bylaws.

- D. Disabling Guidelines: Under the following circumstances, a covered member or interested person should consider resigning, or may be asked to resign in the best interests of the organization:
1. Repeated, intentional failure to disclose a conflict of interest
 2. A single but significant, intentional failure to disclose a conflict of interest
 3. Intentional violation of the organization's confidentiality policy or code of conduct
 4. Engaging in any external conduct that the board construes may adversely impact the organization
 5. Serving as a board member, partner, investor, or senior executive of a direct competitor to the corporation or its subsidiaries (not to be construed as barring physicians whose practices offer routine services, such as in-office laboratories)
 6. Speaking publicly against positions of the board or the best interests of the hospital
Serving as an employee of the organization, or having an immediate family member who is a senior executive officer for the organization
 7. Family member is an employee or is a senior executive officer for the organization.
 8. Serving as an owner, partner, employee, board member, or investor of a vendor (professional services, financial institution, or other business) receiving a substantial amount of revenue from the organization which defined as the greater of \$300,000 or two percent of the annual revenues of that vendor in the preceding or current year.
- E. Record Keeping: The governing body shall record and maintain records of any real or possible conflict of interest declaration and the resulting actions taken, including the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and the content of the discussion, including any alternatives to the proposed transition or arrangement discussed, and a record of any votes taken. Violations of its conflict of interest policy shall be recorded and kept on record in accordance with state and federal law. Minutes of the meeting where the conflict was discussed shall suffice as the record for purposes of this requirement unless other documentation is required under state or federal law.
- F. Periodic Reviews: Periodic reviews shall be conducted by the governing body with the assistance of the Regional Compliance Officers and the Chief Compliance and Privacy Officer.
- G. Participation in Compensation Decisions. Any voting member of any committee or Board that receives compensation, directly or indirectly, from HHSC is precluded from providing information or voting on matters pertaining to that member's compensation. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.
- H. Annual Statements: Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:
1. Has received a copy of the conflicts of interest policy,
 2. Has read and understands the policy,
 3. Has agreed to comply with the policy, and;
 4. Understands that in order to maintain its tax exemption status HHSC must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The attached form is a suggested disclosure statement form that might be used.
(Attachment 1)

III. APPLICABILITY: These procedures apply to all HHSC facilities, covered and interested persons including employees, medical staff, Board members, and their family members.

IV. REFERENCE: HHSC Policy CMP 016A and all authorities therein.

ATTACHMENT 1: Conflict of Interest Reporting Form.

Attachment 1

CONFLICT OF INTEREST REPORTING FORM

Instructions: As required by Policy CMP 016A, each covered member (as defined in the policy) is required to disclose any potential or real conflict of interest. As part of that process, please complete the following information to the best of your knowledge. "NAME OF Region" includes any or all of the facilities in the region: NAMES HERE. When completed, please turn this form into NAME OF PERSON. This form is required to be completed upon appointment to a position or hire by the NAME OF Region and then annually thereafter on or before July 1 of each year. For further information or questions, please contact NAME, EMAIL, and PHONE NUMBER.

1. Date: _____

2. Name: _____

3. Address: _____

4. Relationship with NAME OF Region HHSC (Circle one):

- a. Director, Officer, or Member of the NAME OF Region's Executive Management Team
- b. Director, Officer, or Member of the NAME OF Region's Medical Executive Committee
- c. Director, Officer, or Member of the NAME OF Region's Board of Directors

5. Type of Possible Conflict of Interest (Circle all that apply):

- a. None (Skip to Question 10)
- b. Employee (Skip to end if this is the only item circled)
- c. Holder of a contract with a HHSC Facility
- d. Owner/part-owner/financial interest with contractor of a NAME OF facility
- e. Member of governing body/management team of holding a contract with the NAME OF Region
- f. Other (please describe): _____

6. Please fully describe the issue you circled in 5(c-f) above:

7. Amount of payment, remuneration, etc. (if any) received from each of the above identified conflicts (please itemize if more than one potential conflict issue):

8. Has your potential conflict been discussed with the State Ethics Commission?

- a. No
- b. Yes. If so, with whom, when, and what was the advice? _____

9. Any other information you need to disclose? _____

10. I certify to the best of my knowledge that the above information provided is complete and accurate to the best of my knowledge. I understand that the State Ethics Commission may be contacted for further consultation.

Signature

Date