

POLICY AND GUIDELINES

TOMAH HEALTH

TOMAH, WI 54660

EFFECTIVE DATE: 10/17/2023
DIVISION: Board of Directors
P&G #: 100-BOD-002
ORIGINATION DATE: 1/86
TITLE: Conflict of Interest
PAGE: 1 of 7

Author DATE: _____

Medical Staff President DATE: _____

Approved By: _____ DATE: _____
Board of Directors

INVOLVES

Board of Directors, Medical Staff, Allied Health Professional Staff, Administrative, Management staff and purchasing agents

PURPOSE

To ensure full disclosure, handling and documentation of actual and potential conflicts of interest by all members of the Board of Directors, Medical Staff, Allied Health Professional Staff, Administrative, Management staff and purchasing agents.

POLICY

This policy applies to all members of the Board of Directors, Medical Staff, Allied Health Professional Staff, Administrative, Management and purchasing agents. All members of the Board of Directors, Medical Staff, Allied Health Professional Staff, Administrative, Management staff and purchasing agents shall be prohibited from using their positions and status for financial and/or personal advantage. Their decisions shall not adversely affect the safety or quality of patient care, treatment and services provided at Tomah Health (TH). Further they 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. Conflict of interest policy is available upon request to patients, individuals who work in the critical access hospital, including staff and practitioners. Hospital contracts are reviewed taking conflict of interest into consideration.

DEFINITIONS

A. "Conflict of Interest"

A "conflict of interest" arises when a person with either a position of authority or the ability to influence TH decisions, such as a Leader or a Member, may benefit personally from a decision made directly or indirectly by him, her or TH.

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- B. "Leader" means a member of the Board of Directors, Medical Executive Committee or Administrative, Management staff and purchasing agents.
- C. "Member" means a member of the Board of Directors, Medical Staff, Allied Health Professional Staff and Administrative, Management staff and purchasing agents.
- D. "Material Financial Interest"
 - 1. A "Material Financial Interest" exists when a Leader or Member derives more than 5% of his or her annual income from (a) an employment, consulting, or other financial arrangement with, (b) a fiduciary relationship with or (c) an ownership interest in any entity involved in the manufacture, distribution or provision of medical devices, pharmaceuticals or health care related products or services that may be utilized in the care of TH patients.
 - 2. All Medical Staff and Allied Health Professionals acknowledge that patients need to be advised of Material Financial Interests in situations where that information is pertinent to informed consent.
 - 3. All Medical Staff and Allied Health Professionals who have a Material Financial Interest in any entity involved in the manufacture, distribution or provision of medical devices, pharmaceuticals or health care related products or services that may be utilized in the care of TH patients shall:
 - a. Ensure that such arrangements are documented in a written agreement established in advance;
 - b. Maintain documentation of the compensation received and the services provided; and
 - c. Ensure that any and all compensation is based on the provision of tangible services and not on the decision to use or recommend the use of a specific device, implant, drug or service for a particular patient or TH's patients generally.
 - 4. The term "Material Financial Interests" excludes:
 - a. a Leader's or a Member's ownership interest and financial/employment arrangements with his or her individual or group practice; and
 - b. a Leader's or a Member's ownership of less than a 1% interest in a publicly traded company.

E. "Personal Interest"

"Personal Interests" mean those interests which arise out of certain personal activities of a member or their Immediate Family Member and include, without limitation, status as a director, trustee, or officer of an entity which competes with TH; and otherwise having an interest that may diverge from TH's interests.

F. "Immediate Family Member"

"Immediate Family Member" means a spouse, domestic partner, in-law, parent, sibling or child of a Leader or a Member.

G. Compensation

Compensation includes direct and indirect remuneration as well as gifts and favors that are not insubstantial.

GUIDELINES

Required Disclosure

A. Areas that require disclosure by Leaders and Members include:

1. All Personal Interests and material Financial Interests that result in actual or potential conflicts of interest.
2. Ownership, management or investment in companies or organizations that engage in business with TH.
3. Directorship or participation in organizations involved with TH.
4. Acceptance of gifts or entertainment.
5. Participation in organizations that attempt to influence TH's policies or operations.

B. Administrative Management shall disclose outside employment.

C. The disclosure of confidential, proprietary and/or privileged information which belongs or relates to TH is expressly prohibited except as required or permitted by law.

D. All Leaders and Members shall submit an annual written statement of disclosure and shall disclose actual and potential Conflicts of Interest when they arise.

1. All Leaders and Members shall prepare and submit annual conflict of interest policy and Disclosure Statements, and shall disclose any actual or potential Conflicts of Interest that arise. Annual Disclosures will be submitted to the CEO and will be reviewed by the Board Executive Committee. The Board Executive Committee will determine what action will be taken, if any, outside of the presence of the member who has disclosed the situation.
 2. Leaders and Members shall report any circumstances, which they believe fall within the above guidelines. Reports will be made to the CEO and forwarded to the Board Executive Committee. The Board Executive Committee will determine what action is required, if any, outside of the presence of the Leader or Member who disclosed the circumstances.
- E. All Leaders and Members shall submit an annual Disclosure Statement pursuant to this Policy. The Disclosure Statement shall be updated promptly when a new Personal Interest or Material Financial Interest arises. The Board of Directors and the CEO will review and manage potential and actual Conflicts of Interest, in a manner appropriate and reasonable to the individual situation, obtaining the Leader's or Member's cooperation in the implementation of their recommendations to the greatest extent possible.
- F. Leader
1. Candidates for election or appointment as Leaders shall be afforded an opportunity, and have a duty, to disclose any actual or potential personal interest or material financial interest that a reasonable person would believe may have the potential to create a conflict of interest in representing, advocating for or otherwise serving in their position. Initial disclosures shall be in writing and signed at the time of election or appointment. Subsequent written disclosures shall be required from each Leader annually or at any time of change. Written disclosures of such interests shall be submitted to the CEO and shall be forwarded to the Board Executive Committee.
 2. Leaders shall verbally disclose all interests that could potentially constitute a conflict of interest in the course of meetings or other activity where such a disclosure may be relevant to the matter under consideration. Disclosures of such interests shall be made to the CEO. These verbal disclosures shall be recorded in the minutes of proceedings, as shall abstentions and removals based on conflicts of interest. Each disclosed interest shall be assessed by the pertinent body or committee on a case-by-case basis in conformity with this policy.

Remedial Measures

In the event a material financial interest or a personal interest is determined to create an actual conflict of interest, the conflict shall be resolved using the most appropriate and least disruptive remedial action available. When the conflict involves a Leader or Member the goal will be to preserve, to the maximum extent feasible, the ability of that Leader or Member to carry out the responsibilities of the role to which they have been elected or appointed. The following remedial measures are available:

A. Remedial Measures for conflict of interest

1. In order of increasing severity, a conflict of interest shall result in one or more of the following:
 - a. Disclosure of the conflict of interest;
 - b. Abstention from voting on the matter to which the conflict of interest relates; and
 - c. Removing the Leader or Member from the decision-making process and participation in, including the receipt of information related to, the matter to which the conflict relates.
2. If information about a matter is not to be disclosed on a “going forward” basis to the Leader or Member who has removed themselves for participation in the matter, the Leader or Member shall be informed of the fact they are not receiving information regarding the matter to which the conflict relates.

B. Involuntary Removal for conflict of interest

1. Where a Leader or Member fails to voluntarily disclose a potential conflict of interest, to abstain from voting, or remove himself or herself from the decision-making process and/or participation, and two-thirds of the committee or body of which that member is a member determines that the member should not participate in the matter at hand, such Leader or Member shall be disqualified from any further participation in that specific matter, so long as the matter remains under consideration.
2. Votes to involuntarily remove a Leader or Member may be based upon information obtained through disclosure by the Leader or Member, or credible information provided by others.
3. Before a vote is taken on whether involuntary removal is appropriate, the involved Leader or Member shall be notified of the possibility and given the opportunity to explain to the appropriate committee or body why he or she should be allowed to participate in the matter at hand.
4. Any Leader or Member with knowledge concerning the existence of an actual or potential conflict of interest or bias on the part of any other Leader or Member may call the conflict of interest 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.
5. The fact that a Leader or Member is on the same committee or body as a Leader or Member whose actual or potential conflict of interest is being reviewed does not automatically create a conflict of interest.

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6. The evaluation of whether a conflict of interest exists shall be interpreted reasonably by the persons involved, taking into consideration common sense and objective principles of fairness.
7. No Leader or Member has a right to compel disqualification of another Leader or Member based upon an allegation of conflict of interest.
8. The fact that a Leader or Member voluntarily chooses to refrain from participation in a decision, or is excused from participation, shall not be interpreted as a finding of actual conflict.

C. No Forfeiture of Position

Under no circumstances shall the existence of a conflict of interest or a removal (whether or not voluntary) result in dismissal from or forfeiture of an elected or appointed position by the person or group electing or appointing that Leader or Member.

D. Denial, Dismissal or Restriction

Denial, dismissal from or restriction of position of a Member of the Board of Directors, Medical Staff, Allied Health Professional Staff, Administrative, Management staff or purchasing agents based upon the existence of Material Financial Interest or a Personal Interest, or based on the existence of a conflict of interest, is never appropriate.

Recordings of Procedures

The minutes of the Board of Directors and the Board Executive Committee shall include:

- A. The name of the Leader or Member who disclosed or otherwise was determined to have a material financial interest or personal interest in connection with the actual or potential conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or Board Executive Committee's determination as to whether a conflict of interest existed.
- B. The names of the Leaders and Members who were present for the discussions and votes relating to the potential conflict of interest, the content of the discussion, and a record of any votes taken in connection with the determination whether a conflict of interest existed.

Periodic Reviews

To ensure operation of TH in a manner consistent with its exemption from federal income taxes, 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:

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1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures arrangements, and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, and do not result in private inurement, or impermissible private benefit.

Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may use outside advisors except as may otherwise be provided by decree of a court of competent jurisdiction. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Contracts

Contracts shall specify any conflict of interest guidelines and disclosure is to be made available upon request.

Policies

Policies, procedures and information relative to care, treatment and services and financial incentives are available upon request.

FORMS

Conflict of Interest Policy Disclosure Statement-Tomah Health

COMPETENCY/REFERENCE DOCUMENTS (RD)

None

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

FROM: Chief Executive Officer

DATE: (Indicate – Month/Year here)

SUBJECT: **CONFLICT OF INTEREST POLICY
& DISCLOSURE STATEMENT-
TOMAH HEALTH**

The attached conflict of interest policy was approved and adopted by the Board of Directors. Each year the Board of Directors, the Medical Staff, Allied Health Professional Staff, Administrative Management and purchasing agents 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 Tomah Health's Conflict of Interest Policy;
- I have read and understand the Conflict of Interest Policy;
- I agree to comply with the Conflict of Interest Policy;
- I understand that Tomah Health 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, Tomah Health 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, Allied Health Professional, Administrative Management, purchasing agents): _____