

# EMORY HEALTHCARE

<b>DEPARTMENT:</b> Office of Compliance Programs	<b>POLICY DESCRIPTION:</b> Conflicts of Interest for Employees
<b>REVISED:</b> 8/01/08	<b>REPLACES POLICY DATED:</b> 8/18/05
<b>EFFECTIVE DATE:</b> 1/26/00	<b>REFERENCE NUMBER:</b> OCP.001

**SCOPE:** Emory Hospitals, The Emory Clinic, Inc., Emory Children’s Center, Inc., Emory Specialty Associates, Dialysis Access Center of Atlanta, Emory Healthcare Corporate Office, The Wesley Woods Center of Emory University, Inc.\*

**PURPOSE:** To establish guidelines and administrative oversight for the avoidance of conflicts of interest.

**POLICY:** Emory Healthcare, Inc. and its related entities and operational units (collectively referred to throughout this policy as Emory Healthcare) are prohibited from engaging in any activities where the primary purpose is to financially benefit an individual. Moreover, the tax-exempt status of Emory Healthcare prohibits any corporate income to benefit any individual or group of individuals. It is the policy of Emory Healthcare that all full-time and part-time employees avoid any conflict, or appearance of conflict, between their personal interests and the interest of Emory Healthcare when they are dealing with any individual or organization having, or seeking to have, any business relationship with Emory Healthcare. Emory Healthcare conducts its business to further its charitable purposes and uses its resources to benefit the community. Resources may not be used to benefit the private interests of any individual within Emory Healthcare. Emory Healthcare must be free from the undue influence of outside interests.

Situations where personal interests or outside activities influence, or appear to influence, decisions in performing duties for Emory Healthcare must be avoided. While each situation is different, conflicts of interest, potential conflicts of interest or the appearance of a conflict of interest, may arise from the following examples of activities:

- You have a personal or family\*\* financial interest\*\*\* in a competitor, supplier or entity that does business with Emory Healthcare;
- Your involvement in outside business activities, such as other employment, interferes with your ability to perform your duties for Emory Healthcare;
- You use Emory Healthcare materials, equipment or business information for personal or non-Emory purposes;
- You receive payment or expenses for attending or participating in seminars, consulting or other activities from current or potential vendors;
- You receive or request gifts, loans, entertainment or anything of value from a person or organization that does business with or may want to do business with Emory Healthcare (this does not include gifts received or given as business courtesies or token of friendship that have a nominal value and are not related to any particular transaction or activity of Emory Healthcare nor gifts given to Emory Healthcare for charitable purposes);
- You give or offer gifts or other items or services that are, or may appear to be, intended to influence the decision to do business with Emory Healthcare or to obtain more favorable Contract terms.

\*It should be noted that this policy covers Conflicts of Interest for Emory Healthcare issues as distinguished from the policy for Emory University School of Medicine Form for Disclosure of Consulting Agreements and Financial Interests in Research, and Conflicts of Commitment.

\*\*Includes a spouse, sibling, child, grandchild, or parent or any spouse of such person or any individual living in the home of the employee.

\*\*\* “Financial interest” as used in this policy does not include ownership of interests in diversified investments (e.g., mutual funds, retirement plans) where the employee or consultant does not control investment decisions, nor does it include non-controlling ownership of securities in large, publicly-held corporations unless the activities of the employee could have an other than inconsequential effect on the value of such securities.

**PROCEDURE:**

1. The Office of Compliance Programs shall be responsible for distributing the Conflicts of Interest Policy and Disclosure Statement to Department Administrators/Department Heads at the beginning of each fiscal year.

2. Each entity is then responsible for distributing the Conflicts of Interest Policy and Statement to all personnel at the manager level and above by September 1 of each year. All personnel at the manager level and above are required to complete the Conflicts of Interest Disclosure Statement.

All physicians who are members of The Emory Clinic or Emory Children's Center are required to complete the Emory Healthcare, Inc. Conflicts of Interest Disclosure Statement as set forth in this paragraph. The Emory Healthcare Conflict of Interests Disclosure Statement for the physicians will be completed in electronic format in conjunction with the annual School of Medicine Form for Disclosure of Consulting Agreements and Financial Interest in Research, and Conflicts of Commitment.

3. All Conflicts of Interest Disclosure Statements shall be completed and returned to the Department Administrator/Department Head by September 30th of each year. These statements shall be retained for a period of seven years.

4. Department Administrators/Department Heads shall review the Conflicts of Interest Disclosure Statements and maintain the original in the department. If a statement contains a disclosure of a conflict or potential conflict the COI Disclosure Statement should be sent to the Office of Compliance Programs, by October 30th of the fiscal year.

5. Department Administrators/Department Heads shall certify to the Emory Healthcare Compliance Officer that the employees in their area that are required to complete the COI statement have done so and same has been reviewed by the Department Administrator/Department Heads. The certification shall also state that any COI statements that disclose a COI or potential COI has been sent to the Emory Healthcare Compliance Office.

6. An employee who receives an invitation to attend vendor-promotional training, seminars or trips, which may include travel, lodging and/or entertainment expenses must obtain the approval of his/her supervisor. The amount of time engaged in vendor-training substantive matters must outweigh the amount of time spent in recreation/entertainment. The employee shall provide the supervisor with sufficient documentation (course description, etc) to assess whether substantive content of the vendor training, or seminar outweighs the non-substantive content. If the vendor-promotional training or seminar involves travel outside the continental United States or lodging in excess of two nights, the employee's supervisor must forward the request for approval to the Chief Compliance Officer for review and approval.

7. Any potential or actual conflict, which arises during the year, must be disclosed to the Chief Compliance Officer within 10 business days of your learning of it.

**CROSS-REFERENCE:**

- 42 United States Code sec. 1320a-7b(b) – Federal Anti-Kickback Statute
- 42 United States Code sec. 1395nn – Ethics in Patient Referrals Act (Federal Physician Self-Referral Laws)
- Official Code of Georgia 43-1B-1 to 8 – Georgia Patient Self-Referral Act of 1993
- Emory Healthcare Compliance Program Manual: Conducting our Business/Conflicts of Interest
- Emory Hospitals Code of Ethical Behavior
- Emory University Conflicts of Interest Policy
- Emory Hospitals Pharmaceutical Representative Policy

**EMORY HEALTHCARE, INC.**  
**CONFLICTS OF INTEREST FOR EMPLOYEES**

**Frequently Asked Questions**

1. **What is a conflict of interest?** A conflict of interest is a situation wherein an employee has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties and/or professional judgment especially if those interests or commitments are not disclosed.
2. **What is a potential conflict of interest?** A situation that may develop into an actual conflict of interest.
3. **What is an appearance of a conflict of interest?** A reasonable person would believe that a situation exists where official duties or professional judgment would be compromised. The mere appearance of a conflict may be as serious and potentially damaging as an actual conflict.
4. **If I am involved in a conflict of interest situation does that mean I'm doing something wrong?** Not necessarily. It is not an accusation and does not necessarily imply that an employee's judgment has been comprised.
5. **How do I determine if I have a conflict of interest?** You should ask yourself if the situation would interfere or even have the appearance of interfering with the independent judgment you should show when performing your professional duties. If you knew someone had a similar conflict would you trust his or her judgment? In many cases only the individual will be aware of a conflict or potential conflict so it is very important to inform the appropriate Director/Administrator of a potential or actual conflict of interest.
6. **Why do we have to be concerned about conflicts of interest?** There are laws that prohibit certain conflict of interest situations. In addition conflicts of interest may adversely affect public perception of you and the organization, as well as adversely affect internal perception.
7. **What may happen if there is a conflict of interest and it is not revealed or managed appropriately?** Failure to disclose a conflict in violation of Emory Healthcare's policy could lead to adverse employment action, including termination. Certain conflict of interests may lead to an investigation by state or federal officials, which in turn may lead to criminal prosecution or a civil legal action. It is very possible that there may be adverse press coverage for yourself and the organization.
8. **My spouse and I are both employed by an Emory Healthcare operating unit. Do we have a conflict if interest?** You should not have a conflict unless there is some type of supervisory relationship between the spouses.
9. **A vendor that does business with my department is offering to fly me to Arizona for a 2-hour seminar on their new medical equipment and then provide five days of all expense paid recreation at a local resort. Does this pose a conflict of interest?** Yes, it appears that the substantive content of the vendor seminar does not outweigh the amount of time spent in recreational activities and this gives the appearance that the vendor is trying to influence purchasing decisions of the organization.
10. **What is the Anti-Kickback Statute?** The Anti-Kickback Statute is a federal law that makes it a crime to offer, pay, solicit, or receive anything of value to induce referrals of items or services that may be paid for by the Medicare program. For example, a durable medical equipment company that receives payment from Medicare could not pay or even offer to pay the organization,

employees or physicians anything of value (i.e. money, gift certificates, trips) in return for referring patients to or ordering equipment from the DME, company -- referrals to the DME company or orders for durable medical equipment should be made based on medical need of the patient.

11. **Are there any exceptions to the Anti-Kickback Statute?** There are exceptions to the Anti-Kickback Statute. These exceptions are called safe-harbors. The government recognizes that there are relationships between healthcare providers that are necessary in order to provide appropriate patient care. For additional information on the Anti-Kickback Statute please contact the Office of Legal Services or the Office of Compliance Programs.
12. **What is the Ethics in Patient Referrals Act?** The Ethics in Patient Referrals is commonly referred to as the Stark laws. This is a federal civil law that prohibits physicians from referring their patients to entities in which the physician or the physician's immediate family member has a financial interest. These referrals are prohibited for certain services called designated health services. Georgia also has a similar law entitled Georgia Patient Self-Referral Act.
13. **Are there any exceptions to the Stark laws?** There are also designated safe harbors for certain arrangements under the Stark laws. For additional information on the Stark laws please contact the Office of Legal Services or the Office of Compliance Programs.
14. **I own stock in a publicly traded pharmaceutical company. Is this a conflict of interest?** Investments in publicly traded companies are not considered conflicts of interest unless your activities could have other than an inconsequential effect on the value of the stock of such company