

TITLE: Conflict of Interest and Conflict of Commitment

IDENTIFIER: S-FW-LD-1013

EFFECTIVE:

APPROVED: Executive Cabinet 03/29/11

 Acute Care:ENC: 04/11GH: 04/11

ORIGINAL FORMULATION: 09/95

LJ: 04/11MER: 04/11

REVISED: 03/02, 02/05, 02/06, 03/08, 03/11

 Home Health:04/11

REVIEWED:

 SHAS:04/11 SMF:SC: 04/11SCMC: 04/11CSC: 04/11**KEYWORDS: Gifts, Gratuities, Business Meals, Business Entertainment, Cash, Gift Cards, Favors, Honoraria, Consulting, Remuneration, Tips****I. PURPOSE**

The purpose of this policy is to restate the established standards of expected conduct for Scripps Health and its employees; provide guidelines to avoid conflicts of interest or unethical or unlawful practices; and ensure that health care and related activities are conducted free from undue influence or the perception of such influence arising from outside obligations.

II. POLICY

Employees are expected to maintain appropriate relationships with third parties, including patients and their families, health care practitioners, donors, suppliers, subcontractors and competitors so no third-party has an opportunity or appears to have an opportunity to inappropriately influence Scripps Health decisions or activities.

Conflict of Interest should be avoided. Employees may not accept any cash or cash equivalent from third parties. Personal benefits, gifts or favors, directly or indirectly; non-business entertainment; or other remuneration from outside third parties should be avoided when such acceptance, whether considered individually or in the aggregate, could influence or appear to influence the exercise of independent and objective judgment in their decisions or actions on behalf of Scripps Health.

Conflict of Commitment should be avoided. Employees should not use organizational resources or paid Scripps time for personal or non-Scripps Health business purposes. Employees should not engage in outside business interests, public service, or professional organizations which result in conflicts regarding allocation of time or energies, or concerning one's professional loyalty to Scripps.

- A. **Annual Disclosures Requirement:** Within 45 days of hire and annually thereafter all supervisors and above; all employees in the Supply Chain Management Department, Audit & Compliance Services Department, System-wide Staffing Resource Services (AKA Site Staffing Offices), and Case Management Department or function; any employee who is in a position to directly refer patients that are federally funded healthcare beneficiaries to other providers and services; and others as determined by the Conflicts and Business Practices Review Committee will be required to complete and sign the Conflict of Interest/ Commitment Disclosure Form.

B. **Situational Disclosures Requirement:** It is the responsibility of any employee to promptly disclose a potential or actual situation creating a possible conflict of interest or conflict of commitment that arises during the year to their supervisor. Examples of conflicts which could require situational disclosures include:

- A change in outside professional activities;
- A change in financial interest;
- A potential or actual conflict of interest;
- A change in other commitment situation
- An employee receives remuneration or gift greater than or equal to \$50.00 from a third party.

Supervisors will assess the situation and refer to their business unit management and/or the Conflicts and Business Practices Review Committee, these situational disclosures, as appropriate.

C. **Employees who may not accept personal benefits:** Employees in a position to directly refer patients (for example Case Managers), who are federally funded healthcare beneficiaries, to other providers and services may not accept personal gifts, favors, or benefits **in any amount** from any third party which provides care, services, equipment, medications, or other benefits to Medicare or Medi-Cal program beneficiaries.

D. **Personal Benefits, including Gifts, Gratuities, Cash, or Favors Disclosures Requirement:**

1. No employee or family member shall accept a cash or gift of any amount or a gift, gratuity, entertainment or favors of such value or significance that their receipt might reasonably be expected to interfere or appear to interfere with the exercise of independent and objective judgment.
2. The following provides more specific guidelines about the acceptance of items or services from third parties such as patients, patients' families, affiliated medical providers, physicians, donors, and any business enterprise that is a current or prospective supplier, lessor or lessee. (See Definitions, Attachment A).
 - a. Personal Gifts, Favors or Benefits: No personal gifts, favors, or benefits should be accepted by an employee unless the item has a value less than \$300.00 and the annual aggregate of any such gifts does not exceed \$300.00 from any single third party. All personal gifts, favors, or benefits with value exceeding \$50.00 must be immediately disclosed to an employee's supervisor and be documented on the employee's annual conflicts of interest disclosure form.
 - b. Cash or Cash Equivalent Gifts: Employees should never accept cash or cash equivalents from third party. Cash or cash equivalents include gift certificates, gift cards, checks, stocks and bonds, etc. If a patient, family member, vendor, physician, or other third party offers a cash or cash equivalent gift, the employee should promptly refer the individual to the department manager or appropriate foundation office where arrangements for a donation to Scripps can be made.

- c. Perishable or Consumable Gifts may be accepted as long as they are reasonable in value and shared with a department or group (rather than consumed by an individual as a personal gift which makes such items subject to the above personal gift limitations and disclosures).
 - d. Business Meals and Business Entertainment: paid for by third parties may be accepted provided Scripps business is being conducted, dollar value is reasonable, and such activities occur in a manner and location conducive to the conduct of business so as not to be construed as personal benefits. Business meals and entertainment normally does not include an employee's family members.
- E. **Prohibited Activities:** Employees shall refrain from all prohibited activities as outlined below.
 - 1. *Unlawful Activities:* No employee shall participate in or accept any plan, transaction, or arrangement that he or she knows or suspects is unlawful.
 - 2. *Professional activity honoraria, consulting fees or other remuneration:* No employee should accept professional activity honoraria, consulting fees or other remuneration in any amount for activities performed or created during Scripps working time.
 - 3. *Disclosure or Use of Confidential Information:* No employee shall disclose confidential information about patients; employees; or financial, operating, medical or other information related to Scripps Health intended to be privileged or confidential to any person or organization, or make use of such information for personal or any other person's gain.
 - 4. *Political Activities:* No employee shall, on behalf of or in the name of Scripps Health, participate in or contribute to the campaign of any candidate for public office, nor shall Scripps Health resources (including copy machines, fax machines, phones, letterhead, office time, etc.) be used by employees for such purpose.
 - 5. *Impairment of Scripps Health Interests:* No employee shall, for personal or any other person's gain, prevent Scripps Health from receiving any opportunity for benefit that could be related to any existing or future activity of Scripps Health.
- F. **Education:** All employees will receive education on the Conflicts of Interest and Conflicts of Commitment Policy (Conflicts Policy) as part of the new hire process and receive periodic awareness communications through Standards of Conduct and other Compliance Program education.

III. RESPONSIBILITIES

This policy applies to all employees of Scripps Health. All management (supervisor and above) personnel have an obligation to become familiar with the provisions of this policy, and to counsel their staff regarding conflicts of interest and commitment inherent to their department's operations and to bring potential issues to the attention of their business unit management and the Conflicts and Business Practices Review Committee.

IV. PROCEDURES

- A. **Required Disclosures:** Employees are required to disclose any of the following activities or relationships on their annual disclosure form, if a designated person for annual disclosures, and/or on a situational basis such activity occur during the year:
1. *Relationships with Competitors:* Employees shall disclose situations where they directly or indirectly (e.g., through a family member) have a financial interest of \$10,000 or more (including ownership of stock, stock options, equity, debt, other securities, other form of ownership interest, salary or other remuneration for services as a employee, consultant, officer, or board member) in any business or health care enterprise that produces services or products which compete with those of Scripps Health.
 2. *Relationships with Organizations Doing Business with Scripps Health:* Employees shall disclose situations in which they directly or indirectly (e.g., through a family member) have any financial interest of \$10,000 or more (including ownership of stock, stock options, equity, debt, other securities, other form of ownership interest, salary or other remuneration for services as a consultant, officer, or board member) in any business or health care enterprise that does business with Scripps Health.
 3. *Personal Business Transactions with Scripps Health:* Employees shall disclose situations in which they directly or indirectly own, trade, or deal in real estate, materials, supplies, equipment or other property with the intent of selling, renting or contracting to Scripps Health. In addition, no employee shall simultaneously work as a consultant for Scripps or otherwise be compensated by Scripps for personal services.
 4. *Outside Remuneration:* For conflict of commitment purposes, employees shall disclose situations in which they receive remuneration greater than \$10,000 from sources other than competitors or organizations doing business with Scripps, including consulting fees for services provided to a third party source.
 5. *Certain Outside Roles and Commitments:* Employees shall disclose situations in which they serve as an officer, director, employee, committee member, advisor, agent, representative or consultant or in any other professional activity capacity for any company, firm or business other than Scripps Health.
 6. *Employment of Relatives and Partner Relationships in the Workplace:* In accordance with the [Employment of Relatives and Partner Relationships in the Workplace](#) (S-FW-HR-0213) policy employees shall disclose any situation in which their relationship with a Family Member results in a potential, perceived or actual conflict of interest. A conflict of interest may be the result of a direct reporting relationship (e.g., a supervisory relationship) or an indirect reporting relationship (e.g., if one employee holds a position which may influence the status or compensation of a Family Member).
- B. **Disclosures Required upon Hire or Promotion:** Management employees and other employees designated in this policy are required to complete the [on-line Conflict of Interest / Commitment Disclosure Form](#) within 45 days of hire, promotion or transfer, to an applicable position.

Applicable employees will receive notification with a link to this policy and the [on-line Conflict of Interest / Commitment Disclosure Form](#) to be completed and submitted electronically. Disclosures are handled confidentially and will be reviewed by Corporate Compliance, in confidence, on behalf of the Conflicts and Business

Practices Review Committee. Disclosures requiring mitigation will be discussed with the business unit's chief executive and employee supervisor.

- C. **Annual Disclosures:** Management employees and other employees designated in this policy are required to complete the on-line Conflict of Interest / Commitment Disclosure Form on an annual basis.
1. Corporate Compliance will administer the Scripps Annual Conflict of Interest / Commitment disclosure processes by sending out a copy of this policy to management employees and others designated in this policy with instructions and links to the on-line Conflict of Interest / Commitment Disclosure Form.
 2. Disclosures will be reviewed by the Conflicts and Business Practices Review Committee. Disclosures requiring mitigation will be discussed with the business unit's chief executive and employee's supervisor.
- D. **Situational Disclosures:**
1. Any employee, regardless of their position, must disclose any of the activities outlined in Section "IV. A" to their immediate supervisor as soon as the situation arises.
 2. In addition, management employees (supervisors and above) are required to obtain explicit prior review and approval from their supervisor, business unit chief executive AND the Conflicts and Business Practices Review Committee prior to engaging in any of the activities described in Section "IV. A".
- E. **Vendor-Promotional Training Disclosures:** An employee who receives an invitation to attend vendor-promotional training (paid by the vendor), which may include travel, lodging or modest entertainment expenses must obtain the approval of his/her supervisor and Cost Center Director before accepting the invitation.
1. The employee will provide their supervisor with sufficient information (such as a course description and/or the letter of invitation) for the supervisor to assess whether the substantive content predominates over the non-substantive content.
 2. The supervisor will make a determination as to the value of the time to be spent on substantive matters as compared to time spent in recreational or entertainment activities.
 - a. The value of the time engaged in substantive matters must predominate in order for acceptance of such vendor offers is to be permitted.
 - b. The supervisor may also consult with the Corporate Compliance Department to assist with an objective initial assessment of the situation.
 - c. The Conflicts and Business Practices Review Committee may be asked to provide a review in situations where policy compliance is unclear.

V. ATTACHMENTS

- A. Attachment A: *Definitions*
- B. Attachment B: *Conflict of Interest/Commitment Disclosure Form for Scripps Employees*

VI. RELATED FORMS/DOCUMENTS

- A. [Online Conflict of Interest / Conflict of Commitment Disclosure Form for Employees](#)
- B. [Conflict of Interest Policy Example Matrix](#); SW-HR-0908 B

VII. RELATED POLICIES

- A. [Contracting and Signing Authority](#); S-FW-LD-1001
- B. [Travel and Expense Reimbursement](#); S-FW-LD-5204
- C. [Standards of Conduct](#); S-FW-LD-1004
- D. [Employment of Relatives and Partner Relationships in the Workplace](#);
S-FW-HR-0213

VIII. SUPERSEDED

Conflict of Interest and Conflict of Commitment; S-FW-HR-0908 03/08

Attachment A: Definitions***Conflict of Interest and Conflict of Commitment***

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Business Entertainment: Business entertainment paid for by third parties are allowed provided it is conducted with a business purposes. Business entertainment normally does not include an employee's family members and should be accepted infrequently. If the entertainment does not include the active conduct of business it is considered a gift, and therefore is subject to the regulations outlined in section C: Personal Benefits, including gifts, gratuities, or cash favors.

Business Meals: Business meals paid for by third parties are allowed provided they are conducted with a business purpose. Business meals should occur in a venue and manner conducive to business. Business meals within the workplace should be discussed and coordinated with business unit chief executive if they seem extraordinary or occur too frequently. Take out meals or meals without a company representative present are considered personal benefits since no business is being conducted, and therefore is subject to the regulations outlined in section C: Personal Benefits, including gifts, gratuities, or cash favors.

Cash or Cash Equivalent: Checks, Cash, Gift Certificates, Gift Cards and Stocks.

Conflict of Commitment: Involvement by an employee in an outside business interest, public service, or professional organization that results in conflicts regarding allocation of time or energies, or concerning one's primary professional loyalty.

Conflicts and Business Practices Review Committee: The President / CEO has designated the General Counsel, Vice President-Chief Audit, Compliance & Information Security Executive, and Director of Corporate Compliance Program to serve as the Scripps Health Conflicts and Business Practices Review Committee. As situations arise, the Conflicts and Business Practices Review Committee will normally be expanded to include an employee's supervisor, the business unit chief executive, and the SVP, Human Resources, as required. This Committee has the authority to manage, control and/or prohibit an employee's activities involving a potential or actual conflict of interest and/or prohibited activity.

Conflict of Interest: Any situation in which an employee, either directly or through a friend, spouse, parent, child or other family member, has the opportunity or appears to have the opportunity to influence or control Scripps Health decisions or activities or to use any resources or information which is confidential or proprietary with respect to Scripps Health in ways that could lead to professional, personal or economic gain or give improper advantage to associates outside of Scripps Health. A conflict of interest also occurs when an employee uses any organizational resource or information that is confidential or exclusive to Scripps Health in ways that could lead to professional, personal or economic gain or that would lead to such gain by associates outside of Scripps Health.

Consumable or Perishable Gifts: Holiday gift baskets, floral arrangements, snacks, etc...

Organizational Resource: Property belonging to Scripps Health such as telephones, computers, department policies and procedures manuals, supplies and materials.

Personal Gifts, Favors or Benefits: Items or services provided at no charge or at a discounted rate that are intended for the sole personal benefit of the employee or family member. (e.g., golf bags, perfume, cell phones, iPods, other electronic devices, use of vehicle or vacation facility,

Attachment A: Definitions
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meals, tickets to sporting or entertainment events or sponsorship of departmental parties or social events). The potential list is endless—these are only intended as examples.

Family Member: The following relationships constitute a Family Member:

• Spouse, registered domestic partner or similar relationship	• Children
• Parents	• Grandparents
• Grandchildren	• Siblings
• Legal Guardians	• Cousins
• Nieces	• Nephews
• Aunts	• Uncles
Step and in-law relatives of all of the preceding categories	

Remuneration: Any payment received, directly or indirectly, overtly or covertly, in cash or in kind (examples include but are not limited to: salaries, honorariums, gifts or gratuities, educational offerings, trips, expense reimbursement).

Third Party: A person not employed by Scripps Health or an organization not owned by Scripps Health, which can include but not limited to patients and their family members; physicians or other practitioners; donors; suppliers; vendors; sub-contractors; and competitors.

Vendor-Promotional Training: Training or education (including travel and lodging) provided by any person for the purpose of promoting its products or services, including vendor-sponsored seminars. Promotional training does not include training provided under a contract with the Company or by a contractor to facilitate use of products or services it furnishes under an existing contract with the Company.

Attachment B: Conflict of Interest/Conflict of Commitment Disclosure Form
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Read the [Conflict of Interest and Conflict of Commitment](#) (S-FW-HR-0908) policy and the [Employment of Relatives and Partner Relationships in the Workplace](#) (S-FW-HR-0213) policy and answer the following questions in order to identify and properly manage or avoid potential conflicts of interest and/or conflict of commitment.

The following constitutes a family member relationship; spouse, registered domestic partner or similar relationship, parents, children, siblings, grandchildren, grandparents, legal guardians, aunts, uncles, cousins, nieces, nephews, step and in-law relatives of the preceding categories.

Remuneration is considered any payment received, directly or indirectly, overtly or covertly, in cash or in kind (examples include but are not limited to: salaries, honorariums, gifts, or gratuities, educational offerings, trips, expense reimbursement).

(ANY DISCLOSURES MADE BELOW DO NOT NECESSARILY MEAN THAT AN ITEM IS AN ACTUAL CONFLICT OR A PROHIBITED ACTIVITY)

1. Organizations doing Business with Scripps Health or Competing with Scripps Health:

- a. Do you, or any Family Member, own any stocks, stock options, bonds or other securities or form of financial or ownership interest (other than mutual funds) in an amount \$10,000 or more in any organization which conducts business with or competes with Scripps Health? If yes, please describe.

Yes No

- b. Do you, or any Family Member, serve as an officer or director for any company or organization doing business with Scripps Health or competing with Scripps Health? If yes, please describe.

Yes No

2. Outside Commitments: Do you serve as an officer or director for any company or organization other than Scripps Health and its affiliates? If yes, please describe.

Yes No

<u>Organization</u>	<u>Role</u>	<u>Approximate Hours per Year</u>

Attachment B: Conflict of Interest/Conflict of Commitment Disclosure Form
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3. **Outside Employment, Consulting, Honorariums, Stipends, or Expense Reimbursement:** Have you received any remuneration or compensation for your services or expense reimbursements from any third party source within the last 12 months? If yes, please describe.
 Yes No

<u>Organization</u>	<u>Type of Remuneration</u>	<u>Approximate Hours per Year</u>

4. **Personal Gifts, Benefits, and Favors Received:** Did you, or any Family Member, receive any personal gifts, benefits, or favors from third parties in your capacity as a Scripps Health employee during the previous calendar year with a value of \$50.00 or more? If yes, please include source of the gift, value, and date received. Examples include non-business meals, non-business entertainment, subsidized travel, golf, merchandise, and tickets to events or discounts.
 Yes No

<u>Received From</u>	<u>Description</u>	<u>Date</u>	<u>Approximate Value</u>

5. **Purchase and Sale:** Do you, or any Family Member, presently expect to financially benefit from any transaction involving the sale, lease, or purchase of equipment, real estate, or other property to, from or by, Scripps Health? If yes, please describe.
 Yes No

6. **Employment of Family Members in the Scripps Workplace:**
a. By clicking YES, I attest that I do not supervise a Family Member nor does a Family Member supervise me in my work at Scripps. If no, please explain.
 Yes No

<u>Your Role</u>	<u>Your Department</u>	<u>Family Members Name</u>	<u>Family Members Role</u>	<u>Family Members Department</u>

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- b. Does any Family Member work in the same Business Unit, Department, Division or Section as you?
 Yes No

<u>Your Role</u>	<u>Your Department</u>	<u>Family Members Name</u>	<u>Family Members Role</u>	<u>Family Members Department</u>

7. **Acknowledgement:** By clicking YES, I acknowledge that I have received, read and understand the Scripps Conflict of Interest and Conflict of Commitment Policy.
 Yes No
8. **Certification:** By clicking YES, I certify that I have provided complete and accurate answers regarding required disclosures of Conflict of Interest and Conflict of Commitment, and the Employment of Family Members in Workplace policies. I also acknowledge that by continuing to accept employment at Scripps, I agree to abide by this policy.
 Yes No

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