

Conflict of Interest Policy

		Old Policy Number:	N/A
		New Policy Number:	X.022.1.100
Manual Name:	Administrative		
Scope(s):	Clinics Central Region	Hospital Continuing Care	
	Clinics College Station Region	Hospital Hillcrest Baptist	
	Clinics Hill Country Region	Hospital King's Daughters	
	Clinics Round Rock Region	Hospital Llano	
	Clinics Scott and White Region	Hospital Metroplex	
	Clinics Temple Memorial	Hospital Round Rock	
	Home Health	Hospital Santa Fe Skilled Nursing Facility	
	Home Infusion Services	Hospital Taylor	
	Hospice	Hospital Temple Memorial	
	Hospital Brenham		
Revisions:	New Policy and Procedure		
Review Responsibility (Committee or Title):	Clinic Board of Directors		
Approved:	02/2011		
Reviewed:	02/2011		
Revised:			
KEYWORDS:	Conflict of interest; x.022.1.100; employees; federal laws; state laws; disclosure form; personal gifts; donations of equipment; monetary donations; meals; prescription drug samples; travel paid by industry; industry representative access; academic support; industry sponsored scholarships; educational funds; industry-sponsored programs; industry marketing; flyers; invitations; agreements; contracts with third parties; legal department; intellectual property; reporting conflicts of interest; principal investigator; research; human subject research; financial interest;		

I. PURPOSE:

Employees throughout the S&W Healthcare system (S&W) are to report any activity that is in conflict or potential conflict with the proper discharge of their duties or responsibilities, or that is in conflict with the institution's well-being. This pertains not only to the individual's personal conduct, but also to the manner in which the employee conducts his/her business, financial and professional activities.

The purpose of this Conflict of Interest Policy (the "Policy") is to assure appropriate interactions between S&W employees and third parties regarding patient care, education, research, and corporate business practices. This Policy provides guidelines for responding to certain situations which, if mis-handled, could result in a conflict of interest.

This Policy is intended to supplement, and not replace: (1) the Conflict of Interest Policy set forth in the bylaws of Scott & White Healthcare and/or any affiliate of Scott & White Healthcare, (2) the Employee Handbook, (3) the Guiding Business Principles, and/or (4) any other S&W

publication, policy, or procedure that provides general information or describes the manner in which employees should deal with specific situations. Due to the nature of S&W's operations and variations necessary to accommodate individual situations, the guidelines set forth in this Policy may not apply to every employee or in every situation. S&W reserves the right to rescind, modify or deviate from these or other guidelines, policies, practices or procedures from time to time as it considers necessary, at its sole discretion, either in individual or organization-wide situations, with or without notice.

Employees are reminded to further ensure their activities comply with all state and/or federal laws and regulations, including but not limited to IRS guidelines.

II. SCOPE:

This Policy shall apply to all employees organization-wide, including but not limited to employees of S&W's affiliated entities.

III. DISCLOSURE:

S&W employees are to complete a Conflict of Interest Disclosure Form (a "Disclosure Form") and to keep it up-to-date with current information. Employees will be provided instructions for completing and submitting the Disclosure Form.

IV. GUIDELINES FOR ALL SCOTT & WHITE EMPLOYEES:

A. Gifts :

1. **Personal Gifts:** Personal gifts from industry to S&W employees are prohibited, including entertainment, recreation and non-approved travel.
2. **Donations of Equipment:** Equipment may be donated to S&W through the Corporate Relations Division of the Development Office. The Development Office shall obtain the estimated value and source of such donation and report the information to the Operational Conflict of Interest (OCI) Committee. Distribution of the equipment will be determined by the Development Office (in consultation with Supply Chain Services), or by the Chairman of the department (or equivalent position) for which the donation was intended, with no involvement by the donor industry. Distribution of such equipment may be audited by the OCI Committee. The receipt, but not the dollar value, of each donation of equipment may be made publically available. Donations, including the amounts, may be disclosed to outside authorities as legally required.
3. **Monetary Donations:** Money may be donated to S&W through the Corporate Relations Division of the Development Office. The Development Office shall deposit the money into an appropriate designated account. The amount of each donation and the source of such donation shall be reported to the OCI Committee. Distribution of the money will be determined by the Development Office, or by the Chairman of the department (or equivalent position) for which the donation was intended, with no involvement by the donor industry. Distribution of such money may be audited by the OCI Committee. The receipt, but not the amount, of each monetary donation may be made publically available.

Donations, including the amounts, may be disclosed to outside authorities as legally required.

B. Meals:

1. On-site: Funding from industry to provide meals on-site to S&W employees, residents and/or medical students is prohibited. This prohibition applies to any S&W location or facility, including the Hilton Garden Inn.
2. Off-site: Employees, faculty and/or trainees may participate in off-site industry-sponsored programs or meetings, or corporate business meetings, which include a meal, provided that the amount expended per person does not exceed \$125.

C. Prescription Drug Samples:

1. Hospitals: Prescription drug samples may not be delivered or received on any hospital-licensed property. In Temple, hospital-licensed property includes the entire facility comprising S&W Memorial Hospital (SWMH), the contiguous space comprising S&W Clinic on the Temple Main Campus, the Pavilion, and the Santa Fe Skilled Nursing Facility. Patients who receive services at these locations and who cannot afford their prescription medications may be directed to the Social Work Department. The Social Work Department will determine whether the patient qualifies for medication assistance or reduced-cost drugs.
2. Medical Office Buildings (MOBs) and Outlying Clinics (including CDM and the Temple Pediatrics Clinic on the Temple Main Campus): Prescription drug samples may be delivered by the industry representative to a non-patient-care area in the facility where the samples will be disbursed. The non-patient care area must also be a location where industry representatives will not have access to residents or students. All sample deliveries will be signed for by the Medical Director of the facility, or his/her designee. All sample drug use will be carefully documented at the site of disbursement.

D. Travel Paid for by Industry:

Payment of travel expenses by industry requires preauthorization by the traveling individual's chairman (or equivalent position). Industry-sponsored travel is acceptable for pre-approved faculty-industry interactions only, including product evaluations, site assessments, etc. Expense reports submitted by the traveler to the industry for reimbursement must be copied to the OCI Committee. Payment for meals (not to exceed \$125 per individual per meal) by industry during approved travel is permissible.

E. Industry Representative Access:

S&W prohibits industry representatives from having unregulated access to its employees, trainees and patients. Any industry representative, including representatives providing

technical expertise or inventory management services, must register through the appropriate S&W vendor credentialing process, respond to an invitation extended by S&W staff, make an appointment to come to S&W, and then come at the appointed time.

F. Academic Support, Industry-Sponsored Scholarships, and Other Educational Funds:

Third party support of educational and research programs (including but not limited to employee scholarships, training funds, educational literature or materials, textbooks and educational CD-ROMs) is permissible if intended to facilitate training of employees, students and residents. Funds and/or materials should be received by the Corporate Relations Division of the Development Office and deposited by the Development Office into an appropriate designated account. The Development Office shall obtain the estimated value and source of such resources and report such information to the OCI Committee. Distribution of these funds will be the responsibility of the Chairman of the department (or equivalent position), with no involvement by the donor industry. Distribution of such funds may be audited by the OCI Committee. The receipt (but not the amount) of each academic donation may be made publically available. Donations, including the amounts, may be disclosed to outside authorities as legally required.

G. Participation in Industry-Sponsored Programs:

1. Participation in industry-sponsored speakers' bureaus must be pre-approved by the Chairman of the department (or equivalent position), and/or the Legal Department to the extent required by Section IV(I) herein. Approval will be based, in part, on whether the speaker is presenting his/her own work or expertise. Serving as an agent for corporate marketing is prohibited. Information regarding each event (name of sponsoring institution, topic(s) presented, date(s) and location) must be reviewed prior to approval being given. If participation is approved, such information will be forwarded to the OCI Committee. Participants are required to fully disclose participation, including compensation received, in any such program. Compensation should be at no more than fair market value.
2. "Ghost writing," which involves the addition of a S&W employee's name on a publication to which the individual did not contribute significantly, is prohibited.
3. Accepting payment for attendance only at industry-sponsored meetings is prohibited.
4. Accepting personal gifts from industry at industry-sponsored events is prohibited

H. Industry Marketing:

It is permissible for S&W staff to distribute flyers and/or invitations to local industry-sponsored education events, so long as the product or service for which education is being provided is already being purchased by S&W.

I. Agreements/ Contracts With Third Parties:

Employees must consult with the Legal Department prior to entering into any verbal or written agreement or contract with any third party to serve as a speaker or to provide technical skills, consulting, director services, clinical expertise, or other related services or assistance, regardless of whether the employee is entering into the agreement/contract in his/her own name or on behalf of S&W.

The Legal Department will first determine whether entering into the agreement could result in liability to the employee or to S&W, or would violate any S&W policy.

If entering into the agreement would not result in a violation of S&W policy, and if there is little or no potential liability either to the employee or to S&W, the Legal Department will not prohibit the agreement from being finalized.

If the Legal Department determines that the agreement, as written, may violate S&W policy, and/or creates potential liability for S&W, the agreement will be disallowed. However, the Legal Department may suggest exploring the option of entering into a revised agreement with the third party.

If the employee who is contemplating entering into a verbal or written agreement or contract with any third party is a department Chairman, the Legal Department will consult with the Chief Medical Officer (CMO) to determine whether entering into the agreement would violate any S&W policy, or could result in liability to the chairman or to S&W.

If the employee disagrees with the decision of the Legal Department, the employee has the option of pursuing an appeal as set forth in Section K below.

Employees are reminded that as per the S&W Healthcare Intellectual Property Policy, S&W may own rights to intellectual property developed by the employee in the course of a relationship with a third party, and that rights, titles and interests in such intellectual property shall not be assigned or transferred by the employee without the express written permission of S&W.

Any remuneration personally received for such agreements or contracts with third parties will be reported by the individual to such person's Chairman (or equivalent position) and forwarded by the Chairman (or equivalent position) to the OCI Committee. Such remuneration includes but is not limited to earnings, consulting fees, honoraria, licensing fees, royalties and medical service fees. The existence of these relationships may be made publically available. Such relationships and compensation amounts may also be disclosed to outside authorities as legally required.

J. Honorarium from Continuing Education Events:

When Continuing Education time involving Continuing Education funds or S&W business time are used and an honorarium is or may potentially be provided, the following guidelines will be observed:

- If the employee is teaching S&W employees on S&W premises, no honorarium is to be paid. If an honorarium is received contrary to this guideline, it should be endorsed to S&W.
- If the Continuing Education is provided in a non-S&W venue and S&W pays the travel expenses (including continuing education funds and/or days) associated with the employee attending the event, any honoraria received by the employee must be endorsed to S&W.
- If the Continuing Education is provided in a non-S&W venue and S&W does not pay the travel expenses (including continuing education funds and/or days) associated with the employee attending the event, the employee has the opportunity to retain any honoraria received if such retention is approved by the employee's department chairman (or equivalent position).
- Employees should refer to the Senior Staff Handbook for additional guidelines and policies regarding the use of continuing education funds.

K. Process of Determining Whether Conflict of Interest Exists/ Reporting Conflicts of Interest:

1. An employee who wishes to receive guidance as to whether certain conduct or actions constitute a conflict of interest should do the following:
 - The employee should contact his/her department Chairman (or equivalent position) for approval. If the employee is a department Chairman, the employee should contact the CMO. If the department Chairman (or equivalent position) cannot make a determination, or if the employee disagrees with the determination made by his/her department Chairman (or equivalent position), the employee may contact either the Corporate Compliance Officer (CCO), the Assistant General Counsel (AGC), or a designee of the CCO or AGC. The CCO and the AGC (or their designee) will confer to determine whether the conduct, as described by the employee, constitutes a conflict of interest. The CCO, the AGC, or their designee have the option of conferring with other administrators of S&W as needed to determine whether the conduct, as described by the employee, violates any S&W policy, constitutes a conflict of interest or presents significant risk to the institution, its employees, or its patients.
 - If the employee disagrees with the decision reached by the CCO or the AGC (or their designee), the employee has the option of appealing the decision. The CCO, the AGC, or their designee will determine whether the appeal is made to either the System Conflict of Interest Committee (SCI Committee) or the OCI Committee.
 - Where the conduct or action would present a significant conflict of interest or risk for the institution or for conflict of interest matters involving one or more members of the Board of Trustees or officers of S&W Healthcare, the matter will be referred by the CCO, the AGC, or their designee to the SCI Committee. All other conflict of interest appeals will be referred by the CCO, the AGC, or their designee to the OCI Committee.

- The employee will be given the opportunity to appear before the Committee to which he/she is referred and provide a verbal explanation of why the desired conduct does not constitute a conflict of interest or violate any S&W policy. The CCO, AGC, or designee will summarize why the conduct or action is believed to constitute a conflict of interest or violate a S&W policy. The SCI Committee or OCI Committee, as applicable, will then determine by majority vote whether to allow or disallow the conduct in question.
 - All decisions of the SCI Committee and OCI Committee are final and not subject to further appeal.
 - Access to information disclosed by an employee for the purpose of determining whether a conflict of interest exists shall be limited to the employee's department Chairman (or equivalent position), organizational leadership including the CMO, the OCI Committee, the SCI Committee, the Office of the General Counsel, the Compliance Office, and other administrators of S&W.
2. An employee who wishes to report activity of another employee that he/she believes may violate this Policy or create a risk for the institution, its employees or patients, should contact the CCO or AGC. The CCO or AGC will address the matter or refer it to the OCI or SCI Committee, as appropriate.

V. ADDITIONAL GUIDELINES FOR S&W EMPLOYEES CONDUCTING RESEARCH:

A. Overview and Purpose:

This Section V is intended to supplement and not replace Section IV, and is intended to apply to those employees who are involved in research as defined below.

The safety and welfare of human subjects involved in clinical trials and the integrity of research should not be subordinated to, or compromised by, financial or other personal interests. The purpose of this Section V is to protect the integrity, trust and respect of S&W, its academic community and its research activities. This Section V is intended to enable compliance with applicable laws and other regulatory requirements and to protect investigators who may be exposed to conflict of interest situations. It is designed to inform investigators of their disclosure and reporting responsibilities, provide an efficient method for making disclosures, and facilitate effective identification and management of conflicts of interest.

Members of the S&W community are engaged in a variety of types of relationships with universities, government agencies, and private sector entities. S&W encourages these relationships for their contributions to research, education, technological advancement and professional development. S&W employees must be cautious, however, to prevent unresolved conflicts of interest in these relationships that might undermine the credibility of their work or damage their reputation. A potential conflict of interest occurs when an individual's personal or private interests might lead an independent observer reasonably to question whether the individual's professional actions or decisions are influenced by considerations of personal interest, financial or otherwise. Additionally, S&W employees must be mindful of their obligation to devote their primary professional efforts and allegiance to S&W. Other activities

should not interfere or significantly conflict with this responsibility. Conflicts of interest do not necessarily imply any impropriety on the part of the investigator. A conflict of interest may exist despite the highest standards of conduct and candor.

Most conflicts can be successfully resolved without impeding research activities by disclosing the required information at the earliest possible time to afford the best protection of an investigator's interests. Early disclosure is a key factor in protecting an investigator's reputation and career from potentially embarrassing or harmful allegations of inappropriate behavior. Investigators are encouraged to disclose any situation that could conceivably be viewed as a conflict of interest or a reportable financial interest, and to favor more rather than less disclosure reporting. As discussed below, the OCI Committee or the SCI Committee will assess whether an actual or potential conflict exists and work with the investigator to determine how it should be resolved or managed. Individuals Investigators who are uncertain about application of this Section V to their situation should contact the Research Conflict of Interest Coordinator for assistance.

B. Definitions:

1. **"Principal Investigator and Other Key Personnel"** shall mean a Principal Investigator and any other person (including students) who is responsible for the design, conduct, or reporting of Research. The Principal Investigator is responsible for the conduct of all individuals participating in the project, including disclosure requirements for all other key personnel. Principal Investigators and Other Key Personnel may also be referred to herein as "Reporting Persons."
2. **"Research"** shall mean any systematic scientific investigation designed to develop or contribute to generalizable knowledge. This includes study design, testing, and evaluations by which a Principal Investigator or Other Key Personnel obtain data or other information.
3. **"Human Subject Research"** shall mean Research relating to human subjects designed to develop or contribute to generalizable knowledge. This includes study design, testing, and evaluations involving a living individual about whom a Principal Investigator or Other Key Personnel obtains data, through intervention or interaction with the individual, or through the use of identifiable private information.
4. **"Reportable Financial Interest"** means anything of monetary value that would reasonably appear to affect or be affected by Research or related activities, including but not limited to, salary or other payments for services (*e.g.*, consulting fees or honoraria); equity interests (*e.g.*, stocks, stock options or other ownership interests); and intellectual property rights (*e.g.*, patents, copyrights and royalties from such rights), as further detailed in Section IV and elsewhere in this Policy.

C. Required Financial Disclosure for Investigators:

Reporting Persons must disclose "Reportable Financial Interests," as defined above, for themselves and for their spouse or domestic partner and dependent children. To the extent

known by Reporting Persons, Reportable Financial Interests held by other family members must also be disclosed. Reportable Financial Interests include, but are not limited to:

- compensation for services (*e.g.*, consulting fees or honoraria), or in-kind payments, other than from the Reporting Person's primary employer, in the prior calendar year or projected over the next twelve months;
- royalty income or the right to receive future royalties under a patent license or copyright, where the research is directly related to the licensed technology or work;
- equity interests (*e.g.* stocks, stock options or other ownership interests, including equity holdings where the value cannot readily be determined by reference to public prices);
- intellectual property rights (*e.g.*, patents, copyrights and royalties from such rights);
- gifts or funds available to the researcher from this sponsor beyond the current research project;
- funding expected to significantly exceed the projected costs of conducting the current research project; and
- any other financial or personal interest which presents an actual or perceived conflict of interest.

D. Research Collaborators:

If S&W carries out research through sub-grantees, contractors, or collaborators, S&W shall require such sub-grantees, contractors, or collaborators to either comply with this Section V or provide assurances that its own policy substantially conforms to this Section V.

E. Conflict Management/ Research-Related Disclosure:

Factors to be considered by officials responsible for reviewing potential conflicts under this Section V, as set forth below, shall include the nature and magnitude of the Reporting Person's financial interest, the Reporting Person's role in the proposed research, the extent to which the financial interest could be affected by the research, the degree of risk to any human subjects, whether the conflict is amenable to effective management, the Reporting Person's unique or unusual qualifications to participate in the research, and whether the research could be conducted as safely or effectively without the Reporting Person's participation.

The Senior Vice President of Research (the "SVP") or his designee will review each Disclosure Form and other available information. If it is determined that there is a potential conflict of interest that could affect the objectivity of research, the reporting of results, or human subjects, the SVP (or designee) shall refer the matter to the OCI Committee. The SVP (or designee) has the option of conferring with other administrators of S&W as needed to determine whether the conduct violates any S&W policy, constitutes a conflict of interest or presents significant risk to the institution, its employees, or its patients.

The SVP (or designee) may refer the matter to the SCI Committee if it is believed that the conduct or action would present a significant risk for the institution, or for conflict of interest matters involving one or more members of the Board of Trustees or officers of Scott & White Healthcare.

The SVP (or designee) shall inform the Reporting Person of a referral to the OCI Committee (or the SCI Committee). The OCI Committee (or SCI Committee) may elect to have the SVP and/or the Director of Research Compliance (or designee) as ad hoc members of the Committee to assess conflict of interest matters relating to Research. The OCI Committee, on its own initiative, has the option of referring the matter directly to the SCI Committee for a decision rather than rendering a decision.

The OCI Committee (or SCI Committee) will review the potential conflict and issue its recommended decision to the Reporting Person, the SVP, and to Director of Research Compliance (or designee) to the extent the research involved human subjects. The decision of the OCI or SCI Committee is final and not subject to appeal by the Reporting Person.

The IRB shall consider the OCI or SCI Committee's recommended decision for matters involving research related to human subjects. The IRB may accept the Committee's recommended decision, refer the matter back to the OCI Committee (or SCI Committee) Committee for further consideration, or impose additional conditions and/or restrictions on the research if it deems such conditions and/or restrictions necessary to protect the safety and welfare of human subjects.

VI. Reports to Board of Trustees:

An annual conflict of interest report shall be made to the Board of Trustees (BOTs) of Scott & White Healthcare. The content of such report shall be prescribed by the BOTs.

VII. NONCOMPLIANCE:

Failure to adhere to this Policy, including pre-approval and disclosure of activities as described above, could result in administrative sanctions, including probation, suspension or termination of employment.