

**TITLE: Conflict of Interest and Conflict of Commitment**

IDENTIFIER: S-FW-LD-1013

EFFECTIVE DATE:

APPROVED: Executive Cabinet 10/29/19

 Acute Care:ENC 11/5/19GH 11/5/19LJ 11/5/19MER 11/5/19

ORIGINAL: 09/95

 Ambulatory:SMF 11/5/19

REVISED: 03/11, 04/13, 04/15, 10/19

 Home-based Care:HH 11/5/19

REVIEWED:

 SHAS:11/5/19**KEYWORDS: Conflicts, cash, interest, gratuities, consulting, contracting, outside employment, private duty****I. PURPOSE**

The purpose of this policy is to provide guidelines to avoid conflicts of interest and commitment 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**

- A. **Conflict of Interest should be avoided.** Employees are expected to maintain appropriate relationships with third parties, including patients and their families, health care practitioners, including affiliated physicians, 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.
- B. **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. See Section "II. C" for additional guidance on Gifts, Gratuities, Cash, or Favors (Personal Benefits).
- C. **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, energies, or concerning one's professional loyalty to Scripps.
- D. **Annual Disclosures Requirement.** Within 45 days of hire and annually, all supervisors and above; all employees in the following departments: Supply Chain Management; Audit Compliance & Information Security ; System-wide Staffing Resource Services (AKA Site Staffing Offices); Facilities Design & Construction; Home Health; and Case Management or equivalent 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.
- E. **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. Management employees (supervisors and above) must obtain explicit prior review and approval from

their supervisor AND the Conflicts and Business Practices Review Committee prior to engaging in any of the activities described in Section "IV. A".

Examples of conflicts which could require situational disclosures include:

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

The employee's supervisor will assess the situation and refer to their business unit management and the Conflicts and Business Practices Review Committee, these situational disclosures.

- F. **Gifts, Gratuities, Cash, or Favors, other Personal Benefits:** 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).

1. The following employees may not accept any personal benefits:
  - a. **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.
  - b. **Personnel providing services in the patient home environment**, such as home health services are not authorized to accept gifts of a personal nature outside of perishable items such as flowers and candy.
2. 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.

Exception: Employees may accept cash or cash equivalents from colleagues, including physicians, when received for the purposes of holidays, birthdays or from department/team for a 'life changing event' (for example, marriage, birth or adoption of a child). In order to avoid favoritism gifts should be consistent, and not exceed more than \$50.00 toward any one gift.

3. Personal Gifts, Favors or Benefits: Generally, personal gifts, favors, or benefits should not 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. An employee's annual gift acceptance limit should not exceed \$1,000.00 for the year. All personal gifts, favors, or benefits with value exceeding \$50.00 must be immediately disclosed to an employee's

supervisor and if appropriate, be documented on the employee's annual conflicts of interest disclosure form.

4. Perishable or Consumable Gifts may be accepted as long as they are reasonable in value and shared with a department or group. Perishable or consumable that are not shared and are consumed by the individual for example alcohol, are considered a personal gift, and are subject to the above personal gift limitations and disclosures.
  5. 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. An employee's family members presence at a non-Scripps event is considered a personal gift and are subject to the above personal gift limitations and disclosures.
- G. **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.
- H. **Confidentiality of Information Disclosed:** Disclosures are handled and retained confidentially. Disclosures are shared with department management only to the extent that mitigation of a potential conflict of interest is deemed necessary.
- I. **Review and Mitigation of Disclosures:** Disclosures are reviewed by Conflicts and Business Practice Review Committee, with management responsibility for the process by Corporate Compliance. Disclosures that require mitigations are communicated to business unit/Department executive and employee's supervisor, and if necessary are engaged in advance to assist in the mitigation.

- J. **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 annual Compliance Program education and Standards of Conduct.
- K. **Managing Conflicts:** The Conflicts and Business Practice Review Committee (the Committee) will review all reported conflicts and, in consultation with the employee's manager as appropriate, provide guidance to manage and/or prohibit an employee's activities involving a potential or actual conflict of interest and/or prohibited activity in accordance with this policy.
1. For groups or business units with special circumstances or situations, leadership in conjunction with the Committee may impose specific guidelines or restrictions to an individual or a group of employees to prevent or mitigate conflicts based on unique operational situations.

### 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 either on their annual disclosure form, if a designated person for annual disclosures, and/or on a situational basis to their immediate supervisor as soon as the situation arises:
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 an 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 from sources other than 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. Written Disclosure Process:** The Conflict of Interest/Commitment written disclosure process is deployed via the Learning Management System (LMS) and includes a copy of the policy for individuals to review and confirm understanding, and the disclosure form for completion. Required written disclosures occur at:
1. **Hire or Promotion:** Management employees and other employees designated in this policy are required to complete the Conflict of Interest/Commitment Disclosure process within 45 days of hire, promotion or transfer, to an applicable position.
  2. **Annual:** Management employees and other employees designated in this policy are required to complete the Conflict of Interest/Commitment Disclosure Process on an annual basis.
- C. 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. Definitions

- B. Conflict of Interest/Commitment Disclosure Form for Scripps Employees

**VI. RELATED FORMS/DOCUMENTS**

- A. Annual Conflict of Interest Disclosure form deployed via the Learning Management System (matches appendix A).
- B. Conflict of Interest Situational Examples; [SW-HR-0908 B](#)
- C. Standards of Conduct; [100-NS8631-105SW](#)

**VII. RELATED PRACTICE DOCUMENTS**

- A. Contracting and Signing Authority; [S-FW-LD-1001](#)
- B. Travel and Expense Reimbursement; [S-FW-LD-5204](#)
- C. 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, 03/18

**Business Entertainment:** Business entertainment paid for by third parties is allowed provided it is conducted with a business purpose. 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 Senior 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.

**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, 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.

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

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**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 <u>all</u> 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**  
**Conflict of Interest and Conflict of Commitment**

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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:** 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

2. If yes, Please describe. If no, enter N/A

3. **Organizations doing Business with Scripps Health or Competing with Scripps Health:** Do you, or any Family Member, serve as an officer, director, or other leadership role for any company or organization doing business with Scripps Health or competing with Scripps Health? If yes, please describe.

Yes

No

4. If yes, please describe, if no, enter N/A

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

Yes

No

6. If yes, please describe the organization(s), your role(s), and approximate hours per year per organization., if no, enter N/A

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

**Attachment B: Conflict of Interest/Conflict of Commitment Disclosure Form**  
**Conflict of Interest and Conflict of Commitment**

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7. **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

8. If yes, please describe the organization(s), the remuneration, and approximate hours per year per organization., if no, enter N/A

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

9. **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

10. If yes, please include the source, description, value and date received of each gift, examples include non-business meals, non-business entertainment, subsidized travel, golf, merchandise, and tickets to events or discounts. if no, enter N/A

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

11. **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

12. If yes, please describe, if no, enter N/A

13. **Employment of Family Members in the Scripps Workplace:** Do you supervise a family member or does a family member supervise you?  
 Yes  No

**Attachment B: Conflict of Interest/Conflict of Commitment Disclosure Form**  
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14. If yes, please describe. If no, enter N/A

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

15. Do any of your Family Member work at Scripps Health?

Yes

No

16. If yes, please provide family member's name, his/her relationship to you (e.g., mom/father, sister, uncle, etc...) his/her position, his/her site including the department. If no, enter N/A

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

17. **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

18. **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

Do Not Use - Contact Corporate Compliance for any Situational Disclosures