

CONFLICTS OF INTEREST
 HCCA CHARLOTTE REGIONAL PRESENTATION
 MARCH 17, 2017

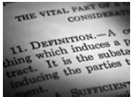
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PRESENTATION OVERVIEW

- Definition, Policy & Disclosure
- Review Process
- Consulting Agreements & Speaking Engagements
- Outside Employment & Vendor Relationships
- Challenges & Consequences
- Questions

CONFLICT OF INTEREST *DEFINED*



Carolinas HealthCare System

A conflict of interest occurs when an individual, including his or her immediate family, or an institution enters into any type of relationship that interferes with or compromises, or gives the appearance of compromising, the professional judgment or obligations of the individual or institution, including safety or quality of care, treatment and services.

A conflict of interest also may arise if there is a conflict of commitment such that outside activities interfere with the primary obligation of the individual to his or her employer (e.g., consulting arrangements, other "outside activities").

CONFLICT OF INTEREST *DEFINED*



Novant Health

A conflict of interest is any circumstance that could lead a reasonable third party to believe that your self-interest leads you to carry out your Novant Health duties in ways that may not be in the best interest of Novant Health and Novant Health's patients.

POLICY CONSIDERATIONS *CAROLINAS HEALTHCARE SYSTEM*

A relationship or activity with the potential for creating a conflict of interest must be fully disclosed, evaluated and, if necessary, managed, reduced or eliminated.

Conflicts of interest can be "individual" or "institutional", and policy defines and summarizes procedures for the following categories:

- Property/Services
- Conflicts of Commitment
- Committee Membership
- Research
- Vendor/Supplier/Customer Relationships
 - Consulting
 - Industry-sponsored food & beverage
 - Business Gifts & Gratuities

POLICY CONSIDERATIONS *NOVANT HEALTH*

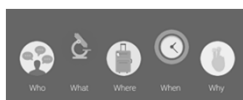
- **Scope:** Describes your audiences
- **Purpose:** To identify situations where a team member may have an actual or potential conflict of interest and to assure that appropriate controls are implemented to minimize the effect of the conflict of interest.
- **Definitions:** Key terms used throughout the policy; ie. family member, team member, leader, committee member.
- **Procedure:** Outline **how** a COI Disclosure is filed, **who** reviews the COI Disclosure, and **what** happens when a determination is made for the COI Disclosure.

ANNUAL DISCLOSURE – CHS

Who? All teammates Director-level and above, all employed Physicians and Advanced Clinical Practitioners, anyone in a purchasing role, product selection and P&T committee members.

What? Complete annual disclosure questionnaire and COI policy attestation. Updates required when relationships occur.

How? Utilize a vendor solution to develop and deploy role-based questionnaires.

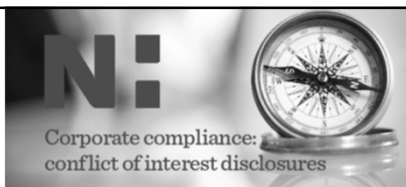


DISCLOSURE – NOVANT HEALTH

Who? All Novant Health team members as situations arise. All members of the Novant Health P&T Committee, Clinical Variation Reduction Team, New Product Introduction Process, and Medical Executives must disclose annually.

What?

How?



All Novant Health team members are required to submit a conflict of interest (COI) disclosure form as potential conflicts of interest arise.

Potential COIs include the following:

- Ownership of 5 percent or more in an outside company that does business with, or competes with, Novant Health
- Outside employment with which Novant Health does business or with whom Novant Health competes
- Service on outside boards of directors, boards of trustees, or as an officer, for any organization with which Novant Health does business, or with whom Novant Health competes
- Participation as a faculty member or speaker on a Novant Health business related topic
- Personal business conducted with a Novant Health vendor
- Research or clinical trials
- Family members employed by Novant Health
- Exceptions to the Gifts & Business Courtesies policy

All questions regarding the COI disclosure policy and procedure should be directed to Jennifer S. Ballman, conflict of interest coordinator, corporate compliance, at 704-384-0393 or jballman@novanthealth.org.



Making healthcare remarkable



REVIEW PROCESS



CHS

- Is the annual compensation received from any relationship in excess of \$xx,xxx?
- Is the aggregate annual compensation received from all relationships in excess of \$xx,xxx?
- Did the individual spend greater than xxx hours last year on the relationship (regardless of compensation)?
- Is the disclosed ownership relationship with a company with which we do business?

NH

- Full description of Novant Health role
- Full description of role outside Novant Health
- Vendor research
- Open Payments research
- Common Resources: sourcing department, corporate insurance, HR, risk management, and legal

COI EXAMPLE

CONSULTING AGREEMENTS / SPEAKING ENGAGEMENTS

- A consulting agreement is typically entered into when a vendor or supplier of goods or services to the hospital engages a facility employee (clinical or non-clinical) to provide "expert" services. The services may be paid fee-for-service or the consultant may be paid a retainer for "on call" services.
- Oftentimes (but not always), speaking engagements are services provided pursuant to a consulting relationship.
- There are several considerations for both the institution and the individual when evaluating the appropriateness of a consulting agreement in the context of the facility's COI policy.

COI EXAMPLE

CONSULTING AGREEMENTS / SPEAKING ENGAGEMENTS

Considerations:

- A relationship should never be used as an inducement or reward for referral
- The services should be bona fide and relevant to the individual's expertise
- There should always be a written agreement (contract, memorandum of understanding, statement of work, etc.) with a defined term
- Compensation should be for a demonstrably fair market value and should be based on deliverables/effort

Other Questions to ask:

- Where will the services be rendered?
- What will the frequency be?
- Does the teammate have time to provide the services?
- Will expenses for consultant guests be reimbursed?
- Does the Teammate's leader have any concerns?
- Will anyone else in the organization be impacted by this work?

COI EXAMPLE

CONSULTING AGREEMENTS / SPEAKING ENGAGEMENTS

Managing the Risks:

- Consider implementing a pre-approval process
- Define review parameters for acceptableness
- Seek physician leadership feedback and buy-in in policy
- Have an attorney contact with whom to collaborate
- Be transparent with your policy and review parameters
- Make adjustments as the environment (regulatory and otherwise) changes
- Know what your peers are doing
- Get comfortable pushing back on relationships that do not appear appropriate or that place the institution at risk

COI EXAMPLE

OUTSIDE EMPLOYMENT

Pertinent Info

- Speaking agreement with pharmaceutical company

Organizational Risk

- Compensation received from company may give appearance of influencing prescription patterns

Resolution

- **Considerations for Mitigation:**
 - No use of company time or resources for outside activity
 - Notify direct supervisor of outside activity to ensure in compliance with other policies
 - Code of Conduct

COI EXAMPLE

VENDOR RELATIONSHIPS

Pertinent Info

- Employee hires family member for vendor services

Organizational Risk

- Have the appropriate policies and procedures been followed to hire the family member for vendor services?

Resolution

- **Considerations for Mitigation:**
 - Reminder of policy for hiring vendors
 - Code of Conduct

CHALLENGES AND CONSEQUENCES

Challenges:

- Detection: COIs can be subtle and difficult to identify
- Reporting: Relies on individual/institutional awareness and process maturity
- Collection and Management of COI Information
- Guidance vs. Regulation: Interpretations and actions vary significantly across the industry
- Corporate Culture: Corporate Compliance must partner with leadership to embrace and encourage compliance with the policy expectations to self-disclose

Consequences:

- Damage to reputation
- Public concern for quality and integrity of patient care
- Fines and penalties

QUESTIONS?
