



Status **Active** PolicyStat ID **14259929**



Origination	04/2009
Last Approved	09/2023
Effective	09/2023
Last Revised	09/2023
Next Review	09/2024

Owner	Lindy Nesbitt: Assistant VP Compliance & Senior Counsel
Area	Corporate Compliance
Applicability	Erie County Medical Center
References	CORP-004

Conflicts of Interest

I. Policy Purpose, Statement of Policy, and Policy Goals

The purpose of this Conflicts of Interest Policy is to protect the interests of the Erie County Medical Center Corporation (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or other employee of the Corporation. This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to public benefit corporations.

II. Definitions

1. **Interested Person.** Any director, officer, member of a committee with board delegated powers or employee who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the Corporation, he or she is an interested person with respect to all entities in the Corporation.
2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
 - a. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; or
 - b. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or

arrangement.

- a. **Ownership or Investment Interest** includes membership in a firm, partnership or association or ownership or direct control of more than 5% of outstanding stock in a corporation.
 - b. **Compensation** includes direct or indirect remuneration as well as gifts or favors that are substantial in nature.
3. **Committee Membership.** Appointment to and service on any committee of the Board of Directors of the Corporation or any corporate affiliate thereof.

III. Policy

- A. Each Interested Person shall exercise good faith and best efforts in the performance of his or her duties to the Corporation and all entities affiliated with the Corporation. In all dealings with and on behalf of the Corporation or any affiliated entity, each Interested Person shall be held to a strict standard of honest and fair dealing with the Corporation and its affiliated entities, and no Interested Person shall use his or her position, or knowledge gained there from, in such a manner as to create a conflict, or the appearance of a conflict, between the interest of the Corporation or any affiliated entity and the interest of the Interested Person.
- B. In all matters affecting the Corporation or any affiliated entity, each Interested Person shall act exclusively for the benefit of the Corporation and its affiliated entities and shall not take any position or do any act that could adversely affect the Corporation or any affiliated entity.
- C. No Interested Person shall accept any compensation, gift or other favor which could influence or appear to influence such person's action affecting the Corporation or any affiliated entity.
- D. No Interested Person in his or her capacity as such, shall act as, or represent that he or she is, an agent of the Corporation or any affiliated entity unless specifically authorized to do so by the Corporation.
- E. At least annually, in the Questionnaire and Statement referenced below, and continually as the situation may arise in connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest with respect to the Corporation generally or as it pertains to a proposed transaction or arrangement. In addition, the annual Conflict of Interest Questionnaire provides an opportunity for an Interested Person to confirm their continued outside activities to the Corporation.
- F. Each Interested Person shall disclose any employment, activity (including service on a board, council, commission or a role/arrangement with a payor), investment or other interest which might compete or conflict, or appear to compete or conflict, with the interest of the Corporation or any affiliated entity. Each Interested Person shall immediately disclose on a continuing basis, in accordance with this Policy, any new employment, activity, investment or other interest which might compete or conflict, or appear to compete or conflict, with the interest of the Corporation or any affiliated entity.
- G. If any Interested Person is involved in or aware of any transaction or situation which results or could result in a conflict, or an appearance of a conflict, between the interest of the Corporation or any affiliated entity and the interest of the Interested Person (or any company, other entity or payor with which such person is connected or related), then such Interested Person shall promptly submit in accordance with the procedure set forth in this Policy a

complete written description of such transaction or situation.

IV. Specific Procedures for Board Members

A. Procedures for Addressing Conflict of Interests with Board Members.

- a. In the event a Financial Interest is disclosed at a board or committee meeting, the Interested Person may be requested, as appropriate, to leave the board or committee meeting while the transaction or arrangement which involves the Financial Interest is discussed and voted upon and, in any event, shall refrain from voting on the transaction or arrangement.
- b. The board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

B. Board Member Violations of the Conflicts of Interest Policy.

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take the appropriate disciplinary and corrective action, which may include removal from the board or committee.

C. Board Minutes. The minutes of the board and all committees with board-delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes related to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection herewith.

D. Compensation Committees.

1. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. Physicians who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from membership

on any committee whose jurisdiction includes compensation matters.

V. Annual Questionnaire and Statement

Each director, principal officer, member of a committee with board delegated powers and selected employees shall annually complete the Conflict of Interest Questionnaire and Statement (Attachment A) which affirms that such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy; and
- c. has agreed to comply with the policy.

No less than annually, the Chief Executive Officer of the Corporation shall report to the Board of Directors of the Corporation with any interest disclosed by such Questionnaire and the Chief Executive Officer shall deliver to the Board of Directors recommendations, if any related thereto.

Reference

NYS Public Officers Law §73 & §74 section 2824(7)PAL

ECMCC has developed these policies and procedures in conjunction with administrative and clinical departments. These documents were designed to aid the qualified health care team in making clinical decisions about patient care. These policies and procedures should not be construed as dictating exclusive courses of treatment and/or procedures. No health care team member should view these documents and their bibliographic references as a final authority on patient care. Variations from these policies and procedures may be warranted in actual practice based upon individual patient characteristics and clinical judgment in unique care circumstances.

Attachments

[Conflict of Interest Questionnaire and Statement](#)

Approval Signatures

Step Description	Approver	Date
	Sam Cloud: Chief Medical Officer	09/2023
	Lindy Nesbitt: Assistant VP Compliance & Senior Counsel	08/2023

Applicability

Erie County Medical Center

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