



LOMA LINDA
UNIVERSITY
MEDICAL CENTER

LOMA LINDA UNIVERSITY MEDICAL CENTER

OPERATING POLICY

CATEGORY:	GENERAL MANAGEMENT	CODE:	A-6
		EFFECTIVE:	09/2019
SUBJECT:	CONFLICT/DUALITY OF INTERESTS*	REPLACES:	08/2016
		PAGE:	1 of 3

Philosophy: LLUMC relies on the good faith of their employees in the exercise of their responsibilities to LLUMC. All business judgments on behalf of LLUMC should be made on the basis of such trust and in LLUMC's best interests. LLUMC fully respects the rights of employees to privacy in their personal affairs and financial activities. The purpose of this policy is to provide guidance to employees in avoiding situations in their personal activities which are, or appear to be, in conflict with their responsibilities to LLUMC.

1. A conflict of interest exists if any employee's interests or activities may influence his or her judgment in the performance of an LLUMC duty, including but not limited to:
 - 1.1 Accepting full or part-time employment or serving in any capacity that affects decisions in any organization(s) that has a current or prospective business relationship with or for LLUMC or an affiliate.
 - 1.2 Directing business to firms in which the employee has financial or personal interests.
 - 1.3 Advising or recommending LLUMC activities or programs that involve expenditures of LLUMC money or projects in which the employee has a financial interest.
 - 1.4 Conducting or owning a beneficial interest in a personal business that competes with a business operated by LLUMC and has access to LLUMC proprietary information, e.g., pharmacy, orthotics.
 - 1.5 Participating in a charitable or civic organization or serving in public office if the activities of any such organization or public body directly involve the business interests of LLUMC or an affiliate.
 - 1.6 Using confidential information obtained as a result of employment with LLUMC for personal gain.

* Reference Policy [Gift Acceptance \(A-21\)](#)

- 1.7 Engaging in the sale, rental, or purchase of any real estate or other property from LLUMC, other than a routine sale of LLUMC's products through normal sales outlets, or through normal surplus property procedures
 - 1.8 Benefiting personally from any purchase or sale of properties of whatever nature by LLUMC, or
 - 1.9 Deriving personal gain from any transaction to which LLUMC is a party.
2. All LLUMC administrative officers, department heads, and others who make or influence decisions for LLUMC shall be expected to:
- 2.1 Recognize the standards of ethical behavior inherent in their positions as stated in paragraph one.
 - 2.2 Promptly inform the appropriate LLUMC administrators of any potential conflict of interest and seek the assistance of the Office of General Counsel to determine whether a conflict exists and, if so, how it should be resolved.
 - 2.3 Refrain from rendering directive, managerial, consultative or other services to any outside concern that does business with or competes with LLUMC without appropriate written administrative approval.
3. Persons with authority for hiring employees or making contractual service agreements shall, prior to consummation, request and ensure disclosure of all facts pertaining to any transaction or attachment with possible conflict of interest implications (as described in par. 2 of Guidelines A-6.B.)
4. LLUMC providers that have physician investors (joint ventures) shall be subject to requirements designed to prevent physicians from benefiting from referrals to entities in which they have a financial interest.
- 4.1 The providers and physicians shall ensure that the overall structure of the arrangement (e.g., duration, form of payment or purchase incentives) complies with the requirements related to ownership interest, investment structure, and reporting requirements.
 - 4.2 All arrangements shall be approved by the Office of General Counsel to ensure that there is no violation of the anti-kickback rules.
 - 4.3 Employees and physicians shall not alter the terms of any approved arrangement.
 - 4.4 All contracts must be retained and audit procedures implemented (reference Policy [Contract and Document Control \(A-41\)](#)).

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5. The office of General Counsel shall obtain statements of disclosure annually from administrators, department heads and others who make or affect significant decisions in LLUMC and shall review the findings with appropriate boards or committees.
6. The Board of Trustees shall make the decisions regarding questions which have not been satisfactorily answered after administrative consideration.

APPROVERS: Hospital Executive Leadership, LLUMC Chief Executive Officer



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ADMINISTRATIVE PROCEDURE

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INITIATOR OF ACTION	ACTION
	<u>DISCLOSURE AS PART OF HIRING PROCEDURE</u>
Human Resources Management	<ol style="list-style-type: none">1. Provides new hire with copies of policy A-6, Guidelines A-6.B, and Statement of Disclosure form (reference Policy Employment of Relatives or Others in Personal Relationship (I-3)).2. Requests new hire to<ol style="list-style-type: none">2.1 Carefully read all contents of material provided.2.2 Complete Statement of Disclosure with signature.3. Informs Administration regarding any doubts expressed or inferred in new hire response.
Administrator (or designee)	<ol style="list-style-type: none">4. Makes decision regarding new hire employment with LLUMC.
	<u>ANNUAL DISCLOSURE UPDATE IMPLEMENTATION</u>
Department Head/Administration	<ol style="list-style-type: none">5. Includes policy review and disclosure statement in annual performance evaluation of department heads and/or other management staff.6. Refers to administrator any doubts expressed or inferred in employee's response.
Administrator (or designee)	<ol style="list-style-type: none">7. Makes decision regarding employee's continued employment with LLUMC.



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SUPPLEMENTAL MATERIAL

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1. Introduction: In the field of health care, persons are chosen for their special expertise and/or their leadership ability, which may have been developed in other fields and at other institutions. In such situations, duality or even multiplicity of interests is inherent, and is often of great benefit to LLUMC. Duality of interest does, however, raise a potential for conflict of interest, since personal interests may come into conflict with those of the institution. To avoid, insofar as possible, any negative effects of a multiplicity of interests on the part of LLUMC employees, the attached policy has been adopted. Its purpose is to provide disclosure mechanisms to permit objective appraisal of possible conflicts of interest. In this way, the employee and LLUMC can both be protected from unwarranted accusations.

 2. Examples of circumstances and activities with potential for conflict:
 - 2.1 Holding, whether directly or indirectly, a position or a material financial interest in any outside concern from which LLUMC secures goods or services
 - 2.2 Pursuing or dealing directly/indirectly with LLUMC in the purchasing or sale of property or property rights, interests, or services, which relate to the person's responsibilities at LLUMC
 - 2.3 Rendering directive, managerial, consultative or other services to any outside concern that does business with or competes with LLUMC
 - 2.4 Gifts, Gratuities and Entertainment: Accepting these or other favors from any outside concern under circumstances in which such actions may be inferred as intended to influence or obligate the receiver. Objective appraisal should be sought whenever the gift is more than trivial and the concern offering the gifts, gratuities and entertainment does business with LLUMC or is a competitor of LLUMC.
 - 2.5 Inside Information Sources: Disclosing or using for personal or family (defined as any person with blood or marriage relationship) gain any information relating to LLUMC business, including research procedures and results or equipment development, when LLUMC has property rights to such results and equipment
 - 2.6 Use of LLUMC facilities, equipment and/or space for one's own gainful or independent purpose, or that of another person or concern

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- 2.7 Employment of relatives or others with whom there is a personal relationship in the same department (reference Policy [Employment of Relatives or Others in Personal Relationship \(I-3\)](#)).

SAMPLE

ORIGINAL IS WHITE

STATEMENT OF DISCLOSURE:

I have read the Guidelines on Conflict/Duality of Interests and agree to disclose to the Medical Center Administration any conflicts or potential conflicts of interest.

_____ To the best of my knowledge I have no conflicts of interest at the present time. I will promptly inform the administration if any possible conflicts occur.

_____ I have listed conflicts and/or potential conflicts on the attached sheet and will promptly notify the Administration of any changes. I am ready to discuss these conflicts/potential conflicts with the appropriate Medical Center representatives at any time.

Signature

Date