

POLICY TITLE: Conflict of Interest and Recusal	ADMINISTRATIVE POLICY AND PROCEDURE MANUAL
POLICY #: 800.03	CATEGORY: Compliance
System Approval Date: ❖ 03/30/2017	Effective Date: November 1999
Site Implementation Date: ❖ 03/30/2017	Last Reviewed/Approved: 03/17/2016
Prepared by: Office of Corporate Compliance	Superseded Policy(s)/#/Notations: N/A

GENERAL STATEMENT of PURPOSE

It is the policy of Northwell Health to conduct business free from the influence of Conflicts of Interest, which is critical to Northwell Health’s commitment to ethical business dealings. This policy sets forth the process for avoiding potential Conflicts of Interest by ensuring that any individual with a possible Conflict of Interest recuses him/herself from participation in any actions related to the transaction or matter where a conflict may exist and defines the processes for managing Related Party transactions.

All questions as to whether a possible Conflict of Interest may exist shall be addressed to the Chief Corporate Compliance Officer or his/her designee.

POLICY

Consistent with Northwell Health’s Code of Ethical Conduct, Associated Individuals are expected to perform their duties and responsibilities free from the influence of Conflicts of Interest and devote their professional loyalty, time and energy to applicable teaching, research, patient care and service on behalf of Northwell Health. Except as described below, Associated Individuals shall not accept any position at a healthcare institution that is in substantial competition with Northwell Health without the approval of the Chief Corporate Compliance Officer, or his/her designee, or, when involving a trustee, officer or Key Person, Northwell Health’s Board of Trustees Audit and Corporate Compliance Committee.

A practitioner who wishes to obtain staff privileges at a healthcare institution that is in substantial competition with Northwell Health does not need approval. Also, non-employed practitioners that intend to enter into a contract with the competing healthcare institution, or accept a governance or management position at that institution, do not need approval unless the non-employed practitioner serves on a Northwell Health committee or has another type of leadership or administrative position.

Where appropriate, the Chief Corporate Compliance Officer will seek the input of Northwell Health's Chief Executive Officer, Medical Leadership or the Board of Trustees' Audit and Corporate Compliance Committee on the matter.

Associated Individuals shall not be involved with the selection of any vendor or contractor which is a Related Business Interest nor be involved in Northwell Health decisions which might benefit the Associated Individual, his/her Family members or a Related Business Interest nor participate in Related Party Transactions, except as outlined below. If an individual has knowledge regarding a possible Conflict of Interest in connection with a proposed transaction or other matter being presented for consideration or approval by Northwell Health, such Individual shall follow the process outlined below.

SCOPE

This policy applies to all Northwell Health employees, as well as medical staff, volunteers, students, trainees, physician office staff, contractors, trustees and other persons performing work for or at Northwell Health; faculty and students of the Hofstra Northwell School of Medicine conducting research on behalf of the School of Medicine on or at any Northwell Health facility; and the faculty and students of the Hofstra Northwell School of Graduate Nursing and Physician Assistant Studies.

DEFINITIONS

Affiliate: Any entity controlled by, or in control of, Northwell Health.

Associated Individuals: All individuals employed by or otherwise associated with Northwell Health including, but not limited to, trustees, officers, employees, medical staff, licensed independent practitioners and students.

Conflict of Interest: A possible conflict may exist if an Associated Individual is in a position to influence the business or other decisions of Northwell Health in a manner that could lead, or appear to lead, to the personal gain or advantage of the Individual, his or her Relatives, or a Related Business Interest. It shall not, however, be a Conflict of Interest to hire an Associated Individual's Relative as either an employee or intern in an Ordinary Course of Business Transaction if the applicant is qualified and the applicable compensation is reasonable and commensurate with the services performed. Therefore, the Related Party Transaction analysis discussed within this policy does not apply for the purpose of hiring the Relatives of Associated Individuals as part of an Ordinary Course of Business Transaction.

Family or Relative of an individual means (1) his or her spouse, or domestic partner; (2) his or her ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren; (3) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren, and great-grandchildren; or (4) any other person if that person resides in the same household as the Associated Individual.

Independent Trustee: a trustee who:

(1) is not, and has not been within the last three years, an employee or a Key Person of Northwell Health or an Affiliate of Northwell Health, and does not have a Relative who is, or has been within the last three years, a Key Person of Northwell Health or an Affiliate of Northwell Health; or

(2) has not received, and does not have a Relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from Northwell Health or an Affiliate of Northwell Health; or

(3) is not a current employee or does not have a substantial financial interest in, and does not have a Relative who is a current officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, Northwell Health or an Affiliate of Northwell Health if the amount paid by Northwell Health to the entity or received by Northwell Health from the entity for such property or services, in any of the last three fiscal years, exceeded the lesser of:

- (a) \$10,000 or two percent of such entity's consolidated gross revenues if such revenues are less than \$500,000;
- (b) \$25,000 if the entity's consolidated gross revenues are \$500,000 or more, but less than \$10 million; or
- (c) \$100,000 if the entity's consolidated gross revenues are \$10 million or more; or

(4) Is not and does not have a relative who is a current owner, whether wholly or partially, director, officer or employee of Northwell Health's outside auditor or who has worked on Northwell Health's audit at any time during the past three years. For purposes of this paragraph, the terms "compensation" does not include reimbursement for expenses reasonably incurred as a director or reasonable compensation for services as a director as permitted by the New York Non-Profit Revitalization Act and the term "payment" does not include charitable contributions, dues or fees paid to Northwell Health for services which Northwell Health performs as part of its nonprofit purposes, or payments made by the corporation at fixed or non-negotiable rates or amounts for services received provided that such services by and to Northwell Health are available to individual members of the public on the same terms, and such services received by Northwell Health are not available from another source.

Key Person: Any person, other than a trustee or officer, whether or not an employee of Northwell Health who (i) has responsibilities or exercises powers or influence over Northwell Health as a whole similar to the responsibilities, powers, or influence of trustees and officers; (ii) manages Northwell Health, or a segment of Northwell Health that represents a substantial portion of the activities, assets, income or expenses of Northwell Health; or (iii) alone or with others controls or determines a substantial portion of Northwell's capital expenditures or operating budget.

Ordinary Course of Business Transaction: A transaction or activity is in the ordinary course of business if it is consistent with Northwell Health's consistently applied past practices in similar transactions or with common practices in the sector in which Northwell Health operates.

Related Business Interest: Any person, organization or business entity may be considered as a Related Business Interest to an Associated Individual if such Individual or any member of his/her Family: (1) is a director, officer, employee, member, partner or trustee of such Related Business Interest; or (2) has a financial interest in such Related Business Interest, which includes any ownership, investment, income or similar right or interest which could benefit the Associated Individual or a Family member.

Related Party: (1) Any trustee, officer or Key Person of Northwell Health or an Affiliate, (2) any Relative of any such individual or (3) any entity in which any such individual described in clauses (1) and (2) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Related Party Transaction: Any transaction, agreement, or other arrangement in which a Related Party has a direct or indirect financial interest and in which Northwell Health or any Affiliate of Northwell Health is a participant except that a transaction shall not be a Related Party Transaction if: (i) the transaction or the Related Party's financial interest in the transaction is *de minimis*, (ii) the transaction would not customarily be reviewed by the Northwell Health Board of Trustees or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that Northwell Health intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

PROCEDURE/GUIDELINES

CONFLICT OF INTEREST DISCLOSURE AND REVIEW PROCESS

The role of the Audit and Corporate Compliance Committee in the following section does not apply to for-profit entities within Northwell Health.

Disclosure of Conflict of Interest

Any Associated Individual who becomes aware that he/she has an actual or potential Conflict of Interest must promptly disclose this to the Chief Corporate Compliance Officer, or his/her designee, who will review the disclosed Conflict of Interest and take any action(s) deemed required or appropriate to manage or resolve the matter, including by referring the matter to the Northwell Health Board's Audit and Corporate Compliance Committee as appropriate.

Disclosure Report and Review of Disclosures

Certain Associated Individuals designated by the Office of Corporate Compliance are required to complete a Conflicts of Interest Disclosure Report upon beginning their employment or other Northwell Health affiliation and on an annual basis thereafter. Conflict of Interest Disclosure Reports submitted by trustees, officers and Key Persons must include a signed written or electronic statement identifying, to the best of his or her knowledge, (1) any entity of which the individual is an officer, director, trustee, member, owner or employee, with which Northwell

Health has a relationship and (2) any transaction in which Northwell Health is a participant and in which he or she might have a conflicting interest. These Conflict of Interest Disclosure Reports will be submitted to the Chief Corporate Compliance Officer or his or her designee. The Chief Corporate Compliance Officer, or designee, must provide copies of all such statements to the Chair of the Audit and Corporate Compliance Committee. Trustees and certain Associated Individuals also are required to complete any additional disclosure forms related to the Internal Revenue Service Form 990, Centers for Medicare and Medicaid Services (“CMS”) enrollment requirements, and research regulations.

Between filings of any Conflicts of Interest Disclosure Report these individuals must immediately report to the Chief Corporate Compliance Officer, or his/her designee, or, when involving a trustee, officer or Key Person, to the Northwell Health Board of Trustees’ Audit and Corporate Compliance Committee, any changes in the information provided in his/her last completed Conflicts of Interest Disclosure Report. The Chief Corporate Compliance Officer, or his/her designee, or, when involving a trustee, officer or Key Person, the Northwell Health Board of Trustees’ Audit and Corporate Compliance Committee will oversee the review of disclosures of possible conflicts, including matters disclosed in the Conflicts of Interest Disclosure Reports and any reported changes to those Reports. The Chief Corporate Compliance Officer, or his/her designee, or the Audit and Corporate Compliance Committee, when involving a trustee, officer or Key Person, will take all actions deemed required or appropriate to manage or resolve any actual or potential Conflicts of Interest. The Audit and Corporate Compliance Committee will be composed solely of Independent Trustees.

Any determination regarding conflicts of interest, or potential conflicts of interest, shall be documented in the respective minutes of the Audit and Corporate Compliance Committee, where discussed, and/or noted in the employee’s file and/or documented by the Office of Corporate Compliance.

The Office of Procurement and other relevant departments, as appropriate, will review their relationships with other care providers, educational institutions, manufacturers and payers periodically to determine whether Conflicts of Interest exist and whether they are within law and regulation. Such review shall be documented.

If an individual is aware of any Conflict of Interest that has not been reported that impacts Northwell Health, the individual shall report it to his/her supervisor, the Compliance Director of the Northwell Health facility where he/she is employed, the Chief Corporate Compliance Officer of Northwell Health (516-465-8097), or call the confidential Compliance Help-Line at (800) 894-3226 which is available 24 hours a day, 7 days a week or by visiting www.northwell.ethicspoint.com where individuals can make reports about compliance issues online.

Recusal

After disclosing a possible Conflict of Interest and unless otherwise expressly approved by the Chief Corporate Compliance Officer, his/her designee, or by the Audit and Corporate Compliance Committee, and/or the Conflicts of Interest in Research Committee if related to

the conduct of a research study, an Associated Individual shall immediately recuse him/herself from participating in the transaction or matter, including by refraining from attempting to improperly influence deliberations or voting on the transaction or matter, and not be privy to any non-public information relating to the transaction.

The recusal of any Associated Individual shall be documented in the respective minutes of the Audit and Corporate Compliance Committee, where discussed, and/or noted in the employee's file and/or documented by the Office of Corporate Compliance.

Any questions about this Policy or the completion of the Disclosure Reports may be directed to the Office of Corporate Compliance at (516) 465-8097.

Referral-related Activities

Any Associated Individual who intends to enter into any arrangement that could potentially generate referrals to Northwell Health must have the arrangement approved by the Chief Corporate Compliance Officer, or by the Audit and Corporate Compliance Committee, as appropriate, prior to entering into it.

Related Issues

Associated Individuals shall neither use nor disclose Northwell Health assets or confidential information for non-Northwell Health purposes unless they do so in conformance with Northwell Health's Electronic Communications Systems (e-mail, computers, Internet, etc.) policies.

Any Associated Individual who is engaged in or is proposing to engage in research activities is subject to the Conflict of Interest in Research Policy (#GR065).

In addition, any Associated Individual must comply with any applicable governmental agency requirements and regulations to avoid a Conflict of Interest.

Policies, procedures and information about the relationship between care, treatment, and services and financial incentives are available upon request to all Northwell Health patients, and those individuals who work in Northwell Health, including staff and all licensed independent practitioners.

RELATED PARTY TRANSACTION DISCLOSURE AND REVIEW PROCESS

This section does not apply to for-profit entities within Northwell Health.

Disclosure of a Related Party Transaction

Any trustee, officer, or Key Person with an interest in a Related Party Transaction must disclose in good faith the material facts of the interest to the Board of Trustees Audit and Corporate Compliance Committee.

Addressing a Related Party Transaction

If a Related Party of Northwell Health has a substantial financial interest in a Related Party Transaction, the Northwell Health Board's Audit and Corporate Compliance Committee must: (a) prior to entering into the transaction, consider alternative transactions to the extent available; (b) approve the transaction by not less than a majority vote of the trustees or committee members present at the meeting; and (c) contemporaneously document in writing the basis for its approval of the transaction, including consideration of any alternative transactions. Related Party Transactions must not only be disclosed prior to approval of the transaction, but approved by the Audit and Corporate Compliance Committee as fair, reasonable and in Northwell Health's best interest.

No person with an interest in a Related Party Transaction (including compensation) may be present at or participate in deliberation or voting on it. The Northwell Health Board's Audit and Corporate Compliance Committee, however, may request that the person provide information or answer questions prior to the deliberations or voting.

Documenting a Related Party Transaction

Discussions and determinations regarding Related Party Transactions, to include the recusal of a trustee, officer or Key Person, shall be documented in the respective minutes of the Audit and Corporate Compliance Committee, where discussed.

If a Related Party Transaction is not timely reviewed by the Northwell Health Board's Audit and Corporate Compliance Committee, the Audit and Corporate Compliance Committee will follow the procedures set forth above, document in writing the nature of the violation and the basis for approval of the transaction, as applicable, and put into place procedures to mitigate against such violations in the future.

REFERENCES to REGULATIONS and/or OTHER RELATED POLICIES

- Northwell Health Policy #800.04, Gifts and Interactions with Industry
- Northwell Health Policy #GR065, Review and Management of Financial Conflict of Interest in Research (Individuals)
- Joint Commission Standard LD 04.02.01
- CMS Medicare Enrollment Form 855A
- IRS Form 990 and Accompanying Regulations
- Non-profit Revitalization Act of 2013 (S5845/A8072/10365B)

CLINICAL REFERENCES/PROFESSIONAL SOCIETY GUIDELINES

N/A

ATTACHMENTS

N/A

FORMS

N/A

APPROVAL:	
System Administrative P&P Committee	❖ 03/30/2017
System PICG/Clinical Operations Committee	❖ 03/30/2017

Standardized Versioning History:

*=Policy Committee Approval; ** =PICG/Clinical Operations Committee Approval

*6/8/2010; **6/8/2010

*4/2011; **4/2011

6/2014 (e-vote)

*2/25/2016 **3/17/2016

❖ Expedited Approval Granted by:

Winnie Mack, Chair – System Administrative P&P Committee

Morris Rabinowicz, Co-Chair, - System PICG/Clinical Operations Committee