I. PURPOSE:

A. To safeguard the integrity and reputation of Stanford Health Care and Lucile Packard Children's Hospital and their Medical Staffs, by fostering the proper and unbiased conduct of all Medical Staff activities.

B. To educate Medical Staff members about situations that generate conflicts of interest, to provide means for the Medical Staffs and the Hospitals to disclose and manage conflicts of interest, to promote the best interests of patients, their families, employees, and other practitioners, and to describe situations that are prohibited.

II. POLICY:

A conflict of interest (COI) arises when there is a divergence between an individual's private interests and his/her professional obligations to the Medical Staff, Hospital, patients, and employees, such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. A conflict of interest depends on the situation and not on the character of the individual. (Refer to the Industry Interactions Policy from Administrative Manual.)

Conflicts of interest are common and can arise due to the fact that SHC/LPCH and its Medical Staffs promote the public good by fostering the transfer of knowledge gained through research and scholarship. Two important means of accomplishing these goals include Medical Staff consulting, and commercialization of technologies derived from research. While it is appropriate for a Medical Staff member to be compensated for these activities, it is never appropriate for an individual's actions or decisions made in the course of his/her Medical Staff or Hospital activities to be determined or influenced by considerations of personal financial gain. Such behavior calls into question the professional objectivity and ethics of the individual and it also reflects negatively on the Medical Staff and Hospital. Stanford Health Care and Lucile Packard Children's Hospital are institutions of public trust and the Medical Staffs must respect that status, and conduct their affairs in ways that will not compromise their own integrity or that of the Hospitals.

Medical Staff members should conduct their affairs so as to avoid or minimize conflicts of interest when possible, but most importantly must respond appropriately when conflicts of interest arise. A conflict of interest, in and of itself, is not grounds for any adverse actions with regard to an individual's Medical Staff membership status or privileges. However, a conflict of interest may well require an individual to recuse him or herself from participating in discussion/determination of a given issue, and individuals with severe or multiple potential conflicts of interest should consider whether their involvement in the relevant activity of the Medical Staff is advisable. The Chief of Staff/Medical Staff President will have the ability and duty to limit or terminate any individual's activities on behalf of the Medical Staff if it is judged that real or potential conflicts so justify.

The following are representative, but not all inclusive, of conflict of interest situations:

- Influence on purchases of equipment, instruments, materials or services for the Hospitals from the private firms in which the Medical Staff member, or an immediate family member, has a financial interest
- Unauthorized disclosures of patient or Hospitals' information for personal gain
- Giving, offering, or promising anything of value, as a representative of the Hospitals, to any government official to enhance relations with that official or the government
- Transmission to a private firm or other use for personal gain of Hospital or Medical Staff supported work, products, results, materials, record, or information that are not made generally available
- Influence upon the negotiation of contracts between the Hospital and private organizations with which the Medical Staff member, or immediate family member, has consulting or other significant relationships, or will receive favorable treatment as a result of such influence.
- Improper use of institutional resources for personal financial gain
- Acceptance of compensation or free services from a vendor, service provider, or contractor of the Hospital, when the Medical Staff member is in a position to determine or influence the Hospital's purchases from those persons.

III. <u>PROCEDURE:</u>

A. The Medical Staff Organization Conflict of Interest Statement must be completed and submitted to the Medical Staff Office by appointees to Medical Staff committees as a condition of service on the committee. Candidates for Medical Staff Organization elected offices must also submit a Statement, as described in the Medical Staff Bylaws. Updates should be made during the year if conflicts develop or answers need to be supplemented.

B. Whenever an officer of the Medical Staff or committee member is confronted with a situation which might be reasonably perceived as presenting a conflict of interest, that person should complete the Ad Hoc Conflict of Interest Statement and submit it to the Medical Staff Office, who will consult with the appropriate Medical Staff Leader to determine the appropriate response (subject to appeal to the Medical Executive Committee).

C. <u>Committee Procedures</u>:

1. At the beginning of each meeting of any committee of the Medical Staff, the Chair shall determine whether any agenda items have the potential for conflicts of interest (e.g., decisions with financial consequences, including purchasing, consulting, device and formulary decisions, quality of care issues involving use of specific devices, implants, pharmaceuticals, etc.).
2. The Chair will survey members as to whether they might have a real or apparent conflict of interest with regard to each relevant agenda item, with the responses reflected in the minutes. Positive responses will require completion of the Ad Hoc Conflict of Interest Statement prior to discussion of that agenda item. The details will be shared with the entire committee (unless the member chooses immediate recusal, in which case the Statement will simply be filed in the Medical Staff office).
3. Members with disclosed conflicts may participate in discussion, but may not vote on these agenda items or be present for the vote. In addition, once conflicted members are excused, the Chair must entertain further discussion from remaining committee members prior to the vote.

4. If unforeseen conflicts arise during discussion of any issue, it is incumbent on the conflicted member to make an immediate disclosure, as outlined in IV.c.ii. Discussion may then proceed as outlined in IV.c.iii.
5. If there is disagreement about any recusal decision, a majority vote of the committee members present will decide the issue unless the Chair chooses to table the issue until the next meeting.

D. Any person who presents any officer or committee of the Medical Staff with an issue which might involve a conflict of interest (e.g, formulary addition request), should complete an Ad Hoc Conflict of Interest Statement before the issue is discussed or decided.

E. Persons who assist Medical Staff committees with decisions regarding issues with potential conflicts of interest (eg, pharmacist drug evaluations) should also complete Ad Hoc Conflict of Interest Statements, and except in very unusual situations should not participate if a potential conflict is present.

IV. VIOLATIONS AND ENFORCEMENT

A. Persons in positions which require a Conflict of Interest Statement according to these guidelines, but who do not complete the Statement as required, will be relieved of their relevant duties until they comply.

B. Any other suspected violations of this policy should be reported to the Medical Staff Office, Chief of Staff or Medical Staff President. Such reports may be made confidentially, and even anonymously, although the more information given, the easier it is to investigate the reports. Raising such concerns will not jeopardize anyone's employment or Medical Staff membership.

C. Violations may result in the removal of an individual from a committee and/or the application of appropriate disciplinary action up to and including termination of Medical Staff membership, in accordance with the Medical Staff Bylaws.

D. If violations of any applicable laws or regulations are suspected, the Chief Hospital Counsel and/or Medical Staff Attorney will be notified by the Chief of Staff/Medical Staff President. The Chief of Staff/Medical Staff President

must also be notified promptly whenever Hospital personnel are the first to become aware of any such violations by members of the Medical Staff.

V. RELATED DOCUMENTS:

-- Stanford Health Care and Lucile Packard Children's Hospital Medical Staff Bylaws, Rules and Regulations
-- Stanford University Conflict of Interest Policy
-- SHC/LPCH Human Resources Policy on Conflict of Interest
-- Administrative Manual Industry Interactions Policy

VI. DOCUMENT INFORMATION:

A. Legal Authority/References

None

A. Author/Original Date

This Policy was authored by the Director, Medical Staff Services, in March 2003.

B. Gatekeeper of Original Document

Director of Medical Staff Services

C. Distribution and Training Requirements

The distribution and training of this Policy will be handled through Medical Staff Services.

D. Review and Renewal Requirements
This policy will be reviewed and/or revised every three years or as required by change of law or practice.

E. Review and Revision History
1. 11/06, 11/08, 8/12, 12/15

F. Approvals
1. Hospital Counsel
2. Medical Executive Committee (2) – 11/03; 12/06; 11/08, 10/12, 12/15
3. Credentials, Policies and Procedures Committee of the Board of Directors – 11/03; 12/06; 11/08, 10/12, 12/15

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