

## **SECTION SEVEN: INSTITUTIONAL POLICIES RELATIVE TO POSTGRADUATE PROGRAMS**

**POLICY NO: 7.3**

**SUBJECT: CONFLICTS OF INTEREST POLICY**

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### **PURPOSE**

This policy addresses conflicts of interest that arise with respect to any of the hospital's trustees, officers, members of committees with Board delegated powers, medical staff members with administrative responsibilities, house staff and employees.

This policy mandates that persons affiliated with the hospital comply with certain procedures intended to assure that situations in which a conflict of interest arises are disclosed to appropriate persons having authority at the hospital. In addition, when a conflict of interest arises, this policy requires that precautions be taken to assure that the integrity of the decision-making process is maintained. This policy is intended to supplement, but not replace, any laws of the State of New Jersey applicable to conflicts of interest involving nonprofit and charitable corporations.

### **DEFINITIONS**

- Covered person:** The term "covered person" shall mean any person whose conduct or financial relationships are covered by this policy including any member of the Board of Trustees, any member of a committee with Board delegated authority, principal officer (including any medical staff member with administrative responsibilities), house staff or employee of the hospital.
- Family:** A person's "family" includes such person's spouse, parents, grandparents, children, grandchildren, brothers, sisters, aunts, uncles, cousins, any other relative living in such person's home, and any other individual with whom such person has a personal relationship which might impair the judgment of such person.
- Financial interest:** A person has a "financial interest" if such person, or a member of such person's family, has directly or indirectly, through business or investment, an ownership or investment interest in, or a compensation arrangement with, any entity or individual with which the hospital has or is contemplating entering into a transaction or arrangement, or participates in any activity or maintains any interest which involves obligations that may compete or conflict with the interests of the hospital including gifts or favors other than those of nominal value, from a person or concern which does or is seeking to do business with the hospital.
- Compensation arrangement:** The term "compensation arrangement" shall mean direct or indirect remuneration of any kind including substantial favors or gifts.
- Conflict of interest:** A "conflict of interest" exists when a covered person is found to have a material financial interest.
- Senior conflicts officer:** The "senior conflicts officer" shall be the Vice President, Human Resources or in the case of house staff, the Director of Medical Education

## **DISCLOSURE**

Any house staff who has a financial interest shall immediately disclose the nature of such financial interest in writing to his/her Program Director.

Each covered person is responsible for recognizing the existence of a financial interest and disclosing it as required by this policy. Intentional failure to do so shall be considered a serious breach of an individual's obligation to the hospital.

## **PROCEDURES OF ADDRESSING CONFLICTS OF INTEREST**

Any conflict of interest involving house staff shall be considered and resolved by the Program Director, Department Chair and IGMEC.

After considering a conflict of interest, the IGMEC, as appropriate, shall take such further action or impose such requirements as may be deemed necessary and appropriate to make certain that:

all decisions made on behalf of the hospital are made solely with the intent to promote the best interests of the hospital, and

the covered person does not use his/her personal advantage of the personal advantage of a member of his/her family.

The minutes of the meetings of the IGMEC at which any conflict of interest is discussed shall contain:

the name of the house staff who has been determined to have a conflict of interest;

the nature of the conflict of interest;

the names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of the discussion including any alternatives to the proposed transaction or arrangement what may have been considered, and a record of any votes taken.

The Director of Medical Education shall maintain a written record of each conflict of interest considered and actions taken.

## **INTERPRETATION**

This policy is not intended, and shall not be interpreted, as an absolute prohibition against all transactions or arrangements involving a conflict of interest.

Rather, it requires that precautions be taken whenever the hospital engages in transactions and arrangements that may also result in a material benefit to a resident's private interests. Such precautions shall be designed to assure that the interests of the hospital are protected, the objectivity of its decision makers is maintained, and the hospital's charitable purposes continue to be fulfilled. If the IGMEC, as the case may be, is satisfied that the foregoing matters have been appropriately addressed and will not adversely affect the resident's interests, the affected transaction or arrangement may be approved and consummated by the hospital.