

## Conflict of Interest (COI) and Acceptance of Gifts

### Objectives:

- ✓ Understand PeaceHealth's and current federal definitions for Conflict of Interest (COI) and Gifts
- ✓ Review PeaceHealth's position on COIs and acceptance of gifts
- ✓ Review the importance of recognizing, disclosing and managing COIs
- ✓ Review COI and gift compliance standards
- ✓ Complete, sign and submit your annual COI/Gifts Disclosure form

### Introduction

This brief module provides current information related to conflicts of interest (COI) and individual acceptance of gifts. At the end of the module, you will complete and submit your annual conflict of interest/gifts disclosure form. Note: The Organizational Integrity Department (OI) administers the COI/Gift Survey process and reviews responses. Respondents with positive disclosures that warrant follow-up will be contacted by the OI department and provided with a **Management Plan**. The term "PeaceHealth Workforce" refers to all persons affiliated with PeaceHealth, including caregivers, providers, non-employed contracted medical directors, board members, volunteers, trainees, and other persons whose conduct in the performance of work for PeaceHealth is under the direct control of PeaceHealth.

Definition: The Department of Health and Human Services defines a conflict of interest as a set of circumstances that creates a risk that judgment or actions regarding a primary interest will be unduly influenced by a secondary interest. A COI exists when a PeaceHealth caregiver's personal gain, financial interests, or other commitments interfere, or appear to interfere, with the caregiver's obligations to act in the best interest of PeaceHealth and its Mission and Values. Conflicts of interest compromise or challenge objectivity. Even the *appearance* of a conflict of interest risks damage to the reputation of PeaceHealth and the caregiver.

Conflicts of interest and commitment are not inevitably unethical or impermissible. In fact, they can often be unavoidable. Most can be managed. That is why it is essential that workforce members disclose all potential conflicts of interest so that the risk can be evaluated and, when appropriate, managed or reduced to an acceptable level by means of a **Management Plan** issued through OI. If you are in doubt about a particular relationship causing a COI, it is always best to disclose it so that you can demonstrate that it received institutional review and oversight.

All PeaceHealth workforce members should keep in mind that some outside activities, interests, or interactions have the potential to create conflicts, whether real or perceived. Recognition of potential conflicts and sensitivity to how personal, financial, and other relationships can be perceived by others, are important parts of managing conflicts. Relationships with industry, businesses, vendors, and others seeking a relationship with PeaceHealth can create the appearance of a COI. In addition, accepting gifts from those seeking a relationship with PeaceHealth can appear to influence judgement. The PeaceHealth policy on individual acceptance of gifts sets reasonable limits to ensure that decisions are not swayed by personal gain.

## Common COI examples:

- Being paid for work by a vendor or company that does business with PeaceHealth
- Paid consulting arrangements with pharmaceutical or device companies whose products you may prescribe or use in your practice
- Hiring and supervising family members or close personal friends
- Contracting to provide services to PeaceHealth or to a competitor while employed by PeaceHealth
- Accepting gifts, favors or loans from those who seek or do business with PeaceHealth
- Leasing or renting property or engaging in an outside business with supervised employees
- Referring workforce members to a business when you are a part-owner or investor

## *What types of conflicts of interest must be disclosed?*

Workforce members must disclose personal or **Significant Financial Interest**<sup>1</sup> in a company doing business with or interested in doing business with PeaceHealth. This requirement includes disclosing contracts and business arrangements in or from which a caregiver or a caregiver's **family member**<sup>2</sup> or business associate acquires a direct or indirect personal or financial interest or benefit.

The disclosure form that follows this educational module provides detailed information related to types of arrangements that must be disclosed and which of your family members are covered by the policy.

## *What is required of PeaceHealth Workforce members?*

- Make sure that your COI disclosure is current and complete and that any disclosed COIs have received a management plan from the Organizational Integrity Department.
- Do not accept gifts in excess of the value allowed by policy.
  - PeaceHealth Workforce members may accept a gift from a Vendor if all of the following criteria are met:
    - The total value of the gift is less than \$100;
    - The gift is given on an infrequent or non-routine basis;
    - A gift is generally not accepted from the same Vendor or entity more than once per year; and
    - The gift is not Cash or a Cash Equivalent.

Other limits apply to the acceptance of paid travel, accepting meals, and acceptance of gifts by senior leaders. Prior to accepting a gift, it is wise to review the Acceptance of Gifts policy available on Crossroads.

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<sup>1</sup> **Significant Financial Interest** - The following items are considered significant financial interest:

- \* Equity interest or entitlement to equity (e.g. stocks, stock options, warrants, or contractual rights to acquire or receive ownership interests other than interests in a diversified mutual fund) of any amount in a non-publicly traded company.
- \* Equity interest or entitlement to equity (other than interest in a diversified mutual fund) greater than \$5000.00 U.S., in aggregate over the last twelve months in a publicly-traded company.
- \* Compensation (anything of monetary value) including, but not limited to, salary, gifts, consulting fees, honoraria, or other payments for services that is more than \$5000.00 U.S., in aggregate over the last twelve months.
- \* An aggregated value of equity interest and compensation that exceeds \$5000.00 over the last twelve months in a publicly-traded company.
- \* Royalty income or the right to receive future royalties under a patent, license, or copyright agreement with an entity.
- \* Serving in an executive position (any position that includes responsibilities for a material segment of the operation or management of a business, including a position on a board of directors).

<sup>2</sup> **"Family Member"** means an employee's spouse and any other person who resides in the same household as the employee and who is a dependent of the employee. A potential conflict of interest may arise when the party holding the "Financial Interest" is related to the employee in ways other than spouse and dependents. Financial interests held by this party should be disclosed by the employee to the best of his or her knowledge.

### ***What is the Physician Payments “Sunshine Act” and Open Payment Program?***

Congress passed legislation known as the Open Payments Act or “**The Sunshine Act**” This law applies to payments made to physicians, osteopaths, dentists, podiatrists, optometrists and chiropractors. Residents are not included. The Act requires industry to report to CMS gifts and other payments given by industry to covered health care professionals and teaching hospitals. The Open Payments database is a searchable database for public review. The goal of the act is to increase transparency of financial arrangements between health care professionals and industry and to uncover potential conflicts of interest. To access open payment data and other program resources, click on this link to visit the [CMS Open Payments Program](http://www.cms.gov/openpayments) (<http://www.cms.gov/openpayments>).

We recommend that providers register with CMS to review your Sunshine Act information to make sure it is correct. If you dispute information that you find to be inaccurate, you may make a formal appeal to CMS. Providers should check the database once or twice per year to be sure that any information reported is accurate. The database has been known to record errors and providers have the opportunity to correct misinformation.

### ***What type of industry is required to report to the CMS and what types of payments must be reported under the Sunshine Act?***

1. Covered industry types required to report are manufacturers of drugs, medical devices, biological and medical supplies.
2. Type of payments or ***transfers of value*** to ***doctors*** that must be reported by covered entities include:
  - Consulting fees
  - Compensation for services other than consulting, such as speaker fees
  - Gifts
  - Entertainment
  - Food and beverage
  - Travel and lodging
  - Educational materials including journal reprints
  - Ownership & investment interests

These payments are exempt from reporting requirements:

- Honoraria for speaking at certified and accredited CME programs
  - Educational materials that directly benefit patients
  - Buffet meals provided to all participants of a large-scale conference
  - Discounts or in-kind items for the provision of charity care
3. Types of payments to ***teaching hospitals*** that must be reported:
    - Research
    - Charitable contributions
    - Royalty or license
    - Grants
    - Space rental or facility fees

- Equipment/device loans when over 90 days

***Tip: Even indirect payments to health care professionals and teaching hospitals must be reported. For example, if the manufacturer provides a payment to the PeaceHealth Foundation that is directed for the use of a specific doctor, that payment will be reported in the Open Payments Database as an indirect payment to that doctor.***

Although the Sunshine Act does not cover all PeaceHealth caregivers, the goal of the law is consistent with PeaceHealth policy on transparency and the associated requirement for annual disclosure

**More information please review the following policies:**

- [Acceptance of Gifts Policy](#)
- [Conflict of Interest-Caregivers Policy](#)
- [Institutional COI-Executives, Board Members, Decision Makers Policy](#)
- [Outside Activity/Outside Compensation Policy](#)