


**GUAM MEMORIAL HOSPITAL AUTHORITY
ADMINISTRATIVE MANUAL**

APPROVED BY:  Danielle A. Manglona, MSN, MBA, RNC, CPPS, CPHRM Acting, Hospital Administrator/CEO	RESPONSIBILITY: Hospital-wide	EFFECTIVE DATE: June 13, 2016	POLICY NO. A-LD200	PAGE 1 of 6
TITLE: CONFLICT OF INTEREST				
LAST REVIEWED/REVISED: 05/2016				
ENDORSED: EMC 06/2015, MEC 11/2015, JCPA 05/2016				

PURPOSE:

The purpose of this policy is to provide guidelines for identifying situations which may give rise to a conflict of interest and to outline administrative oversight mechanisms by which an actual, apparent, perceived or potential conflict of interest is to be disclosed and managed.

POLICY:

Guam Memorial Hospital Authority is prohibited from engaging in any activities where the primary purpose is to financially benefit an individual. It is the policy of GMHA that all full-time and part-time employees, the medical staff, and the Governing Board of Trustees avoid any conflict, or appearance of conflict, between their personal interest and the interest of GMHA when they are dealing with any individual or organization having, or seeking to have, any business to further its charitable purposes and uses its resources to benefit the community. Resources may not be used to benefit the private interests of any individual within GMHA. GMHA must be free from the undue influence of outside interests.

Situations where personal interest or outside influence, or appear to influence, decisions in performing duties for GMHA must be avoided. While each situation is different, conflicts of interest, potential conflicts of interest, or the appearance of a conflict of interest, may arise from the following activities:

1. You have a personal or family* financial interest** in a competitor, supplier, or entity that does business with GMHA;
2. Your involvement in outside business activities, such as other employment, interferes with your ability to perform your duties for GMHA;
3. You use GMHA materials, equipment, supplies, or business information for personal or non-GMHA purposes;
4. You receive payment or expenses for attending or participating in seminars, consulting or other activities from current or potential vendors;
5. You receive or request gifts, loans, entertainment or anything of value from a person or organization that does business with or may want to do business with GMHA (this does not include gifts received or given as business courtesies or token of friendship that have a nominal value and are not related to any particular transaction or activity of GMHA nor gifts given to GMHA for charitable purposes);

*Includes a spouse, sibling, child, grandchild, or parent or any spouse of such person or any individual living in the home of the employee.

** "Financial interest" as used in this policy does not include ownership of interests in diversified investments (e.g., mutual funds, retirement plans) where the employee or consultant does not control investment decisions, nor does it include non-controlling ownership of securities in large, publicly-held corporations unless the activities of the employee could have an other than inconsequential effect on the value of such securities.

PROCEDURE:

I. DUTY TO DISCLOSE

- A. The Human Resources department shall be responsible for distributing the Conflicts of Interest Policy and Disclosure Statement (Attachment I) to the Division Heads at the beginning of each fiscal year.
- B. Each entity is then responsible for distributing the Conflicts of Interest Policy and Statement to all personnel at the supervisor level and above by September 1 of each year. All personnel at the supervisor level and above are required to complete the Conflicts of Interest Disclosure Statement.
 1. All members of the GMHA Medical Staff who are elected or appointed to leadership, such as the members of the MEC, and members of the IRB are required to complete the Conflict of Interest Disclosure Statement as set forth in this paragraph. All original statements are to be reviewed by the individual's department chairperson and MEC and kept in the individual physician's file.
 2. All GMHA Board of Trustee members are required to complete the Conflict of Interest Disclosure Statement as set forth in this paragraph. All original statements are to be reviewed by the Board of Trustees and kept in a file with the Board Secretary.
- C. All Conflict of Interest Disclosure Statements shall be completed and returned to the Division Heads by September 30th of each year. These statements shall be retained for a period of seven years.
- D. The Division Head shall review the Conflict of Interest Disclosure Statements. The original statements shall be maintained with the Department Head after this review. If a statement contains a disclosure of a conflict or potential conflict the Conflict of Information Disclosure Statement should be sent to the Human Resources department by October 30th of the fiscal year.
- E. The Department Head shall certify to the Personnel Administrator that the employees in their area that are required to complete the Conflict of Interest Disclosure Statement have done so and the same has been reviewed by the Division Head. The certification shall also state that any Conflict of Interest Statements that disclose a Conflict of Interest or potential Conflict of Interest has been sent to the Human Resources department.
- F. An employee who receives an invitation to attend vendor-promotional training, seminars or trips, which may include travel, lodging and/or entertainment expenses must obtain the approval of his or her supervisor. The amount of time engaged in vendor-training

substantive matters must outweigh the amount of time spent in recreation/entertainment. The employee shall provide the supervisor with sufficient documentation (course description, etc.) to assess whether substantive content of the vendor training, or seminar outweighs the non-substantive content. If the vendor-promotional training or seminar involves travel off-island or lodging in excess of two nights, the employee's supervisor must forward the request for approval to the Personnel Administrator, the Associate Administrator of Operations, and the Hospital Administrator for review and approval.

- G. Any potential or actual conflict, which arises during the year, must be disclosed to Human Resources department within 10 business days of your learning of it.

II. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the financial interest, the Hospital Administrator/CEO or Chairperson of the Board of Trustees shall afford the interested person who makes the disclosure an opportunity to explain to the Executive Management Council, board or committee the facts and circumstances of the transaction or arrangement that led to such disclosure. The interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

III. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

- A. The Hospital Administrator/CEO, or chairperson of the board or committee shall, if appropriate, appoint a disinterested person (who may be the Legal Counsel of the hospital) or committee to investigate alternatives to the proposed transaction or arrangement.
- B. After exercising due diligence, the Hospital Administrator/CEO, board or committee shall determine whether the Hospital can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- C. If a more advantageous transaction or arrangement is not reasonably obtainable under circumstances that would not give rise to a conflict of interest, the Hospital Administrator/CEO, board or committee shall determine by a three-fourths (3/4) vote of the disinterested directors whether the transaction or arrangement is in the Hospital's best interest and for its own benefit and whether the transaction is fair and reasonable to the Hospital and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

IV. VIOLATIONS OF THE CONFLICT OF INTEREST

- A. If the Hospital Administrator/CEO, board or committee has reasonable cause to believe that a member or senior manager has failed to disclose actual or possible conflicts of interest, it shall inform the member / senior manager of the basis of such belief and afford the member / senior manager an opportunity to explain the alleged failure to disclose.
- B. If after hearing the response of the member / senior manager and making such further investigation as may be warranted in those circumstances, the Hospital Administrator/CEO / board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate action which action may include the acceptance of the senior manager's / member's abstention, requiring that his

conflict of interest be terminated or recommending that appointment / employment be terminated.

RESCISSION:

Policy A-LD200, *Conflict of Interest* of the Guam Memorial Hospital Administrative Manual made effective March 5, 2012.

REFERENCES:

United States Code, Title 42, Chapter 7, Subchapter XI, Part A, § 1320a-7b(b): Federal Anti-Kickback Statute

United States Code, Title 42, Chapter 7, Subchapter XVIII, Part E, § 1395nn: Ethics in Patient Referrals Act (Federal Physician Self-Referral Laws)

ATTACHMENT:

I. [Annual Disclosure of Conflict of Interest](#)

ATTACHMENT I

ANNUAL DISCLOSURE OF CONFLICT OF INTEREST

Name: _____
(Please Print)

Affiliation with Guam Memorial Hospital Authority: _____

Preamble:

Many individuals have personal relationships, involvement with other organizations, or interactions with external individuals or other interests that create or have the potential to create a conflict of interest. As soon as they arise, all conflicts of interest are to be declared to the Human Resources department through the procedure set forth in GMHA Administrative Policy No. 6100-6, *Conflict of Interest*.

Declaration:

1. I have read and understand the Conflict of Interest Policy and agree to be bound by the obligations contained therein. I understand that it is my responsibility to report any conflict of interest and disclose the information requested in the Conflict of Interest Policy.
2. I agree to inform the Human Resources department of any change in circumstances that may create a conflict of interest as soon as it is known to me.
3. I hereby certify that I have disclosed all relevant information with respect to any matter involving individuals, companies or organizations that may place me in a conflict of interest. I understand that if I have failed to adequately disclose any conflict of interest, I may be subject to corrective action up to and including termination of employment, loss of privileges, termination of contract, or such other action as is appropriate to my relationship with the Guam Memorial Hospital Authority.

Name (Please Print)

Signature

Date

Name of Division Head/
MEC President/
BOT Chairperson

Signature

Date

CONFLICT OF INTEREST DISCLOSURE STATEMENT

NAME: _____

DATE: _____

PERIOD: **START DATE:** _____ **END DATE:** _____

Part II: Disclosure Forms are required for those activities or interests over the **past fiscal year** involving any external company or organization that requires disclosure.

Company, Organization, or Individual	Financial Interest or Estimated/Potential Benefit	Time Commitment	Nature of Relationship	Use of Hospital Facilities	Family Member Involved?
e.g., ABC Foundation	\$10,000 honorarium	5 days per year for meetings	Advisory Board	Minimal— office only	No

Signature

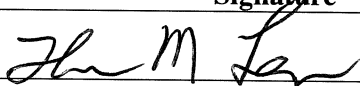
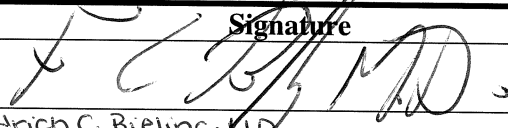
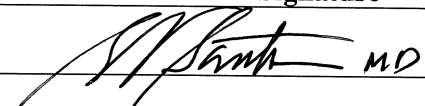
Date of Signature

Attachment (Circle one): YES NO

**GUAM MEMORIAL HOSPITAL AUTHORITY
REVIEW AND ENDORSEMENT CERTIFICATION**

The signatories on this document acknowledge that they have reviewed and approved the following:

- Bylaws Submitted by Department/Committee: Administration
- Rules & Regulations Policy No.: A-LD200
- Policies & Procedures Title: Conflict of Interest

Reviewed/Endorsed Title	Date	Signature
	10-26-15	
		Theodore M. Lewis, MBA Chairperson, Executive Management Council
Reviewed/Endorsed Title	Date	Signature
	11/25/15	
		Friedrich C. Bieling, MD Chairperson, Medical Executive Committee
Reviewed/Endorsed Title	Date	Signature
	5/19/16	
		Chairperson, BOT-Joint Conference and Professional Affairs
Reviewed/Endorsed Title	Date	Signature

***Use more forms if necessary. All participating departments/committees in developing the policy should provide signature for certification prior to submitting to the Compliance Officer.**