

# Report on Medicare Compliance Volume 28, Number 5. February 11, 2019

## Pamphlet: A Quick Guide to the Thought Process of a Conflict-of-Interest Policy

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Northwell Health in New Hyde Park, New York, developed this pamphlet to help employees, board members and other “associated individuals” understand their obligation to disclose relationships that might create a conflict with the academic health system. “The key of any conflicts policy is to make sure people disclose things,” says Greg Radinsky, senior vice president and chief corporate compliance officer. Whether an activity, such as a consulting gig, is a conflict is organization specific, he says. “Our organization doesn’t allow our physicians to sit on speaker’s bureaus. Other organizations may allow for that,” he says. Northwell also generally has a no-gift policy with vendors. None of this could be managed without an effective disclosure process that depends on people understanding why they must think through the implications of their interactions with outsiders. Contact Radinsky at [gradinsk@northwell.edu](mailto:gradinsk@northwell.edu).

### **Conflict of Interest and Recusal Policy**

These policies are related to the Northwell Health Conflicts of Interest and Recusal Policy and can be consulted for additional information, particularly in cases involving relationships with drug and medical device companies, referral sources, and social gifts and gratuities.

### **Purpose of the policy**

Conflicts of interest arise when associated individuals who are in a position to influence the business or other decisions of Northwell Health do so in a manner that leads or appears to lead to personal gain for themselves, their family members or related business interests. Such conflicts interfere with the associated individual’s duty of loyalty to Northwell Health. Ultimately, such conflicts may lead to decisions that negatively affect cost and quality. The federal Physician Payments Sunshine Act and various state statutes reflect this concern and will require drug and medical device manufacturers and other companies to report payments to physicians.

Accordingly, it is the policy of Northwell Health to conduct business free from the influence of conflicts of interest and to properly manage and mitigate conflicts of interest using a system of disclosure and recusal.

This brochure discusses some of the issues regarding Northwell Health’s policy.

### **Associated individuals, family members and related business interests**

- The policy applies to “associated individuals.” These are persons employed or otherwise associated with Northwell Health including, but not limited to, board members, officers, employees, agents, medical staff, licensed independent practitioners and students.
- Associated individuals can have conflicts of interest if their decisions at Northwell Health benefit or appear to benefit themselves, family members or related business interests.

**Question to ask yourself:** Could my outside activities appear to influence my decisionmaking abilities? If yes, see Disclosure and Recusal sections.

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**Example:** A member of a formulary committee consults for a drug manufacturer.

**Example:** An employee who owns a durable medical equipment company that does business with Northwell Health or its patients.

- A family member of an associated individual means (1) his or her spouse or domestic partner; (2) his or her ancestors, brothers and/or sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren and great-grandchildren; (3) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren and/or great-grandchildren; or (4) any person residing in the same household as the associated individual.

**Question to ask yourself:** Could my relationships appear to influence my decision-making abilities? If yes, see Disclosure and Recusal sections.

**Example:** An employed physician has in-laws who own a nursing home that may receive referrals from her hospital.

**Example:** A department head whose child applies for employment in the department head's department.

- A related business interest means a person, organization or business entity in which an associated individual or family member (a) serves as an employee, officer, director, member, partner, or trustee or (b) has a financial interest such as ownership, investment, income or similar right or interest that can benefit the associated individual or family member.

**Question to ask yourself:** Could my decisions appear to personally benefit myself or a family member? If yes, see Disclosure and Recusal sections.

**Example:** An employee's spouse is an owner of a healthcare products company that does business with Northwell Health.

**Example:** An employee with purchasing authority who makes a decision to buy goods or services based on personal relationships or personal gain, and not in the best interests of Northwell Health and its patients.

- An associated individual's ownership interests or outside activities can create conflicts related to any research the individual may be performing.

**Question to ask yourself:** Could this relationship compromise, or appear to compromise, the objectivity of the design, conduct or reporting of the research?

**Example:** A researcher is engaged in research funded by a company in which they have a significant financial interest (e.g., consulting, stock, intellectual property).

- Regarding ownership of outside companies, disclosure and recusal decisions can vary based on factors such as the employee's role in Northwell Health, the private or public nature of the company and the company's size. See Disclosure and Recusal sections and the policy's "Frequently Asked Questions" (FAQ) document or call the Office of Corporate Compliance for further guidance.

## Other examples of conflicts

- Outside activities by the associated individual, family member or related business interest that actually or potentially compete with Northwell Health, such as employment by a competitor. Please note that clinicians maintaining hospital staff privileges at a competing hospital is not an inappropriate conflict of

interest and does not need to be disclosed.

- Outside activities by the associated individual, family member or related business interest that actually or potentially compromise the associated individual's work or decisions at Northwell Health, such as employment by a Northwell Health vendor.

## Disclosure

- Disclosure by the associated individual is the first step to avoiding any potential issue.
- Associated individuals must promptly disclose actual or potential conflicts of interest to the Office of Corporate Compliance. Any associated individual who intends to enter into any arrangement that could potentially generate referrals must first have the arrangement approved by the chief corporate compliance officer. Please contact the Office of Corporate Compliance regarding any questions about a potential conflict.
- Certain associated individuals designated by the Office of Corporate Compliance will also complete a conflict of interest disclosure report upon employment or affiliation with Northwell Health and on an annual basis thereafter.
- The Office of Corporate Compliance will advise of next steps, if any, to manage any conflicts.

## Recusal

- Following disclosure, associated individuals shall recuse themselves from discussion or other participation in matters or transactions giving rise to the conflict.
- Recusals shall be recorded in committee minutes, if applicable, or documented by supervisors.

## Other issues

- Associated individuals must not disclose Northwell Health confidential information to unauthorized internal and external individuals.
- Associated individuals involved in research are also subject to the health system's Conflict of Interest in Research Policy (#GR065).
- Trustees and certain key persons also are required to complete additional disclosure forms related to the Internal Revenue Service Form 990 and CMS-855a Enrollment Form.
- Employees must comply with Northwell Health's policy 800.03, which restricts the use of Northwell Health work time and other resources on outside engagements.
- This policy's FAQ document has additional information regarding commonly asked questions.

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