



**PURPOSE:**

The following policy pertains to conflict of interest which may arise between and among Bristol Health's Board of Directors, members of subcommittees, and ad hoc committees. A system of internal control is hereby adopted to ensure that these individuals recognize their obligation to protect the tangible and intangible assets of Bristol Health; and to protect without compromise the objectives and mission of Bristol Health. The policy addresses potential and actual situations wherein conflict of interest may arise.

**POLICY STATEMENT(S):**

A conflict of interest may arise when any personal relationship, business relationship or outside activity impairs or appears to impair or influence a Board Member's ability to make objective or fair decisions in the performance of duties to Bristol Health. Such a problem may arise whenever there is a conflicting loyalty or interest. The appearance of a conflict, even absent an actual conflict of interest may damage public trust in the institution. Members of the Board of Directors should not serve interests that compete with Bristol Health, its hospital subsidiaries or affiliates or hold a position of responsibility or business ownership that competes or may compete with any aspect of Bristol Health.

**DEFINITIONS:**

The following definitions pertain to the application of this policy.

**Outside activity** means any activity outside the scope of a Board Member's corporate responsibilities to Bristol Health.

**Board Member** means:

- A member of the Board of Trustees;
- A member of the Board of Directors;
- A member of any subcommittee of the Board of Trustees;
- A member of any subcommittee of the Board of Directors;
- A member of any ad hoc committee of the Board of Directors;
- A member of any ad hoc committee of the Board of Trustees.

**Nominee or Nominee Board Member** means an individual nominated to serve on the Board of Trustees, Board of Directors, on any subcommittee of either the Board of Directors or the Board of Trustees; or on any ad hoc committee of the Board of Directors or the Board of Trustees.

**Relative** means:

- A spouse
- A domestic partner
- A parent
- A grandparent
- A child

- A grandchild
- An in-law
- A sibling

**Conflict of Interest** means any actual, apparent, potential, explicit or implicit influence or relationship by a Board Member or relative with another individual, business or entity which does or may impair the Board Member's ability to carry out duties to the Hospital fairly, or which may compromise loyalty or fiduciary duty(ies) to Bristol Health. **Conflict of interest** may also mean the act or omission of a Board Member in the absence of good faith, or abuse of the Board Member's position to personal advantage or financial gain, or the personal advantage or financial gain of a Board Member's relative.

**Full disclosure** means disclosure of any and all financial relationships of the Board Member, Nominee or relative[s] directly or indirectly connected to Bristol Health including, but not limited to a description of the nature of the outside relationship which creates an actual, apparent or potential conflict of interest; and the identity of the individual[s] or entity(ies) involved in the relationship which creates the actual, apparent or potential conflict of interest; the nature of any fiscal or financial gain which may arise from the relationship, and production of any written agreement[s] or materials which document the relationship of the Board Member, Nominee or relative to the outside individual, enterprise, business or concern.

The term "**direct**" applies to a business relationship between a Board Member or Nominee and a company, entity, person or organization.

The term "**indirect**" applies to a business relationship between a relative of a Board Member or Nominee and a company, entity, person or organization.

**Financial interest** means any ownership, equity or security interest in personal property or a business; any compensated relationship; indebtedness to a person, organization, business or institution; or relationship as a creditor to a person, organization, business or institution. The amount of any financial interest shall not be relevant to a determination with respect to whether a conflict of interest exists.

**Participation** means involvement by any Board Member in decision-making, promulgation of recommendations, inquiries or providing advice in connection with determinations pertaining to actual, apparent or potential conflicts of interests.

#### **SCOPE:**

This policy applies to all Bristol Health Board Members and all members of the Executive Leadership Team.

#### **PROCEDURE:**

##### **I. Acknowledgment**

Each Board Member shall receive, read and sign a statement once annually agreeing to comply with the Conflict of Interest Policy. The statement shall be sent out each December by the Compliance Officer on behalf of the Governance Committee.

**II. Disclosure**

If any actual, apparent or potential conflict of interest arises, any involved Board Member shall make full disclosure of such actual, apparent or potential conflict of interest, within fifteen (15) days of the time that such conflict is discovered, or at least once annually at the commencement of each calendar year, with regular written updates to accord with any change in circumstances.

Nominee Board Members shall make full disclosure of any actual, apparent or potential conflict of interest as a condition of attaining membership.

Decisions pertaining to actual, apparent or potential conflicts of interests shall be made by the Governance Committee.

The Corporate Compliance Officer shall be available to the Governance Committee upon request.

Written disclosure shall include the determination of any benefit, financial or otherwise, to the Board Member or relative as the result of any direct or indirect link or direct or indirect connection to an outside enterprise, business, person, company or organization from which the actual, apparent or potential conflict of interest arises.

The Board Member or Nominee shall produce to the Governance Committee a copy of any written agreement documenting the relationship with the outside company, entity, person or organization from which the actual, apparent or potential conflict of interest arises, if the same exists. If the relationship is not delineated in writing, the Board Member or Nominee shall provide a written summary of the relationship which creates the actual, apparent or potential conflict of interest.

The Corporate Compliance Officer shall collect, distribute and disseminate conflict of interest disclosures by Board Members and Nominees. These documents shall be maintained in their original form by the Corporate Compliance Officer for the complete tenure of the Board Member or Nominee and for ten years afterward.

The Governance Committee, with complete reporting of its findings to the Board of Directors, shall review all such disclosures to determine whether an actual, apparent or potential conflict of interest exists. No Board Member who is a member of the Governance Committee with an actual, apparent or potential conflict of interest shall be permitted to make any determination pertaining to the existence of an actual, potential or apparent conflict of interest.

Failure to report any change in circumstances, relationships or affiliations which creates an actual, apparent or potential conflict of interest may result in revocation of membership, or conditional approval of membership subject to the determination and discretion of the Governance Committee.

The Governance Committee, in reviewing any actual, apparent or potential conflicts of interest, shall review:

- Any direct or indirect personal or business relationships or business interests which would interfere with or compromise or harm the achievement of Bristol Health's goals or mission;

- Any direct or indirect personal or business relationships or business interests which would interfere with or compromise a Board Member or Nominee's ability to discharge duties, fiduciary or otherwise, to Bristol Health;
- Any direct or indirect personal or business relationships or interests in companies, organizations or enterprises with which Bristol Health does business;
- Any direct or indirect investment interests with companies, organizations or enterprises with which Bristol Health does business

In the interests of determining the significance of the disclosure and the impact of the relationship on Bristol Health.; to detect any actual, apparent or potential issues or relationships which would result in financial benefit or any other value or benefit to the Board Member or Nominee; to determine whether any issues may arise which would damage, endanger or compromise the reputation of Bristol Health within the community, or compromise or impair the public trust in Bristol Health; and to determine whether any activities, issues or relationships exist which are in violation of Federal laws and regulations or in violation of Connecticut General Statutes or State regulations or other laws and provisions of the government.

In considering whether any actual, apparent or potential conflict of interest exists, the Governance Committee shall afford most importance to consideration of any direct or indirect relationships which may influence business transactions.

This review process is applicable to the Chairperson of any sub-committee of the Board of Directors when unexpected circumstances regarding a conflict of interest or potential conflict of interest among the members of the Governance Committee arises during the course of committee business. The Chairperson shall render a decision regarding the member's further participation at the meeting. Any circumstances that arise that are defined as a conflict of interest or potential conflict of interest are reportable to the Chairperson of the Governance Committee and Chairperson of the Board of Directors following the conclusion of the meeting.

**III. Effect of Ownership or Financial Interests on Voting and Decision Making Privileges** The extent of the ownership or investment interest shall affect the extent to which a Board Member may participate in decision-making or determinations **if and only if full disclosure of the interest has been made to the Governance Committee and a final determination that no conflict of interest exists has been made by the Governance Committee, or after appeal, by the Board of Directors.**

<b>Elements of Conflict</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Level 5</b>
Business Ownership Interest	0-5%	6-15%	16-24%	25-49%	50% or >
Business Investment Interest	0-5%	6-15%	16-24%	25-49%	50% or >
Value of Business Ownership/ Investment/Transaction or Benefit in Gross dollars	\$0 - \$2,999	\$3,000 - \$4,999	\$5,000 - \$6,999	\$7,000 - \$9,999	\$10,000 or >

**IV. Actions:**

**Level 1:** The Member may participate directly and/or indirectly in business discussions at any level and participate in the decision-making related to discussions after full disclosure of personal and business interests have been received, reviewed, and approved by the Governance Committee and Board of Directors.

**Level 2:** The Member may participate in direct business discussions at the level of the Board of Directors and participate in the decision-making related to discussions after full disclosure of personal and business interests have been received, reviewed, and approved by the Governance Committee and Board of Directors.

**Level 3:** The Member may be present but may not contribute to direct discussions at the level of the Board of Directors and will not participate in the decision-making related to discussions after full disclosure of personal and business interests have been received, reviewed, and approved by the Governance Committee and Board of Directors.

**Level 4:** The Member may not participate in any direct or indirect discussions at any level nor be present for any such discussions and may not have any voting privileges even after full disclosure of personal and business interests have been received, reviewed, and approved by the Governance Committee and the Board of Directors.

**Level 5:** The Member may not participate in any direct or indirect discussions at any level nor be present for any such discussions and may not have any voting privileges even after full disclosure of personal and business interests have been received, reviewed, and approved by the Governance Committee and the Board of Directors.

The Governance Committee shall also promulgate a plan to monitor any business or personal relationships which pose a potential or apparent conflict of interest in each case at periodic intervals throughout any given fiscal year.

**V. Reporting Of Conflicts**

Any Board Member or Nominee with knowledge of an actual, apparent or potential conflict of interest between another Board Member or Nominee must disclose such information to the Chairperson of the Governance Committee **promptly**, unless such actual, apparent or potential conflict of interest directly involves the Chairperson. In such case, a report may be made to any member of the Governance Committee. Board Members providing such information shall be granted anonymity and confidentiality upon request.

A Board Member or Nominee with knowledge of an actual, apparent or potential conflict of interest by another Board Member or Nominee may make an anonymous report of such actual, apparent or potential conflict of interest via the corporate compliance hotline.

Once the Governance Committee has been given notice by one Board Member or Nominee of another Board Member or Nominee's actual, apparent or potential conflict of interest, the Chairperson will make reasonable enquiry to determine the validity of the information, and take appropriate and necessary action.

**VI. Requirements for Determinations by the Governance Committee**

Determination by the Governance Committee in concert with the Board of Directors of any actual, apparent or potential conflict[s] of interest[s], and the action to be taken upon such

decision shall be made within forty-five (45) days of receipt of full disclosure. Notification of the decision shall be made in writing, to the Board Member or Nominee of the Governance Committee's determination via certified mail, return receipt requested. The Governance Committee's decision must be made in writing, and include information to substantiate any finding.

The Governance Committee's decision shall be fair and impartial, and shall not be arbitrary or capricious.

If written disclosure made by a Board Member or Nominee is determined to be incomplete, the Member or Nominee will be denied inclusion to or asked to relinquish membership in any Board or Committee on which he serves.

The Governance Committee shall make reasonable attempts to clarify any information provided within disclosure statements which it deems unclear.

Decisions by the Governance Committee are based on information disclosed to it at the commencement of each fiscal year by Board Members or Nominees. Any Member or Nominee must **promptly** bring to the Governance Committee's attention any change in circumstances, relationships or affiliations creating an actual, apparent or potential conflict of interest by providing a written account of any such change to the Governance Committee within fifteen (15 days) of any pertinent changes or modification of circumstances.

#### **VII. Compliance Plans**

In the event that it determines that an apparent or potential conflict of interest exists, the Governance Committee shall institute a reasonable compliance management plan including periodic reviews of relationships or activities of any Board Member, Nominee or relative. Any changes or modifications in such relationships or activities shall be periodically reviewed and evaluated by the Governance Committee.

#### **VIII. Waivers**

Even if the Governance Committee finds that an actual, apparent or potential conflict of interest exists, the Governance Committee, in conjunction with the Board of Directors may waive its finding by making a determination that the Board Member or Nominee's direct or indirect interest in a particular business, organization, institution or entity is not sufficient to disqualify the member, nor likely to affect the integrity of the Board Member's service to Bristol Health.

All of the following conditions must be met for such waiver to apply.

- Full disclosure of the direct or indirect financial interest must be made to the Governance Committee.
- The reasons for the waiver must be fully documented, and such documentation must be maintained by the Governance Committee and the Corporate Compliance Officer. Such documentation shall include a description of the financial interest, any matters to which it applies, the role of the Board Member, and any limitation on the Board Member's ability to act on matters within the scope of duty to Bristol Health and any adjustments which should be made to the Board Member's duties intended to reduce or eliminate the possibility of risk to the integrity of the reputation of Bristol Health within the Community, or any risk to the public trust in Bristol Health. The nature and importance of the Board Member's contribution to other business conducted by any Governing Body of Bristol Health, must also be documented.

- The waiver shall be incorporated into the minutes of the Board of Directors. The waiver may result from an appeal of a decision of the Governance Committee or an appeal of the decision of the Board of Directors.

**IX. Preclusions**

No Board Member or any Member of a Governing Body of Bristol Hospital and Health Care, Inc., who receives direct or indirect compensation from Bristol Hospital and Health Care, Inc., may discuss or vote on matters pertaining to compensation.

No physician who is a voting member of any Governing Body who receives direct or indirect compensation from Bristol Hospital and Health Care, Inc., for services may discuss, or vote on matters pertaining to their own compensation or the compensation of any other physician. Nothing shall prevent the physician from giving information to a Governing Body of Bristol Health, pertaining to physician compensation.

No physician who receives direct or indirect compensation from Bristol Health may participate in any decision pertaining to compensation arising from service on any committee of Bristol Health

**X. Gifts**

Acceptance of a gift by a Board Member or Nominee may compromise the Board Member or Nominee's ability to act impartially, or act in the best interests of Bristol Health Board Members or Nominees who have received gifts must report any such gifts to the Governance Committee.

No Board Member or Nominee shall accept any cash gift, or cash equivalent, or any tangible gift from any person, business, organization, institution or entity which will or may accrue financial benefit from dealings with Bristol Health

No Board Member or Nominee shall solicit any gift for self or relative from any person with a business relationship to Bristol Health, or from a business, organization, institution or entity in which the Board Member or Nominee has influence.

Any gifts with a face value over \$100 (one hundred dollars) must be reported to the Governance Committee to determine whether such gift creates a conflict of interest.

Gifts of nominal or token value may be accepted by Board Members and Nominees, so long as the cumulative, total dollar value of such gifts does not exceed \$100 (one hundred dollars) per person.

Examples of gifts which may be accepted are as follows:

- Entertainment (such as performances, concerts, or theatrical events or tickets to attend the same) so long as the Board Member or Nominee attends such entertainment with the donor of the gift and the total value of the gift does not exceed \$100 (one hundred dollars) per person.
- Food and beverages valued at less than \$100 (one hundred dollars) per person consumed in the company of the donor.

**XI. Appellate Procedure**

The same Appellate Procedure shall apply to Board Members and Nominees.

Within twenty-one (21) days of the date of the written decision issued by the Governance Committee, a Board Member or Nominee may appeal its finding of an actual, apparent or potential conflict of interest.

Any appeal of the Governance Committee's decision shall be made in writing, and shall state:

1. The reasons for reconsideration of the decision if applicable;
2. Factual support;
3. Any other significant basis including a charge of arbitrariness, bias or caprice against any Member[s] of the Governance Committee.

The written appeal shall be submitted to the Chairperson of the Governance Committee, and to the Chairperson of the Board of Directors, unless any actual, apparent or potential conflict of interest exists between the Nominee or Board Member and the Chairperson of the Board of Directors or the Chairperson of the Board of Directors and any Relative, business associate or affiliate or partner of the Nominee.

The Chairperson of the Governance Committee shall furnish to the Chairperson of the Board of Directors all information pertaining to the Nominee's application or the Board Member's full disclosure and membership in any governing body.

The Board of Directors shall meet to discuss the appeal of the Nominee or Board Member.

Discussion pertaining to the appeal must be documented in the minutes of the meeting of the Board of Directors.

The Board of Directors may affirm, reverse or modify the decision of the Governance Committee.

The decision of the Board of Directors shall be made within 60 (sixty) days of receipt of the written appeal.

The decision of the Board of Directors shall be made, in writing, and issued to the Nominee or Board Member via certified mail, return receipt requested.

Minutes of the Board of Directors' meeting may be furnished to the Nominee or Board Member appealing the decision of the Governance Committee upon reasonable request.

The Board of Directors shall decide whether:

- An actual conflict of interest exists;
- A potential conflict of interest exists;
- A restriction upon the Nominee's or Board Member's voting rights or powers of decision should be imposed;
- The nature and duration of any such restriction upon the Board Member or Nominee's membership in, service to, rights and responsibilities to any aspect of the governing body, or on any committee.

The decision of the Board of Directors shall be final.