

## POLICY AND REGULATIONS MANUAL

**TITLE:** CONFLICT OF INTEREST

**PURPOSE:** To provide guidelines to the Board of Trustees and to Workforce members for conducting Harris Health System (Harris Health) business free from the influence of personal and private interests.

### POLICY STATEMENT:

The Harris Health Board of Trustees and Workforce members are prohibited from having a direct or indirect interest, including financial and personal interests, engaging in a business transaction or professional activity, or incurring any obligation that conflicts with or creates the appearance of a conflict with the interests of Harris Health or the performance of their duties. These interests and activities require disclosure to Harris Health and may be considered conflicts of interest.

### POLICY ELABORATION:

#### I. DEFINITIONS:

- A. **BOARD OF TRUSTEE MEMBER:** A member of the Harris Health governing body who has been appointed by the Harris County Commissioner's Court to serve on the Board of Trustees.
- B. **CONFLICT OF INTEREST (COI):** Any situation in which a Workforce member has direct or indirect interests, including financial and personal interests, or business transactions or professional activities, that may compromise or appear to compromise: (1) the Workforce member's business judgment; (2) the delivery of patient care; or (3) the Workforce member's ability to do his or her job.
- C. **DISCLOSURE:** The Workforce member's notice to the Corporate Compliance Officer (CCO) of relevant information regarding any situation that may be considered a COI.
- D. **MEDICAL STAFF:** All physicians, dentists, podiatrists and oral-maxillofacial surgeons who are appointed to the Medical Staff and who either (1) hold a faculty appointment at Baylor College of Medicine and/or The University of Texas Health Science Center at Houston or (2) are employed by Harris Health to

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provide healthcare services at designated Harris Health facilities. Medical school faculty appointment status is not required for locum tenens or medical staff employed by Harris Health.

- E. **RELATIVE:** Individuals including, but not limited to, a Workforce member's fiancé, spouse, significant other, parents, step-parents, siblings, stepbrothers, stepsisters, children, adopted children, stepchildren, mothers- and fathers-in-law, sons- and daughters-in law, and brothers- and sisters-in-law.
- F. **WORKFORCE:** Harris Health employees, trainees, contractors, including consultants, volunteers, and vendors. This definition includes the President and Chief Executive Officer (CEO).

### II. APPLICATION:

- A. This policy applies to Workforce members.
- B. Board of Trustees Members (Board Members) must comply with the Local Government Code Chapters 171 and 176 and the Texas Government Code Chapter 573. Only Section III of this policy applies to members of the Board of Trustees.
- C. This policy does not apply to Medical Staff members. However, Medical Staff members are required to adhere to the Conflicts of Interest policies of their respective affiliated organizations (e.g., Baylor College of Medicine or The University of Texas Health Science Center at Houston). Medical Staff members are also encouraged to report any potential conflicts of interest involving the Harris Health's employees, volunteers, or vendors in accordance with this policy.

### III. BOARD OF TRUSTEE MEMBER APPLICATION AND GUIDANCE

- A. All Board Members shall comply with state and federal laws, rules, and regulations governing their ethical conduct, including the disclosure of any real or apparent conflicts of interest pursuant to Chapters 171 and 176 of the Texas Local Government Code and Chapter 573 of the Texas Government Code.
- B. New Board members must complete and submit a Conflict of Interest Evaluation Form, Attachment A, to the Board Office no later than seven (7)

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business day after appointment to the Board of Trustees. All Board members, including newly appointed members, must also complete and submit to the Board Office a Local Government Officer Conflicts Disclosure Statement, Attachment B, required by Chapter 176 of the Texas Local Government Code in connection with executed contracts or proposed contracts with Harris Health by no later than 5:00 p.m. on the seventh business day after the date the member becomes aware of facts that require the disclosure of a reportable business relationship under Chapter 176 of the Texas Local Government Code.

- C. If a Board member has a conflict of interest or substantial interest under Tex. Loc. Gov't Code ch. 171, the Board member must submit an Affidavit of Substantial Interest, Attachment C, to the Board Office *before* a vote or decision involving the matter and must abstain from further participation in the matter.
- D. Before the end of each Harris Health fiscal year, each Board member must review their completed Board of Trustees Conflict of Interest Evaluation Form and provide the Board Office with an updated Evaluation Form within ten (10) business days.

### IV. WORKFORCE DISCLOSURE GUIDANCE:

#### Situations Requiring Disclosure:

While it is not possible to list every situation or circumstance where a conflict of interest exists, the following list should serve as a useful guide for assisting Workforce members in identifying conflicts of interest. There is no substitute for the exercise of good judgment and Workforce members are expected to examine their decisions and activities to ensure they are acting in the best interests of Harris Health and the patients served by Harris Health. Workforce members are also expected to refrain from engaging in activities which create the appearance of a conflict of interest that may damage the trust the community and patients have placed in Harris Health. The following examples are representative, but not all inclusive, of situations requiring Disclosure. If a Workforce member:

- A. Provides services, whether or not compensated, to an outside organization or individual that does business with or seeks to do business with Harris Health or competes for business with Harris Health.

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- B. Has business dealings or has a Relative with business dealings with an outside organization or individual that does or seeks to do business with Harris Health or competes for business with Harris Health.
- C. Has ownership or has a Relative with ownership in an outside organization that does business with or seeks to do business with Harris Health or competes for business with Harris Health.
- D. Has a close personal relationship with another individual, who does not meet the definition of Relative, but the relationship may have or appear to have an influence on (1) the Workforce member's business judgment; (2) the delivery of patient care; or (3) the Workforce member's performance of his or her job.
- E. Refers Harris Health patients or business to an outside organization or individual that does business with or seeks to do business with Harris Health or competes for business with Harris Health.
- F. Is requested by or has a Relative who is requested by Harris Health to provide items or services outside the scope of the Workforce member's formal relationship to Harris Health.
- G. Receives any gift, favor, gratuity, loan, or free or discounted services from other Workforce members, including vendors, or patients that may compromise, may appear to compromise, or may have been given with the intent to influence: (1) the Workforce member's business judgment; (2) the delivery of patient care; or (3) the Workforce member's performance of his or her job. (See the Harris Health policy on Gifts for further guidance.)
- H. Has an additional non-Harris Health job or engages in any outside activity that may compromise, appear to compromise, or influence: (1) the Workforce member's business judgment; (2) the delivery of patient care; or (3) the Workforce member's performance of his or her job.

## V. CONFLICT OF INTEREST DISCLOSURE BY HARRIS HEALTH WORKFORCE MEMBERS:

- A. If a Workforce member believes a COI exists or may exist, the COI must be immediately disclosed to the CCO for further review and evaluation.

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- B. A COI may be disclosed to the CCO by completing the COI Disclosure Form, Attachment D, and submitting it to the Office of Corporate Compliance. A COI may also be disclosed by calling the Office of Corporate Compliance directly.
- C. At the request of the CCO, a COI Evaluation Survey will be completed by all Workforce members.
- D. All Workforce members must disclose all potential conflicts and failure to do so may result in disciplinary action up to and including termination of the individual's relationship with Harris Health.

### **V. CONFLICT OF INTEREST MANAGEMENT:**

- A. The CCO and the Office of Corporate Compliance are responsible for investigating all reported or discovered COI.
- B. If at the conclusion of the investigation, it is determined that there is not a conflict or there is minimal risk of financial, operational, or reputational harm to Harris Health, its patients, or the community, then a report to the involved Workforce member and his or her administrator will be provided. No further action is required.
- C. If at the conclusion of the investigation it is determined that a conflict of interest exists, the CCO, the Vice President of Legal Affairs, and appropriate members of Harris Health administration will determine how best to address or manage the COI and determine whether mitigating strategies may be acceptable.



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**REFERENCES/BIBLIOGRAPHY:**

- Attachment A Board of Trustees Conflict of Interest Evaluation Form
- Attachment B Form CIS Local Government Officer Conflicts Disclosure Statement
- Attachment C Affidavit of Substantial Interest
- Attachment D Conflict of Interest Disclosure Form

**OFFICE OF PRIMARY RESPONSIBILITY:**

Harris Health Office of Corporate Compliance

**REVIEW/REVISION HISTORY:**

Effective Date	Version # (If Applicable)	Review or Revision Date (Indicate Reviewed or Revised)	Reviewed or Approved by: (If Board of Managers Approved, include Board Motion #)
	1.0	Policy Created	Corporate Compliance Officer
		Approved 12/02/2008	HCHD Policy Review Committee
		Approved 12/04/2008	HCHD Board of Managers (Board Motion# 08.12-725)
	2.0	Revised/Approved 09/14/2010	Operations Policy Committee
	3.0	Revised/Approved 06/10/2014	Operations Policy Committee
	4.0	Approved 09/25/2014	Board of Managers – Board Motion Number 14.09-108
	5.0	Approved 04/27 2017	Board of Trustees - Board Motion Number 17.04-43

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