

Conflict of Interest and the Acceptance of Gifts

Purpose

HealthCare Partners (HCP) expects our Workforce members to maintain the highest ethical standards of conduct, honesty and integrity as it relates to conflicts of interest and the acceptance of gifts. The purpose of this policy is to provide guidance and HCP's expectations of its Workforce members regarding the acceptance of gifts or other benefits from vendors, business associates, health plans, members, or other external individual or entity and for recognizing and avoiding situations that may present a conflict of interest.

Although it is not possible to specify every circumstance that may create a conflict of interest, this policy describes the most common situations that could result in a conflict of interest, outlines expectations for Workforce members' disclosure of conflicts of interest, and explains how HCP manages such conflicts.

This policy is meant to provide general guidelines and does not replace any applicable federal or state laws surrounding conflicts of interest.

Scope

This policy applies to all prospective and current HCP employees, executive and senior leaders, temporary workers, HCP contracted providers, consultants, contractors, vendors and any other person acting on behalf of HCP. For the purposes of this policy, these individuals shall be referred to as "Workforce" members.

This policy also applies to direct or indirect remuneration received by an immediate family member of a HCP Workforce member, or, any friend, family member, or associate of the HCP Workforce member if the remuneration was made explicitly in conjunction with any consideration* or promise of consideration provided by the HCP Workforce member.

**Consideration to be here defined as any action, promised action, or delivery (or promised delivery) of a good or service by the Workforce member within their role at HCP in exchange for remuneration that may then constitute a conflict of interest.*

Exemptions

None.

Policy

A. HCP Workforce Members: HCP recognizes the right of employees to engage in activities outside their employment which are of a private nature and unrelated to our business. However, HCP requires our Workforce members to avoid any personal or financial interests, relationships or affiliations that conflict with, or appear to conflict with, the interests of HCP or that present a conflict of commitment related to his/her professional responsibilities. Moreover, Workforce members may not solicit or accept personal gifts, business courtesies, or

services from outside entities, vendors, or business associates, or from health plan members or their families because doing so may establish an actual or potential conflict of interest.

All Workforce members must promptly disclose any outside interests and activities so that HCP may assess and prevent potential conflicts of interest from arising.

Should a Workforce member have any questions about whether their interests or activities present a conflict of interest or inquiries related to the acceptance of gifts, he or she should immediately consult with the VP, Corporate Compliance and Privacy Officer (CCPO) to obtain advice on the matter.

B. HCP Contracted Providers: Under no circumstances may a provider place their own financial interests above the welfare of their patients. Moreover, a provider should never unnecessarily render treatment or hospitalize a member, prescribe a drug, or order or conduct diagnostic tests for his/her own personal benefit. Any conflict of a provider's financial interests and his/her responsibilities to our members must be eliminated or resolved.

Violations of this policy will be subject to disciplinary action, up to and including termination of employment or contract.

Procedures

HCP has established procedures that outline the conflict of interest disclosure and management process, including the process for appealing any conflict of interest determinations. Detailed procedures can be found in the Conflict of Interest Disclosure and Management Procedures document.

Definitions

Conflict of Commitment: A conflict of commitment relates to a Workforce member's distribution of time between his/her HCP professional responsibilities and his/her participation in an outside activity. Activities that interfere with the Workforce member's primary responsibilities to HCP create a conflict of commitment.

Conflict of Interest (COI): Generally, a conflict of interest exists when a Workforce member's outside interests or activities influence or appears to influence their ability to make decisions objectively or impairs their ability to perform their job responsibilities in the best interest of HCP. This includes any interests or activities of their immediate family members that may result in personal gain or other benefit, directly or indirectly, to our Workforce members.

The following are examples of actions or activities that may create a conflict of interest or the appearance thereof:

- Engaging in any financial, business or other relationships with current or potential contractors, vendors, business associates or affiliates of HCP;
- Engaging in any outside activity that will bring direct or indirect profit to our competitors;
- Failing to disclose to HCP that an immediate family member is employed by or affiliated with a competitor or HCP contractor, vendor, business associate or other affiliate;
- Using your position at HCP for personal gain;
- Utilizing connections obtained through HCP for your own personal use;
- Using HCP equipment or other resources to support an external business;

- Accepting remuneration, compensation or a gift of any kind from current or potential contractors, vendors, business associates or affiliates of HCP, as well as patients and patients family members;
- Providing preferential treatment to any person or outside entity resulting from gifts or favors received;
- Providing or giving gifts or favors to others where it might appear to be designed to improperly influence others in their relations with HCP; and
- Engaging in any other activity which conflicts with the interests of HCP.

Disclosure: HCP Workforce members are expected to disclose or reveal to HCP's VP, Corporate Compliance and Privacy Officer (CCPO) the existence of a personal or business relationship, financial interest, or other outside activity that may present a perceived or actual conflict of interest or commitment (see above conflict of interest definition) prior to engaging in the activity or making any decisions related to the outside interest.

Upon review of the disclosure, the CCPO will make a determination of whether or not a potential conflict of interest or commitment exists. Should a conflict of interest or commitment exist, the CCPO shall advise on next steps to eliminate, resolve or manage the conflict of interest or commitment.

Financial Interest: A financial interest refers to anything of monetary value. A Workforce member has a financial interest if, either directly or indirectly, through business, investment or family, he/she has:

- An ownership or investment interest (e.g., stock, stock options or other equity) in any privately or publicly held companies that do business, or may potentially do business with, compete with or has any other affiliation with HCP (Exemption – mutual funds and retirement accounts);
- An ownership interest in a medical or research facility to which patients are referred or recruited.
- A potential ownership or investment interest in, or compensation arrangement with any individual or company with which HCP is considering or negotiating a transaction or business arrangement; or
- Intellectual property rights (e.g., patents, copyrights, and royalties).

A financial interest may not necessarily be a conflict of interest in all cases. However, it must be disclosed and reviewed as described under Procedures to determine if a conflict of interest exists.

Gifts: A "gift" refers to any item, product or service, or anything else of value that may be of personal benefit to you, including gratuities and favors.

Honorarium: Honorarium refers to payments in exchange for professional services a Workforce member provides for which typically there is no official charge, such as speakers fees for seminars and lectures and advisory committees.

Immediate Family: Immediate family includes a Workforce member's spouse, domestic partner, children, siblings, parents, grandparents, grandchildren, great-grandchildren, or any of the equivalents by marriage, and any other person living in the Workforce member's household.

Outside Activity: An outside activity is an activity, or a compensated or uncompensated position, that occurs or is maintained outside of a Workforce member's duties and professional responsibilities to HCP.

Examples of outside activities include:

- Outside employment (e.g., consulting relationships with a vendor or competitor of HCP)
- Service on outside boards
- Professional activities

- Practicing as a licensed professional
- Other compensated or uncompensated activity (e.g., related to the health care industry, your role at HCP, with existing or potential vendors)
- A financial interest of any amount in an outside business entity (i.e., an individual or immediate family investment in a related business or stock ownership in a non-public entity)

Outside Entity: A conflict of interest may arise between a Workforce member's professional responsibilities and an outside entity or business interest if the entity is:

- A current contractor, vendor, business associate, or affiliate of HCP;
- A contractor or vendor seeking to do business with HCP; or
- A competitor of HCP or an entity that offers the same or similar services to what HCP offers.

Examples include, but are not limited to health related entities, financial/legal/consulting service companies, and external auditing companies.

Remuneration: Remuneration refers to any form of monetary payment or equivalent including compensation for travel, entertainment, accommodations, and other benefits that may be extended in connection with a Workforce member's relationship with an outside entity.

Vendor: A vendor refers to any individual or entity, current or potential, which provides or seeks to provide, services or products to HCP. This includes contractors and suppliers. For the purpose of this policy, "vendors" shall include contractors and suppliers.

REQUIRED DISCLOSURES

A. Workforce Member Annual and Ongoing Reporting. All Workforce members are required to disclose any existing or potential conflicts of interest (or certify that they do not have any interests or activities to disclose) during the annual disclosure period designated by HCP.

In addition to the annual disclosure period, all Workforce members (including HCP contracted providers) have an obligation to report any new interests or activities that may create a conflict of interest as soon as they become known to the individual and before engaging in the activity. Workforce members should immediately notify their department head or supervisor who will consult with the CCPO for further guidance.

Workforce members must receive approval from the CCPO, or the designated committee for approval, before engaging in the activity or interest, signing any agreements, or making any other form of commitment.

B. Physician Payment Sunshine Act. The Physician Payment Sunshine Act ("PPSA" - part of the Patient Protection and Affordable Care Act) requires that drug, medical device and biologicals manufacturers report to the Center for Medicare and Medicaid Services all gifts, meals and other payments (e.g., consulting/speaking fees, travel and entertainment) made to physicians. The PPSA better informs patients of their provider's financial relationships with industry by making this data publicly available. Such payments may be perceived as influencing providers' decision-making in favor of the payer and should be avoided whenever possible. For more information and update on the reporting requirements go to <https://www.cms.gov/priorities/key-initiatives/open-payments/law-policy>.

GIFTS, GRATUITIES and FAVORS

HCP selects vendors based on the quality of the service they provide, competitive pricing, and other standards applicable to the vendor's capabilities. While gifts from vendors, contractors, and others conducting business (or seeking to conduct business) with HCP may be standard business practice, often times it may appear to be an attempt to influence our decision making. Therefore accepting gifts from vendors can create a conflict of interest.

Workforce members and their immediate family members are prohibited from accepting or soliciting, directly or indirectly, any personal gift, gratuity, favor, service, discount or other benefit from current or potential future vendors. Inappropriate gifts, gratuities and favors include, but are not limited to, the following:

- Money or cash equivalents (e.g., gift cards/certificates) regardless of the amount
- Meals, lodging and transportation **unless** associated with a legitimate business purpose, and only if infrequent (no more than three times per calendar year) and of reasonable value*
- Event tickets (e.g., theater, concert, sports and other entertainment events)

A. Promotional Items and Giveaways. This policy is not intended to prohibit the acceptance of promotional items and giveaways at professional conferences (e.g., mugs and pens) routinely distributed by vendors. However, a gift valued in excess of \$50 or of an undetermined value, unless shared within a HCP department, must be declined or returned immediately. Therefore, gifts such as food and gift baskets are permissible as long as they are shared departmentally or company-wide, and the group value does not exceed \$200 per calendar year.

If a Workforce member receives a gift that does not meet the criteria for allowable gifts as described above, he/she must immediately report it to their supervisor and return it to the vendor.

Vendors or contractors will be provided with this policy as part of the contracting process with regard to HCPs' guidelines on accepting and soliciting gifts from vendors.

B. Gifts in Exchange for Referrals. No gift, gratuity or favor may be accepted or solicited with the intended purpose of inducing patient referrals or ordering services paid for Medicare or Medicaid. The Anti-kickback Statute prohibits any types of remuneration in exchange for referring patients or ordering services. The Physician Self-Referral Law (also known as the "Stark Law") prohibits providers from referring members to receive "designated health services" payable by Medicare or Medicaid with which the provider or his/her immediate family has a financial relationship.

C. Gifts from Patients. No Workforce member should accept or solicit a gift, gratuity, or favor from a patient, the patient's family members, or his/her representative at any time and under any circumstances.

D. Invitations to Events. If a Workforce member receives an invitation to a vendor-sponsored event, they should not accept the invitation unless:

- the event serves a legitimate business purpose (e.g., an educational symposium);
- the event is of reasonable value*; and
- the invitation is extended to all the vendor's clients, not just to HCP Workforce members.

All invitations must be approved by the Workforce members' department head in consultation with the CCPO.

*Reasonable value is to be determined by the CCPO for vendor-sponsored events and meals and lodging.

CONFIDENTIALITY

All disclosures must be kept confidential and will only be divulged on a need-to-know basis and as required by applicable laws and regulations. Any information received in relation to a Workforce members' immediate family will be treated as confidential and will only be provided on a need-to-know basis to appropriate parties involved in the review process.

RECUSAL

No Workforce member will be permitted to participate in the decision-making or voting on transactions or any other matters related to a vendor with whom he/she has a relationship. The Workforce member will be asked to recuse him/herself of all such discussions to avoid a conflict of interest, the appearance of a conflict of interest, or any other improper influence relating to the transaction or matter.

RECORD RETENTION and REPORTING

The Office of Corporate Compliance will retain all disclosure forms, conflict management plans and any other related documents electronically for 10 years from the date of the initial document date in accordance with HCP's Record Retention Policy.

HCP will report conflicts of interest to government agencies when required by law.

RESPONSIBILITY

The CCPO is responsible for the oversight and maintenance of this policy and the procedures described within.

HCP, as a whole, is responsible for managing, reducing or eliminating altogether those activities and personal and financial interests of our Workforce members that may be inconsistent with HCP's fundamental interests.

It is the Workforce member's responsibility to report personal or financial interests and outside activities that may present a conflict of interest.

Any Workforce member in a supervisory position is responsible for ensuring compliance with this policy by his/her staff. Should a supervisor become aware of a potential or actual conflict of interest or a violation of this policy, they should disclose the potential conflict or violation to the CCPO.

ENFORCEMENT

Workforce members who fail to disclose a reportable interest or relationship or to comply with HCP's requirements for managing an identified conflict may be subject to disciplinary action up to and including termination of employment or contract.

MAINTENANCE

This policy is reviewed and updated as needed at least annually by the CCPO or more frequently as needed in response to regulatory updates.

APPLICABLE STANDARDS AND REGULATIONS

- Anti-Kickback Statute: 42 U.S.C. § 1320a-7b(b)
- Stark Law (42 U.S.C. 1395nn - Limitation on certain physician referrals)
- Physician Sunshine Payment Act (Section 6002 of the Affordable Care Act)