

<b>CONFLICT OF INTEREST POLICY</b>	PENNSSTATE HERSHEY  Milton S. Hershey Medical Center
<b>Hospital Administrative Manual</b>	<b>Policy Number: A-60 HAM</b>
<b>Replaces: November 2004</b>	<b>Effective: April, 2008</b>
<b>Authorized:</b> Harold L. Paz, MD, Dean, College of Medicine CEO, Penn State Milton S. Hershey Medical Center	
<b>Approved:</b> Alan L. Brechbill, Executive Director	

## **PURPOSE**

The purpose of this policy is to identify those circumstances which would constitute a real or perceived conflict of interest between The Milton S. Hershey Medical Center and an officer or employee thereof; provide for the disclosure by an employee of a real or perceived conflict of interest; and establish a mechanism for resolving an identified conflict of interest in a manner which protects the interests of The Milton S. Hershey Medical Center.

## **DEFINITIONS**

For purposes of this policy, the following definitions apply:

Conflict of Interest. A conflict of interest may take various forms but exists if a significant financial interest or other opportunities for tangible personal benefit may exert a substantial and improper influence upon an employee. A conflict of interest may exist when there is a divergence between the private interests of an employee and the employee's obligation to the Corporation such that: (i) a reasonable and independent observer might rationally question whether the employee's professional responsibility might be influenced by considerations of gain or financial interest for either the employee or the employee's family or for other parties; or (ii) a reasonable and independent observer might rationally conclude that the conflict of interest undermines the integrity of any business of the Corporation. A conflict of interest encompasses not only situations that are in fact improper, but also situations where a reasonable and independent observer might rationally observe the appearance of impropriety. This includes any potential conflicts of interest that are as yet unrealized or that may be perceived by others to be conflicts of interest.

Corporation. The Milton S. Hershey Medical Center.

Employees. An officer or employee of The Milton S. Hershey Medical Center.

Family. The family of any employee shall include only his or her spouse; his or her siblings and their spouses; his or her ancestors; and his or her descendants and their spouses.

Significant Financial Interest. An employee has a significant financial interest if the employee has, directly or indirectly, through business, investment or family:

- (a) An existing or potential ownership or investment interest, in any entity with which the Corporation has a transaction, contract or other arrangement, or
- (b) A compensation arrangement with any entity or individual that the Corporation has a transaction, contract or other arrangement, or
- (c) An existing or potential ownership or investment interest in, or compensation agreement with, any entity or individual with which the Corporation is negotiating a transaction, contract, or other arrangement, or
- (d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of the Corporation, and
- (e) The ownership or investment interest has or would have a fair market value in excess of \$10,000 and would represent more than a five percent ownership interest in the entity; or the compensation arrangement does or would provide for payments in excess of \$10,000 over a period of twelve months.

## **POLICY**

### **A. Employee Self-Monitoring**

All employees will, on a continuing basis, review their activities to determine if real or perceived conflicts of interest exist or may exist.

### **B. Annual Disclosure Statements**

The CEO and Dean of the College of Medicine may require designated employees to file annual disclosure statements, with updates as required, for purposes of reporting conflicts of interest.

### **C. Reporting Conflicts of Interest**

An employee must report all conflicts of interest to their immediate supervisor or department chair. The immediate supervisor or department chair shall transmit a reported conflict of interest to the Treasurer of the Corporation. In the event of a conflict of interest on the part of an officer of the Corporation, the officer must report such conflict of interest to the Chair of the Board of Directors.

*D. Resolution*

1. Reports Submitted to the Treasurer: The Treasurer shall conduct an appropriate investigation of a reported conflict of interest, and shall provide a written report to the Chief Executive Officer, or to any committee designated by the CEO to review such matters, of the findings and conclusions of such investigation and recommendations for corrective action, if any. The Chief Executive Officer shall be responsible for making a final determination as to the existence of a conflict of interest and the corrective action to be undertaken by the Corporation, if any. Corrective action includes plans to eliminate, reduce, and/or manage the real or perceived conflict of interest.
2. Reports Submitted to the Chair of the Board of Directors: The Chair shall designate a disinterested officer of the Corporation to undertake an investigation of the reported conflict of interest, and to submit a report to the Chair of the findings and conclusions of such investigation and a recommendation of corrective action, if any. The Chair shall transmit such report and recommendations to the Board of Directors for such action, if any, as the Board shall determine.

**PERSON RESPONSIBLE FOR REVIEW OF POLICY**

Executive Director

Reviewed: 8/30/01, 11/04, 4/08, 5/13  
Revised: 9/11/01, 11/04, 4/08

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