

Policy No.	Administrative	Approved Dates: <u>10/01/15</u>
	Title: Conflicts of Interest	Revised Date(s): _____
		Reviewed: : <u>10/01/2016</u>
		Total pages: <u>5</u>

- I. Scope This policy applies to Nursing Home employees and agents.
- II. Purpose This policy provides guidelines for identifying and disclosing conflicts and provides procedures to be followed to assist the Nursing Home manage conflicts of interest and situations that may result in the appearance of a conflict.
- III. Policy The Nursing Home relies on the good faith of its employees and agents in the performance of their duties and responsibilities on behalf of the company. All business judgments on behalf of the Nursing Home are made on the basis of such trust and the Nursing Home's best interest. The Nursing Home fully respects the rights of employees and agents to privacy in their personal affairs and financial activities.

Employees and agents will avoid conflicts of interest and will report any actual or potential conflicts of interests. It is the duty of all directors, corporate members, employees, and agents to identify conflicts of interests and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the employee's supervisor, or (ii) the administrator/executive director, or (iii) the Compliance officer, or other designated person, as appropriate.

#### IV. Definition of Conflict of Interest

A conflict of interest arises when an employee or agent has a personal interest that conflicts with the interests of the facility. Conflicts of interest also arise in situations where an employee or agent has divided loyalties.

Generally speaking, conflicts exist when an employee's, vendor's, or agent's personal or other business or interest or activities may influence his/her judgment in the performance of his/her responsibilities on behalf of the Nursing Home.

Conflicts of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in the nursing home's decision-making process. Conflicts may also arise when employees and agents work for competitors or other health care providers and use proprietary information to benefit competitors or their other interests. Both situations are damaging to the facility and are to be avoided.

Conflicts arise through financial interests, outside activities, and the offering or accepting of gifts and access to confidential and/or proprietary information.

Because it is impossible to list all situations or relationships that might create a conflict of interest problem, and because each situation must be evaluated on the facts, employees and

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agents are to promptly disclose any circumstances that might constitute a conflict of interest.

Employees and agents should obtain assistance through the Nursing Home Compliance Officer to determine if a conflict exists and, if so, how it should be resolved.

**Anyone** can be affected by a conflict of interest. The facility takes a broad view of conflicts and employees and agents are urged to think of how a situation or transaction would appear to outside parties when identifying actual or potential conflicts of interest.

#### V. Disclosures of Conflicts

- A. Statement of Disclosure - Employees and agents will complete a statement disclosing financial, personal and other interests and relationships that may present a conflict of interest. The completion of the statement shall occur at the time of hire and annually, thereafter. See attachment “A” Conflict Disclosure Statement.
- B. Reporting of Conflict - Staff and agents are to disclose to their Supervisor, using the Conflict of Disclosure Statement, any situation that may create a conflict, potential conflict or appearance of a conflict, as soon as the employee or agent with the conflict is aware of the conflict, potential conflict or appearance of a conflict. The report of the conflict shall occur as soon as reasonably practical, but no later than 10 days after the conflict, potential conflict or appearance of a conflict is recognized.

The Supervisor shall submit the Conflict Disclosure Statement to the Nursing Home Compliance Officer as soon as reasonably practical, but no later than 10 days after the conflict, potential conflict or appearance of conflict is communicated by the employee or agent to the Supervisor.

- C. Review of Statement of Disclosure - The Nursing Home Compliance Officer shall annually review the statements so that a determination may be made as to the appropriate plan of action.

#### VI. Procedures to manage conflicts

- A. For each interest disclosed, the Nursing Home Compliance Officer will determine whether the Nursing Home should:
  1. Take no action; or
  2. Disclose the situation more broadly and invite discussion/resolution by the Administrator and/or the Compliance and Ethics Committee; or

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3. Otherwise avoid the conflict.

B. When the conflict involves a decision-maker, the person with the conflict (interested party):

1. Must fully disclose the conflict to all other decision-makers; and
2. May not be involved in the decision of what action to take but may serve as a resource to provide other decision-makers with needed information.

C. In some cases, the person with the conflict may be asked to recuse him/herself from sensitive discussions so as not to unduly influence the discussion of the conflict.

VII. Enforcement: Failure to abide by this policy may result in disciplinary action, including termination.

VIII. Attachments

Attachment "A" - Conflict Disclosure Statement

### **Conflict Disclosure Statement**

#### **Conflicts of Interest**

When considering whether or not you may have a potential conflict of interest, you should consider your duty to promote the best interest of our Nursing Home and the residents we serve. If you are involved in a business or other situation that might cause you to promote the interest of another – whether for personal gain or that of friends, family or relatives of other business associates- then you may have a conflict of interest.

Below are examples of potential or actual conflicts of interest:

- If you, or a close family member, receive personal gain by participating in any purchase or business decision made by the Nursing Home.
- Dealing in equipment, supplies, materials or property purchased by the Nursing Home, or dealing in products or services sold by the Nursing Home.
- Borrowing money from suppliers, customers, residents, individuals or companies with whom the Nursing Home does business.
- Acquiring any real-property interest in which it is known that the Nursing Home also has or may acquire an interest.
- Having a business or financial interest in any organization that:
  - Sells, rents or leases any goods, services or real property to the Nursing Home
  - Buys, rents or leases any goods, services or real property from the Nursing Home.
  - Is in competition with the Nursing Home.

Employees should not contract with close family members or acquire any financial or personal obligation that might affect, or appear to affect, their judgment in dealing with other employees, the Nursing Home, other businesses or with outside companies or individuals.

#### **Hiring of Relatives**

Employees are prohibited from employing or placing relatives inside the Nursing Home in positions that create a conflict of interest. The term “relative” includes an employee’s parent, child, spouse, significant other, sibling, or any person related by blood or marriage or whose relationship is similar to that of persons who are related by blood or marriage. Relatives included in this prohibition are those in which:

- The employee has direct supervisory authority over the family member.
- The employee has bookkeeping or payroll responsibility over the family member.
- The employee may significantly influence the pay, benefits, promotions, or performance of the family member.

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----- Attestation is continued on next page -----

**Disclosure of Potential and/or Actual Conflicts of Interest**

Are you aware of any interest(s) or position(s) involving or held by you or a close family member that would likely constitute a conflict of interest with the company?      **NO      OR      YES**

If “yes”, please describe the situation(s) below:

Description

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I hereby certify that the information supplied on this form is true, correct and complete to the best of my knowledge and belief.

I understand that I may be required to provide additional information regarding actual conflicts, potential conflicts or the appearance of conflict so that a proper determination may be made by the facility as to the existence of any conflict, actual or potential.

I understand that failure to disclose any potential or actual conflicts of interest(s) or failure to provide additional information, is grounds for termination.

Facility Name		Employee Signature	
Employee Name		Date Signed	