

## Attachment 2

### MaineGeneral Health Employee Conflict of Interest Policy

- I. **PURPOSE:** The purpose of this policy is to protect MaineGeneral Health (MGH) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of Employees within MGH. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. Further, this policy supplements each individual's obligations under MaineGeneral Health's Code of Ethical Conduct and policies.
- II. **DEFINITIONS:**
- A. *Employee.* Every MGH employee or volunteer, and member of the MGMC Medical Staff.
- B. *Management Employee.* MGH management personnel covered by this policy include:
- the President/Chief Executive Officer (CEO) of MGH/MGMC
  - All Chiefs
  - All Medical Directors
  - All Administrative Directors
  - All Directors
  - All Managers
  - All Supervisors
- C. *Conflict of Interest.* An Employee has a Conflict of Interest if the person has, directly or indirectly, through business, investment or Immediate Family, (a) an ownership or investment interest in any entity with which MGH has a transaction or arrangement; (b) a compensation arrangement with MGH or with any entity or individual with which MGH has a transaction or arrangement; (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MGH is negotiating a transaction or arrangement, or (d) a position on the board or committee of another organization, even if not compensated for that position. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. An Employee who has a financial interest may have a Conflict of Interest only if their Supervisor or the Board Chair (if the Employee is an employed officer or director) decides that a Conflict of Interest exists. A Conflict of Interest may also exist where an Employee or Immediate Family member obtains a non-financial benefit or advantage that they would not have obtained absent their relationship with MGH or where their duty or responsibility owed to MGH conflicts with a duty or responsibility owed to another organization.
- D. *Immediate Family.* A parent, sibling, spouse, significant other, or child of an Employee or of an Employee's spouse or significant other. "Significant other" means that a relationship exists between two people, neither of whom is married, that is intended to remain indefinitely and where there is joint responsibility for each other's common welfare, there are significant shared financial obligations, and there is a shared primary residence.
- III. **POLICY:** MGH expects its Employees to devote their full work time, energies, abilities, and attention to its business. Employees are expected to avoid situations that create an actual or potential conflict between the Employee's personal interests and the interests of MGH.

- A. Employees may not engage in transactions or undertake positions with other organizations that involve a Conflict of Interest with MGH without prior disclosure to MGH and approval by a disinterested and informed supervisor or, as applicable, the Board chair.
- B. Every Employee must act with loyalty to MGH, meaning no Employee may use his or her corporate position to make personal profit or gain other personal advantage. Employees may not engage in transactions with MGH that confer unfair gains or secret profits upon themselves. Employees may not personally take advantage of a business opportunity that is offered to MGH, or to the Employee by virtue of his or her position with MGH, unless a disinterested and informed supervisor or, as applicable, the Board chair determines (after a disinterested and informed evaluation) that MGH will not pursue that opportunity.
- C. As stated in MGH's Code of Ethical Conduct, Employees agree to avoid conflicts of interest by agreeing to:
- (1) Faithfully and honorably carry out job duties;
  - (2) Avoid conflicts between personal interests and official responsibilities;
  - (3) Refrain from utilizing any position with MGH for personal gain or benefit, including but not limited to:
    - Not using Employee's relationship with MGH to bestow any benefit on anyone related to Employee, Immediate Family, business, or social relationship.
    - Not disclosing, using, or allowing others to use confidential information obtained from Employee's relationship with MGH for private gain or private purposes.
    - Not accepting any fee, compensation, gift, payment of expense, or any other thing of monetary value except as authorized by policies of MGH. *See L.D. 22 Gifts to Workforce Members.*
    - Not engaging in outside employment except as authorized by policies of MGH.
    - Not using MGH time, facilities, property, equipment, supplies, or support services for private gain, or private purposes, except such limited use as authorized by policies of MGH. *See H.R. 6 General Conditions of Employment. See also, L.D. 54 Private Use of MaineGeneral Health Facilities.*
  - (4) Report, in good faith, actual or potential conflicts of interest;
  - (5) Avoid not only actual conflicts but any appearance of a Conflict of Interest as well.

IV. RESPONSIBILITY: All MGH Employees

V. PROCEDURES:

- A. *Ongoing Duty to Disclose.* An Employee is under a continuing obligation to disclose any actual or potential Conflict of Interest as soon as it is known or reasonably should be known. Please see *Policy MS-14* regarding conflicts with industry representatives.
- B. *Conflict of Interest Moonlighting.* Employees may have an opportunity to accept other work in their profession in addition to their employment with MGH. Such work may or may not be allowed. Prior approval must be obtained from the Employee's supervisor for outside activities, which present a direct or indirect Conflict of Interest with MGH. We recognize that some of our Employees may choose to have other jobs; however, such

employment should not be, or appear to be, in conflict with their job at MGH. Criteria used to determine whether outside employment or private practice work is a Conflict of Interest include: the type of service performed and clients served; the potential risk/exposure to MGH; satisfactory job performance; the location of the outside employment; and adherence to standards of ethical and professional conduct. Approval of Moonlighting activities is on a case-by-case basis at the discretion of MGH.

*i. Employed Physicians also must comply with the Medical Staff Moonlighting policy. See policy MS-10, Employed Physicians "Moonlighting."*

- C. *Conflict of Interest Goods or Services.* If you own, directly or indirectly, any interest in a business that provides goods or services to MGH, please notify your supervisor. MGH recognizes that some of its Employees may have other business interests, however, such interests should not be, or appear to be, in conflict with the interests of MGH. Each occurrence will be handled on a case-by-case basis by the Employee's supervisor in consultation with Human Resources.
- D. *Conflict of Interest Nepotism.* Due to the potential for conflicts of interest, MGH will not employ relatives, spouses, or persons with consensual relationships in a direct supervisor/subordinate relationship. Any individual having input into another person's performance, discipline, schedule, or having overall leadership for the area in which affected parties work is considered a "supervisor" for purposes of this policy regardless of whether the individual's title includes "supervisor" or "manager." If a relationship develops between Employees in a supervisor/subordinate circumstance, the Human Resources Department must be notified. The Human Resources Department and the Employee's supervisor(s) will advise the Employees that one needs to either seek a transfer to another department or resign. *Please refer to policy HR-1, Employment Philosophy, for more information.* Neither sexual harassment nor retaliation will be tolerated.
- E. *Disclosure of Conflicts of Interest.* Any Employee who becomes aware of an actual or potential Conflict of Interest, and who has occasion to participate in a recommendation or decision which may involve such Conflict of Interest, shall make full disclosure of the conflict or potential conflict to their supervisor. This disclosure shall be a memorandum of disclosure, a letter, or in some other appropriate written record. Each Employee shall be careful to identify any actual or potential Conflict of Interest.
- F. *Determining Whether a Conflict of Interest Exists.* After disclosure of the actual or potential Conflict of Interest, all material facts and after any discussion with the Employee, a review of all disclosures will be conducted to identify those that are actual or potential conflicts of interest.  
Once an actual conflict or potential conflict has been identified, the employee will complete and submit the Conflict of Interest Disclosure Statement (LD-23 Attachment 3).
- G. Each occurrence will be handled on a case-by-case basis by the Employee's supervisor in consultation with the Chief Human Resources Officer and in consultation with the Chief Compliance Officer or designee.
- H. *Procedure for Addressing the Conflict of Interest.* If a potential or actual Conflict of Interest is identified, the Employee's supervisor, with input from the Chief Human Resources Officer, will issue a plan to minimize or prevent the Conflict of Interest.

- I. *Failure to Disclose a Conflict of Interest.* If MGH has reasonable cause to believe an Employee has intentionally failed to disclose an actual or potential Conflict of Interest, appropriate disciplinary or corrective action, up to and including termination, shall be taken in accordance with Policy HR-18, Discipline and Discharge.
- J. *Confidentiality.* Each Employee shall exercise care not to disclose confidential information acquired in connection with their status with MGH or information that disclosure of which might be adverse to the interests of MGH. Furthermore, an Employee shall not disclose or use information relating to the business of MGH for the personal profit or advantage of the Employee or a family member.

VI. RECORDS OF PROCEEDINGS.

- A. *Management Employee Disclosure Statements.* Upon hire or promotion to a management position, all Management Employees shall complete and submit a Conflict of Interest Disclosure Statement, attached hereto as Attachment 3. The Chief Compliance Officer and the Human Resources Department will work collaboratively to review, investigate, validate and resolve any potential Conflicts of Interest.
- B. *Other Disclosed Conflicts of Interest.* The Chief Human Resources Officer will collaborate with the Ethics and Compliance Department on an ongoing basis to resolve Employee Conflicts of Interest. The Chief Compliance Officer and the Human Resources Department will work collaboratively to review, investigate, validate and resolve any potential Conflicts of Interest.

- VII. ANNUAL REVIEW. To ensure that MGH operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status or its reputation, an annual review shall be conducted by the Chief Compliance Officer to determine whether any identified Conflict of Interest was dealt with according to these policies and procedure. The Chief Compliance Officer will annually report its findings to the Board of Directors, Executive Committee.