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System Policy

ORIGINATOR: MHS Administration

SUBJECT: Conflicts of Interest

PURPOSE: To establish guidelines for Associates of Methodist Health Systems to avoid situations which may create a conflict between their personal benefit, gain and/or interests, and their obligations to their respective organizations and/or organizations of Methodist Health Systems

FUNCTIONS
AFFECTED: All MHS Associates

DEFINITION: Conflict of Interest - a situation which may divide an Associate's objectivity, loyalty, or obligation to other Associates or institutions dependent upon their most sincere efforts

POLICY: Conflicts of interest may arise when an Associate of MHS accepts gratuities or engages for personal gain in any activity, enterprise, or social relationship which might compromise or interfere with his or her obligations to the organization. Conflicts are also possible by the acceptance or use of gratuities from entities doing business with any MHS organization. It is important to keep in mind that organizations of MHS are in the public's eye and that "private" interests by Associates and situations which could influence decisions of Associates should not be at variance with purposes and objectives of MHS organizations.

POLICY
GUIDELINES: This policy establishes criteria to determine circumstances which may give rise to conflicts of interest.

- I. An MHS Associate receiving wages or salary through payroll may not be further engaged as a

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sub-contractor, consultant, vendor, supplier, or otherwise contracted to perform services for their respective organization or any other MHS organization (see Policy S-02-004); nor shall members of the Associate's immediate family be engaged to perform services where the Associate is in a position to influence, advise, or otherwise receive personal gain from the engagement of the immediate family members. Any exception to this policy must be reviewed by MHS Corporate Human Resources and written authorization provided for the specific circumstance by Human Resources and the Senior Executive responsible for the operating unit.

(NOTE: Immediate family is defined as spouse, children, father, mother, sisters and brothers (and their spouses), in-laws, and any other relatives, or significant others living in the Associate's household.)

- II. Other activities and relationships which may give rise to conflicts of interest and therefore should be avoided by Associates include the following:
 - A. Performance of service by an Associate (except with the knowledge and written consent of the respective organization's senior executive) for outside enterprises which do business with an MHS organization.
 - B. Acceptance by an MHS Associate or family member of gifts or gratuities of more than token value, loans (other than from established banking or financial institutions), excessive entertainment, trips, or substantial favors from outside concerns which do, or are seeking to do business with MHS.
 - C. Disclosure or use of confidential information for personal profit or

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advantage of the Associate or anyone else.

- D. Competition with any MHS organization (either directly or indirectly) in the purchase, sale or transfer of property or property rights, or providing service for Methodist patients in a setting outside the Hospital.
- E. Representation of another health care institution by an Associate in transactions in which the Associate or a close relative has a substantial interest.

NOTE: Occasionally, an Associate may accept secondary employment ("moonlighting") with another hospital or competing business. In such cases, the nature of the work relationship must be disclosed to MHS Corporate Human Resources to determine if a conflict exists before the employment begins.

III. Each MHS Associate shall agree as a condition of employment:

- A. That except as may be specifically disclosed, (and judged exempt), the Associate does not have interests or relationships and is not engaged in activities, which are prohibited or might give rise to conflicts of interest.
- B. That the Associate will advise his or her respective organization's senior management immediately upon becoming involved in any conflict of interest situation.
- C. That following termination of employment with the MHS organization, the Associate will not divulge information proprietary to any MHS organization or use any information gained during employment which would in any way result in harm of any MHS organization.

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- IV. For the protection of both MHS and Associates, it is essential that Associates make prompt and full disclosure to their respective organization's senior management of situations which may involve conflicts of interest. Associates are invited to discuss with Human Resources any situation which may involve conflicts of interest. All information disclosed shall be treated on a confidential basis, except when further disclosure is required for the protection of MHS.
- V. Associates found to have undisclosed conflicts of interest, or who act in disregard of this policy, to the prejudice or injury of MHS, are subject to appropriate review and corrective action.

RESPONSIBILITY

AND AUTHORITY: All administrative and supervisory staff have the responsibility and authority to communicate and enforce this policy.

APPROVED:

AUTHORIZED:

Gary S. Shorb
Executive Vice President

Maurice W. Elliott
President