



## **Conflict of Interest Policy**

### **I. Introduction**

The Society of Hospital Medicine (SHM) finds it beneficial to include in leadership positions in the organization individuals who are leaders and experts in their respective fields. Because decisions, statements, publications, and recommendations made by Directors, Officers, Committees and others on behalf SHM may have far reaching significance and consequences that may affect multiple aspects of the practice of hospital medicine throughout the world, it is essential that SHM have full disclosure of outside interests from those individuals who hold leadership positions.

SHM's inherent belief is that Board Members, Board Officers, Editors, Course Directors of SHM meetings, Chapter District Leaders, and Chairs and Members of all Committees, Staff and others acting on behalf of SHM act honestly and with integrity when making recommendations concerning SHM policies and actions.

Conflicts of interest arise when participants in positions of responsibility, their spouse, or domestic partner have personal, or outside financial, business, or professional interests or responsibilities that conflict with their duties to SHM. Conflicts may also arise when such person or a family member is in a position to benefit personally, directly or indirectly, from his or her relationship with a person or entity conducting business with SHM. The immediacy and seriousness of various conflicts of interest situations can differ. Of basic importance is the degree to which the interest would tend one toward bias or pre-disposition on an issue or otherwise compromise the interests of SHM.

The purpose of this policy is not punitive. The intent of this policy is to inform leaders about what constitutes a conflict of interest, assist them in identifying and disclosing actual and potential conflicts, help them to avoid conflicts of interest where necessary, and ensure that all of the deliberations and decisions of leaders protect the interests of SHM, particularly when a leader contemplates entering into any transaction or arrangement that may directly or indirectly benefit the leader financially (i.e., through business, family, or investment). A leader may not use his or her position with respect to SHM, or confidential information relating to SHM, in order to achieve a financial benefit, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable organizations.

### **II. Remedies**

- **Disclosure**

A conditional, qualified, or potential conflict of interest can arise when the outside interest is not substantial in size or does not relate significantly to any contemplated action of SHM. For example, a person might hold a minor financial interest in a company wishing to do business with SHM. Disclosure is ordinarily sufficient to deal with this

type of conflict of interest, provided that there is no expectation that one's duty of loyalty to SHM would be affected.

- **Disclosure and Recusal**

A direct conflict of interest arises when an individual holds a position of responsibility with SHM and also holds a material interest in the issue at hand. Direct conflicts of interest arise, for example, when an individual engages in a personal transaction with SHM or holds a material interest or position of responsibility in an organization involved in a specific transaction with SHM. Such a situation places the person in the impossible position of attempting to represent both SHM and one's personal interests or those of the other organization. The appropriate and necessary course of action in such cases is to disclose the conflict and recuse oneself (i.e. to remove oneself from the deliberations and the vote on the issue).

- **Irreconcilable Conflicts**

In rare circumstances, an individual may have such a serious, ongoing, and irreconcilable conflict, where the relationship to an outside organization so seriously impedes one's ability to carry out the fiduciary responsibility to SHM, that resignation from the position with SHM or the conflicting entity is appropriate.

### **III. Types of Conflicts**

Dealing effectively with actual or potential conflicts of interest is a shared responsibility of the individual and the organization. The individual and organizational roles and responsibilities with regard to conflicts of interest follow:

#### **General**

- **Appearance of Conflict**

All individuals who serve in positions of responsibility within SHM need not only avoid conflicts of interest, but also to avoid the appearance of a conflict of interest. This includes Officers, Directors, Committee Chairs, Editors of SHM publications, and other elected or appointed leaders, and staff. Decisions on behalf of SHM must be based solely on the interest of SHM and its membership. Decisions must not create the appearance that they could be influenced by desire for personal profit or other extraneous considerations.

- **Annual Pledge to Avoid Conflicts**

Officers, Board Members, Committee Chairs and Members, Editors of SHM publications, and the CEO and Senior Staff will annually sign a statement acknowledging their fiduciary responsibility to SHM and pledge to avoid or disclose conflicts of interest or the appearance of conflicts of interest. The issue of conflict of interest with regard to the remainder of the staff shall be the responsibility of the CEO.

- **Annual Disclosure of Details of Conflicts**

Officers, Board Members, Committee Chairs and Members, Editors of SHM publications, and the CEO and Senior Staff will annually complete a form disclosing pertinent financial and career related information and are under an ongoing duty to update that information as necessary to continuously keep it current and active.

- **Confidentiality**

Officers, Board Members, Committee Chairs and Members, Editors of SHM publications, and the CEO and Senior Staff will annually sign a statement acknowledging that they may during the course of their activities at SHM have access to confidential information and pledge to protect the confidentiality of that information.

- **Disclaimers**

Officers, Board Members, Committee Chairs and Members, Editors of SHM publications, and the CEO and Senior Staff will annually pledge to clarify their position

when speaking on their own behalf as opposed to speaking on behalf of the membership as a whole, or as an officer or member of the Board of Directors or senior staff member. When speaking on behalf of or supported by industry, the SHM title and relationship should NOT be used and should not be part of any biographical materials or introductions.

When SHM leaders are not an official representative of SHM and are not speaking or writing about official SHM policy they should invoke a disclaimer as indicated below:

- Example: *Opinions expressed by Dr. XXX do not represent official policy of SHM nor should Dr. XXX be considered representing SHM.*

- **Review of Conflicts of Other Leaders**

Officers, Board Members, and the CEO will periodically review the conflict of interest disclosure statements submitted to SHM to be aware of potential conflicts that may arise.

- **Raising the Potential of Conflicts**

When an Officer, Board Member, or the CEO believes that an individual has a conflict of interest that has not been properly recognized or resolved, the Officer, Board member, or CEO will raise that issue and seek proper resolution by bringing the issue to the President, unless the individual involved is the President in which case it will be brought to the President-Elect.

- **Executive Conflict Review Committee**

If necessary, the SHM President will appoint an Executive Conflict Review Committee, which will report to the Board and which will be available to 1) review potential conflicts of interest brought to it by officers, Board members, individual members, or senior staff; 2) review submitted conflict of interest disclosures at the request of the Board; 3) make recommendations to the Board for changes conflict of interest policy.

- **Recourse of Members**

Any member may raise the issue of conflict of interest by bringing it to the attention of the Board through the President or the CEO. This matter will be referred to the Board. The final resolution of any conflict of interest will rest with the Board of Directors.

- **Disclosure of Conflicts**

Officers, Board Members, and the CEO will ensure that proper disclosure and actions taken in regard to those disclosures are a matter of record.

#### **IV. Disclosure Form**

Officers, Board Members, Committee Chairs, Committee Members, Editors of SHM publications, the CEO and Senior Staff will annually complete a form that shall disclose the following:

1. Other Board of Director positions, including a brief description of the nature and purposes of the organization.
2. Positions of employment, including the nature of the business of the employer, the position held, and a description of the daily responsibilities of the employment.
3. Relationships that involve holding a position of responsibility or a substantial financial interest (other than a less than 1% interest or \$50,000 investment in a publicly traded company), or the receipt of any unusual gifts or favors from an outside entity or person, from which SHM obtains substantial amounts of goods or services, or which provides services that substantially compete with SHM.
4. Substantial financial interests (receiving a salary, royalty, intellectual property rights, consulting fee, honoraria, ownership interest (e.g. stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit) or positions of responsibility in entities providing goods or services in support of the practice of hospital medicine (e.g. physician practice management company, billing company, physician placement company, book publisher,

- medical supply company, malpractice insurance company), other than owning less than a 1% interest in a publicly traded company.
5. Any other interest that may create a conflict with the fiduciary duty to SHM or that may create the appearance of a conflict of interest.

The completed disclosure forms shall be provided to the President and the CEO. In addition, the forms will be made available to other Board members and placed in the General Reference Notebook available at each Board meeting for review by Officers and members of the Board of Directors.

## **V. Additional Rules of Conduct**

- **Need for Real Time Disclosure**

### **Business Relationships with SHM**

Whenever a potential transaction or agreement with SHM is presented for consideration at a meeting or other deliberation involving the participation of an Officer, Board Member, Committee Chair, Editors of SHM publications, or the CEO, participants will disclose any position of responsibility or significant relationship to the person or organization involved in the potential transaction or agreement. This disclosure shall be made even if the position or relationship has otherwise been disclosed in the documents filed with SHM. If the discussion includes consideration of confidential information that should not be disclosed to the outside person or organization, the individual involved shall be absent from the portion of the discussion involving the confidential information. When a motion is made for approval of a transaction or agreement with SHM, the appropriate course of action in such cases is to disclose the conflict and recuse oneself (i.e. to remove oneself from the deliberations and the vote on the issue).

When representing SHM in an official capacity (e.g. at a chapter meeting or another organization), content may not be utilized that is supported by industry or that represents the policy or point of view of an employer. Disclosure alone is not sufficient to satisfy the responsibility to represent SHM in an official capacity.

### **SHM Policy Matters**

When SHM considers the adoption of policy that relates directly to a specific and financial focus of business or professional activity engaged in by an Officer, Board Member, Committee Chair, Editors of SHM publications, or CEO, by such individual's employer, or by an entity in which the individual has a substantial financial interest (other than less than a 1% interest in a publicly traded corporation), the individual shall disclose the nature of the relationship to the issue before speaking to the issue. When a motion is made for approval, the appropriate course of action in such cases is to disclose the conflict and recuse oneself (i.e. to remove oneself from the deliberations and the vote on the issue).

### **Employment Activity**

The responsibilities of an Officer, Board Member, Committee Chair, or Editors of SHM publications to an employer may at times require the individual to engage in activity that may interfere with the goals or initiatives of SHM. Whenever possible the individual involved should avoid such activity, consistent with the responsibilities to the employer. When conflicts are not avoidable, the individual involved shall disclose to the President or CEO, in advance, any specific anticipated employment activity that may be expected to create a conflict. In representing the employer, the individual involved shall make it

clear that he or she is acting on behalf of the employer and not as an Officer, Board Member, Committee Chair, or Editors of SHM publications of SHM. Should the employment activity of the individual involved require the individual to act in actual conflict with SHM repeatedly or over an extended period of time, the Board Member should consider whether the employment activity is compatible with service to SHM. The final decision on such matters rests with the individual involved, subject to the provision for removal of an officer or Board member as contained in the Bylaws.

**Approved by SHM Board October 3, 2018**