

**UPMC
POLICY AND PROCEDURE MANUAL**

POLICY: HS-EC1700 *
INDEX TITLE: Ethics & Compliance

SUBJECT: Conflicts of Interest and Commitment - General Obligations
DATE: February 14, 2022

I. POLICY

It is UPMC's policy to preserve integrity and independence in the exercise of professional and leadership judgment and ensure commitment to employment responsibilities at UPMC. Conflicts of Interest and Conflict of Commitment can compromise such integrity, independence and commitment if not identified, assessed and either eliminated or appropriately managed. Therefore, all Covered Persons, as defined herein, have a duty at all times to conduct UPMC's affairs and their association with UPMC and to otherwise fulfill their obligations to UPMC, in an impartial, unbiased and committed manner, in the best interests of UPMC and the individuals it serves, and in strict compliance with this Conflicts of Interest and Commitment Policy.

The Ethics and Compliance Committee, Executive Compensation Committee, and the Governance and Nominating Committee of the UPMC Board of Directors together have the ultimate responsibility for Policy implementation, compliance monitoring, and enforcement. The Governance and Nominating Committee oversees these matters as they pertain to UPMC Board members, the Executive Compensation Committee oversees these matters as they pertain to Executive Staff (i.e., the President & CEO and his direct reports), and the Ethics and Compliance Committee oversees these matters as they pertain to all other Covered Persons as defined herein. Each Committee may delegate responsibilities to the Chief Legal Officer, Chief Compliance Officer, and such other staff as it deems appropriate, without delegating its overall oversight responsibility. Each Committee may, in consultation with the other Committees as appropriate, cause changes to this Policy to be adopted and adopt procedures and guidelines that supplement and are consistent with those set forth in or required by this Policy and related policies, as it considers necessary and appropriate to fulfill its charge.

All Covered Persons shall cooperate with the applicable Committee and its delegates in the administration and enforcement of this Policy and such procedures and guidelines.

Links to policies referenced within this policy can be found in Section VIII.

II. PURPOSE

UPMC Covered Persons may encounter potential conflicts of interest and UPMC acknowledges that conflicts will not always be avoidable. They must, however, be

identified and appropriately managed to ensure UPMC maintains the highest levels of integrity and public trust. The purpose of this Policy is to set forth the responsibilities of Covered Persons with respect to disclosing, identifying, documenting, and resolving or mitigating Conflicts of Interest and/or Conflicts of Commitment (hereinafter, collectively, “Interests”) within UPMC and with other organizations or individuals.

This Policy is intended to supplement (not replace) any state laws governing Conflicts of Interest applicable to charitable, nonprofit corporations, and is to be read in conjunction with other related UPMC policies, including but not limited to the Policy on Conflicts of Interest Related to Clinical Research (HS-EC1701), the Policy on Conflicts of Interest and Interactions between representatives of Certain Industries and Faculty, Staff and Students of the Schools of the Health Sciences and Personnel Employed by UPMC at all United States based Locations (HS-EC1702), the Gift Policy (HS-EC1703) and any applicable Board policies that concern the same subject matter. Such policies can be obtained from the Corporate Secretary.

III. SCOPE

A. Entities Covered by the Policy

For purposes of this Policy, “UPMC” includes UPMC and all of its managed or controlled affiliates, specifically including those noted below. Affiliates not managed or controlled by UPMC are covered under this policy only to the extent specifically adopted by such affiliates.

[Check all that apply]

- | | |
|--|--|
| <input checked="" type="checkbox"/> UPMC Children’s Hospital of Pittsburgh | <input checked="" type="checkbox"/> UPMC Pinnacle Hospitals |
| <input checked="" type="checkbox"/> UPMC Magee-Womens Hospital | <input checked="" type="checkbox"/> UPMC Carlisle |
| <input checked="" type="checkbox"/> UPMC Altoona | <input checked="" type="checkbox"/> UPMC Memorial |
| <input checked="" type="checkbox"/> UPMC Bedford | <input checked="" type="checkbox"/> UPMC Lititz |
| <input checked="" type="checkbox"/> UPMC Chautauqua | <input checked="" type="checkbox"/> UPMC Hanover |
| <input checked="" type="checkbox"/> UPMC East | <input checked="" type="checkbox"/> UPMC Muncy |
| <input checked="" type="checkbox"/> UPMC Hamot | <input checked="" type="checkbox"/> UPMC Wellsboro |
| <input checked="" type="checkbox"/> UPMC Horizon | <input checked="" type="checkbox"/> UPMC Williamsport |
| <input checked="" type="checkbox"/> UPMC Jameson | <input checked="" type="checkbox"/> Divine Providence Campus |
| <input checked="" type="checkbox"/> UPMC Kane | <input checked="" type="checkbox"/> UPMC Lock Haven |
| <input checked="" type="checkbox"/> UPMC McKeesport | <input checked="" type="checkbox"/> UPMC Cole |
| <input checked="" type="checkbox"/> UPMC Mercy | <input checked="" type="checkbox"/> UPMC Somerset |
| <input checked="" type="checkbox"/> UPMC Northwest | <input checked="" type="checkbox"/> UPMC Western Maryland |
| <input checked="" type="checkbox"/> UPMC Passavant | |
| <input checked="" type="checkbox"/> UPMC Presbyterian Shadyside | |
| <input checked="" type="checkbox"/> Presbyterian Campus | |

- Shadyside Campus
- UPMC Western Psychiatric Hospital
- UPMC St. Margaret

Provider-based Ambulatory Surgery Centers

- UPMC Altoona Surgery Center
- UPMC Children’s Hospital of Pittsburgh North
- UPMC St. Margaret Harmar Surgery Center
- UPMC South Surgery Center
- UPMC Center for Reproductive Endocrinology and Infertility
- UPMC Digestive Health and Endoscopy Center
- UPMC Surgery Center – Carlisle
- UPMC Surgery Center Lewisburg
- UPMC Pinnacle Procedure Center
- UPMC West Mifflin Ambulatory Surgery Center
- UPMC Community Surgery Center

Free-Standing Ambulatory Surgery Facilities:

- UPMC Hamot Surgery Center (**JV**)
- Hanover Surgicenter
- UPMC Leader Surgery Center (**JV**)
- UPMC Specialty Care York Endoscopy
- Susquehanna Valley Surgery Center (**JV**)
- West Shore Surgery Center (**JV**)

B. Individuals Covered by the Policy

This Policy applies to all UPMC Covered Persons. Covered Persons include paid and unpaid employees, contractors, consultants, agents, and individuals undertaking activity for or on behalf of UPMC, or any other individual or group of individuals the Applicable Committee(s) identify as Covered Persons.

All Covered Persons have a duty to comply with this Policy in performing their UPMC employment responsibilities, including but not limited to, during the course of evaluating, negotiating, documenting, finalizing, and approving any contract, transaction, relationship, or activity that involves UPMC or are otherwise influencing decisions on policy, purchases, or research.

1. Mandatory Disclosers

On an annual basis, the following categories of Covered Persons (hereinafter, “Mandatory Disclosers”) must disclose any financial interests, outside professional activities, and any other outside interests, whether direct or indirect, that they or a member of their immediate family may have:

- a. UPMC Board members and officers;
- b. UPMC managers and employees (including but not limited to physician employees) who:
 - i. Evaluate, negotiate, enter into, or have material involvement in or otherwise influence the evaluation, negotiation, or execution of agreements concerning the selection, procurement, or offering

of products or services, fundraising activities, business transactions, or research studies;

- ii. Hold any other position of influence or trust within UPMC.
- c. UPMC clinical billing providers¹;
- d. Non-employed members of the UPMC medical staff who also either: hold paid or unpaid UPMC medical administrative positions such as chairs of UPMC clinical departments, section and division chiefs, directors of special care units, directors of research, or individuals who otherwise direct or materially influence research; or have UPMC procurement, fundraising, or business transaction responsibility or the authority effectively to recommend such activities; or hold any other position of influence or trust within UPMC;
- e. Research Team Members, defined as individuals who conduct or participate in clinical research on UPMC's premises or are under the oversight of UPMC ("Research"), if they are able to materially influence research, whether or not employed by UPMC, are also subject to conflict of interest requirements. The requirements applicable to these individuals are outlined in UPMC's Policy on Conflicts of Interest in Clinical Research (HS-EC1701); and
- f. Other individuals and groups determined by the Ethics and Compliance Committee of the UPMC Board of Directors to have the potential for a conflict.

2. Supervisor Identified Disclosers

Any UPMC Covered persons whose manager or supervisor requires disclosure of the individual's outside interests. These individuals are termed as "Supervisor Identified Disclosers" and are not subject to the same annual disclosure requirements as Mandatory Disclosers, but rather must be requested by their manager supervisor to do a disclosure each year.

3. Self Disclosers

Individuals who are neither Mandatory or Supervisor Identified Disclosers but who believe they may have or be perceived to have a conflict of interest as defined below are required to self-disclose any such conflict and to notify their manager or supervisor of any such disclosure.

¹ For purposes of this policy, provider includes Physicians and Advanced Practice Providers as defined by the Physician Payment Sunshine Act.

IV. What is a Conflict?

A. Conflict of Interest

A “Conflict of Interest” or potential conflict of interest arises when an individual places or may place their personal Interests before the interests of UPMC and where such personal Interests could improperly influence, bias or compromise, or appear to improperly influence, bias or compromise, the performance of institutional responsibilities, the nature, direction or results of research, or result in personal gain to the individual or an immediate family member at the expense of UPMC.

An Interest may include a *Financial Interest* (e.g., a compensation arrangement, ownership interest) or an *Associational Interest* (e.g., an uncompensated position on the board of directors or the scientific advisory board of an entity). The mere existence of such an Interest does not necessarily result in a Conflict of Interest. However, it is required that any such Interest be disclosed and evaluated by the applicable Committee or its delegates before UPMC or the individual holding the Interest becomes involved in a decision or activity that could be biased by the Interest.

Conflicts of Interest fall into three principal categories:

1. *Individual Conflicts of Interest*: may arise from Financial or Associational Interests held personally by a Covered Person or a Covered Person’s Family Member² in or with an outside entity or individual.
2. *Institutional Conflicts of Interest*: may arise from Financial or Associational Interests held by UPMC itself, directly or indirectly, in or with an outside entity or UPMC Enterprises entity.
3. *Imputed Conflicts of Interest*: may arise from direct or indirect Individual Financial or Associational Interests held by certain Covered Persons. These Interests are imputed to UPMC by virtue of the Covered Persons’ responsibilities and duties within UPMC.

B. Conflicts of Commitment.

A “Conflict of Commitment” exists when a Covered Person’s outside relationships or activities have a potential to compete or interfere with UPMC’s educational, research or service mission, or the Covered Person’s ability or willingness to perform the full range of their institutional responsibilities.

² Family member includes your spouse, registered domestic partner, dependents, and any other members of your household.

V. **DISCLOSURE AND IDENTIFICATION OF INTERESTS**

The following requirements and procedures have been developed to enable UPMC to identify, evaluate, eliminate or manage Conflicts that can compromise or create the appearance of compromising integrity and independence in the exercise of professional and leadership judgment or commitment to employment responsibilities in the context of UPMC's affairs.

A. **Disclosure of Individual Interests**

All information disclosed by the process described herein will be confidential except as necessary to implement this Policy or as otherwise required by law. The following sets forth the disclosure requirements for all Disclosers.

1. **Initial Disclosure.** Upon becoming a Discloser, each discloser must promptly within 30 days disclose all Individual Interests and/or Commitments that they have, or expect to have in the near future, by completing a Conflict Disclosure Form, which may be accessed at www.mydisclosures.pitt.edu.
2. **Annual Disclosure.** All Mandatory Disclosers must disclose, by April 15th of each year, any Individual Interests and Commitments that they currently have, or expect in the near future to have, by completing a Conflict Disclosure Form, which may be accessed online at www.mydisclosures.pitt.edu.
3. **Continuing Disclosures.** If, during the course of any given year, a Discloser becomes aware of a new actual or potential or otherwise undisclosed Individual Interest or Commitment, the Covered Person must promptly, within 30 days, appropriately update the Conflict Disclosure Form.
4. **Disclosure Prior to Participation in Decision or Activity.** Regardless of whether an Interest has been disclosed in the Conflict Disclosure Form, any Covered Person must, prior to participation in any decision-making process, disclose to their supervisor or in the case of the chief executive officer or a Board member to the Board or Committee Chair, any Interest they hold that could be viewed as having the potential to influence their decision-making judgment.
5. **Other Disclosure of Interests Held by UPMC or other Covered Persons.** Except as herein provided, each Covered Person must report to their Department Supervisor and/or other appropriate Supervisor any Interests or Commitments held by UPMC or another Covered Person of which they become aware if they have reason to believe the relationship has not otherwise been disclosed. Upon receiving such a report, the Supervisor shall investigate the claim and take appropriate steps to ensure disclosure is made, if appropriate. If the Covered Person or Supervisor believes that appropriate steps have not been taken to ensure disclosure, the Covered Person or Supervisor may contact the Conflict of Interest Department at conflicts@upmc.edu for assistance. Interests concerning Board members shall be reported to and managed by the Corporate Secretary.

B. Maintaining and Querying the Watchlist to Track and Identify Interests

All Individual Interests disclosed pursuant to this Policy will be included in the Watchlist. The Watchlist and individual COI Disclosures are the primary tools used to track and cross-check Interests for purposes of identifying, assessing, and managing potential Conflicts of Interest.

1. Querying the Watchlist to Identify Interests

Each UPMC department or business unit shall designate a limited number of individuals responsible for querying the Watchlist in connection with proposed material transactions or relationships that originate from such department or business unit. (Examples of material transactions are set forth at Attachment A).

Prior to commencing decision-making for a contemplated transaction or relationship, the individual with principal responsibility for making the decision or department lead managing the decision-making process shall instruct one individual to query the Watchlist to identify whether Interests exist with respect to the proposed transaction or relationship.

VI. REVIEW AND EVALUATION PROCESS

Using information from the Conflicts Disclosure Form, any supplemental disclosures made pursuant to this Policy and related policies, procedures and guidelines, and any other reliable source of information, the applicable Reviewer³ or Committee will, either directly or through its delegates, investigate and assess all Interests implicated by a contemplated transaction or relationship and will determine whether any such Interest gives rise to a Conflict of Interest. If the transaction or relationship gives rise to a Conflict of Interest, the applicable Reviewer, Committee, or its delegates must complete an assessment, grant final approval, and establish a Conflict Management Plan (where appropriate) before UPMC or the conflicted individual proceeds with the transaction or relationship. Conflicts Management Plans will be subject to standards and guidelines adopted by the applicable Committee. The key purpose of a Conflicts Management Plan will be to prevent a contemplated transaction or relationship from being influenced by a Conflict of Interest.

Similarly, using information from the Conflicts Disclosure Form, any supplemental disclosures made pursuant to this Policy and related policies, procedures and guidelines, and any other reliable source of information, the applicable Reviewer or Committee will, either directly or through its delegates, investigate and assess all outside commitments and will determine whether any such commitments give rise to a Conflict of Commitment.

³ A Reviewer for purposes of this policy are individuals identified and assigned by Human Resources as the leader responsible to review disclosures submitted within the leader's reporting structure.

If any member of a Board, Board committee, or any other decision making entity has a Conflict of Interest with respect to a proposed contract, transaction, relationship, arrangement or activity, they may be permitted to be present during the meeting in which the entity conducts its evaluation, unless requested by the entity to recuse themselves. If any member of the Ethics and Compliance, Executive Compensation, or Governance and Nominating Committee holds the Interest being considered by that Committee, the Chairman of the Board of Directors may appoint one or more qualified individuals to take the place of the affected Committee member and to serve on the Committee for the purpose of reviewing the matter. (Any such reconstituted Committee will have all rights, authority, and obligations of the reviewing Committee).

VII. VIOLATIONS OF THIS POLICY

Each Covered Person has an obligation to report to the Chief Compliance Officer or a member of the Committee any situation they believe to be a violation of this Policy.

If the applicable Committee or its delegates have reasonable cause to believe that a Covered Person has failed to make a disclosure required by this Policy, including a Mandatory Discloser not completing an annual disclosure or promptly updating a disclosure after an Interest becomes known, or has otherwise failed to comply with this Policy, it/they will inform the Covered Person of the basis for such belief and afford such person an opportunity to make the disclosure. If, after hearing the response of the Covered Person and making such further investigation as may be reasonable and warranted in the circumstances, the Committee or its delegates determine that the Covered Person has in fact failed to make the disclosure, it/they may take appropriate disciplinary action (e.g., removal of a director or officer from his or her position, termination of employment, ineligibility to participate in research studies, and sanctions under applicable medical staff bylaws).

The applicable Committee or its delegate will request a review of disclosures by the Covered Persons' Supervisor, Reviewer, or other appropriate individual to ensure compliance with this and other related policies. Failure to complete a requested review within a reasonable period of time may subject the reviewer to disciplinary action.

Covered Persons are encouraged to contact conflicts@upmc.edu regarding any questions concerning their obligations under this Policy.

VIII. POLICIES REFERENCED WITHIN THIS POLICY

[HS-EC1701 Conflicts of Interest Related to Clinical Research](#)

[HS-EC1702 Policy on Conflicts of Interest and Interactions between representatives of Certain Industries and Faculty, Staff and Students of the Schools of the Health Sciences and Personnel Employed by UPMC at all Domestic Locations](#)

[HS-EC1703 Gift](#)

[HS-HR0704 Corrective Action and Discharge](#)

SIGNED: W. Thomas McGough, Jr.
Executive Vice President, UPMC and Chief Legal Officer

ORIGINAL: October 1, 1999

APPROVALS:

Policy Review Subcommittee: January 20, 2022

Executive Staff: February 14, 2022

PRECEDE: July 28, 2020

SPONSOR: Chief Executive Compliance

Officer Attachment

*** With respect to UPMC business units described in the Scope section, this policy is intended to replace individual business unit policies covering the same subject matter. In-Scope business unit policies covering the same subject matter should be pulled from all manuals.**

Attachment A

EXAMPLES⁴ OF DECISIONS THAT TRIGGER OBLIGATION TO QUERY THE WATCHLIST

- I. All Decisions Made by the UPMC Board of Directors**
- II. All Corporate Fundamental Change Transactions (Joint Ventures, Mergers, Acquisitions, Dispositions, Recapitalizations, etc.)**
- III. Supply Chain⁵**
 - A. Decisions to purchase through Requested Vendor Justification process
 - B. Decisions to enter into non-GPO or non-competitively bid purchasing contract
- IV. International and Commercial Services / Enterprises**
 - A. All transactions not otherwise specified herein
- V. Medical and Health Sciences Foundation**
 - A. Event Sponsorships by corporations: \$10,000+
 - B. Non-event gifts from corporations: \$5,000+
 - C. Donations from individuals: \$100,000+
- VI. Clinical Trials Office**
 - A. All research agreements
- VII. Grants and Contracting**
 - A. All grant agreements and subcontractor agreements
- VIII. Investments through Treasury**
 - A. All decisions to hire fund managers
 - B. All direct investments into private equity, venture capital and hedge funds
- IX. HC Pharmacy⁶**
 - A. Decisions to enter into non-GPO or non-competitively bid pharmaceutical/pharma supply purchasing agreements
 - B. Purchases that take place without a written agreement
- X. Real Estate**
 - A. All real estate acquisitions/dispositions
 - B. All real estate lease agreements
- XI. Services Agreements that exceed \$100,000 in value**

⁴ This is not intended to be an exhaustive list.

Continuing Medical Education subject to separate conflict of interest approval process (See Policy HS-EC1702).

⁵ Decisions made by Value Analysis Teams are subject to separate VAT conflict of interest approval processes.

⁶ Decisions made by the System Pharmacy and Therapeutics Committee are subject to separate P&T conflict of interest approval processes.