

**UPMC
POLICY AND PROCEDURE MANUAL**

POLICY: HS-EC1704 *
INDEX TITLE: Ethics & Compliance

SUBJECT: Institutional Conflicts of Interest
DATE: October 6, 2022

I. POLICY AND PURPOSE

UPMC is committed to the highest standards of conduct in its core mission: patient care, member service, innovation, research and education. Relationships with external entities play an important role in supporting UPMC’s core mission, and it is recognized that institutional financial interests arise in the normal course of UPMC's operations. However, these financial interests must not compromise the objectivity or integrity of or unduly influence UPMC's core mission or appear to have such effect. In addition, the external engagements of Institutional officials must not influence or appear to influence UPMC's business decisions or integrity of its core mission. Such potential conflicts generated by financial interests of UPMC or the external engagements of its senior officials must be identified, reviewed, and managed.

The purpose of this Policy is to set forth the standards and procedures for identification, review, and formulation of strategies for management of potential Institutional Conflicts of Interest ("ICOs").

Related UPMC policies can be found in Section VII.

II. SCOPE

This policy applies to all fully integrated UPMC entities, business units, and facilities. Without limiting the foregoing, the entities within UPMC Corporate Services, the Health Services Division, UPMC Enterprises, UPMC International, the Insurance Services Division and the following UPMC hospitals and ambulatory surgery facilities are specifically covered by this policy:

[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 |

- UPMC Horizon
- UPMC Jameson
- UPMC Kane
- UPMC McKeesport
- UPMC Mercy
- UPMC Northwest
- UPMC Passavant
- UPMC Presbyterian Shadyside
 - Presbyterian Campus
 - Shadyside Campus
 - UPMC Western Psychiatric Hospital
- UPMC St. Margaret
- UPMC Williamsport
 - Divine Providence Campus
- UPMC Lock Haven
- UPMC Cole
- UPMC Somerset
- UPMC Western Maryland

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**)

III. DEFINITIONS

- A. Conflict Management Plan: A Conflict Management Plan is a strategy to ameliorate the potential impact of a financial interest or relationship with an external entity on the integrity or objectivity of patient care, member service, innovation, research and education, as well as the business transactions of UPMC.
- B. Institutional Official: The following individuals are Institutional Officials: the UPMC CEO, all individuals reporting directly to the CEO, and Clinical Department Chairs.

Institutional Officials may also include additional individuals (such as a Clinical Department Vice Chairs, Chiefs, and Directors of certain clinical institutes and centers) with a substantial role in making major decisions for UPMC, who engage in activities that could generate an ICOI. These individuals may be identified by the President, UPMC Physicians; the Executive Vice President and Chief Scientific Officer; the President, UPMC Enterprises; their respective designees, or the COI Committee, in consultation with the University of Pittsburgh (the “University”) when such individuals are employed by UPMC and the University of Pittsburgh.

- C. Gift: A charitable contribution as defined by the Internal Revenue Service (IRS), which is generally a charitable contribution for use by UPMC made voluntarily and for charitable purposes, without the donor receiving, or expecting to receive, anything of equal or greater value in return. In this Policy, a Gift may also include a monetary or non-monetary donation including goods, services, time and labor, or use of facilities and equipment at no or reduced cost.
- D. Institutional Conflict of Interest (“ICOI”): An ICOI is a situation in which UPMC's financial interests, its relationship with external entities, or the external engagements of Institutional Officials could reasonably be perceived as interfering with UPMC's business decisions or its core mission of patient care, member service, innovation, research and education.
- E. COI Committee: The COI Committee is a standing committee responsible for, among other things not addressed in this policy, the review of Threshold UPMC Transactions and provision of advice to the relevant Senior Decision Makers
- F. Senior Decision Makers: Senior Decision Makers are one or more Institutional Official(s) higher in the chain of command of another Institutional Official whose external engagements give rise to an ICOI and/or whose UPMC division is proposing to enter into a Threshold Transaction that gives rise to an ICOI. Senior Decision Makers receive advice from the COI Committee and make high-level decisions about ICOI matters. The Executive Vice President and Chief Legal Officer shall participate as a consultant to any other Senior Decision Maker(s) in all ICOI matters, except to the extent that such Chief Legal Officer's external engagements present the ICOI in question. If the ICOI is related to the external engagements of the CEO, the Senior Decision Maker(s) will be the Chairperson of the UPMC Board of Directors and any other Board committees or members as deemed appropriate by the Chairperson.
- G. Significant External Activity: As it relates to Institutional Officials, this term includes: (1) external engagements or other engagements providing more than \$25,000 in income (from one entity) in a 12-month period, including through royalty and similar payments; (2) a fiduciary or other senior management role in an external entity (such as president, CEO, COO, Treasurer, Chief Scientific Officer, Chief Medical Officer); (3) a direct or indirect ownership interest (including rights to acquire an ownership interest) in a privately held entity regardless of value; (4) a direct or indirect ownership interest (including rights to acquire an ownership interest) valued over \$25,000 in a publicly held entity.

The term “Significant External Activity” does not include (1) salary or supplemental payments from the University of Pittsburgh, the Veterans Administration Pittsburgh Healthcare System, UPMC, or University of Pittsburgh Physicians (UPP), except for supplemental payments that represent distribution of royalties, milestone fees, or other proceeds; (2) service on advisory committees or review panels and from seminars, lectures, or non-promotional engagements sponsored by governmental entities; or (3) income or ownership to the extent derived through investments in

vehicles, such as mutual funds and retirement accounts, so long as (a) the individual does not directly control the investment decisions made through these vehicles, and (b) the individual's indirect ownership stake in a single privately held company does not exceed 35%.

H. Threshold UPMC Transactions: For the purposes of this Policy, the below items are defined as a Threshold UPMC Transaction, requiring review as defined herein under section IV.B. For purposes of this section III.H., the term "UPMC" includes UPMC and all UPMC subsidiaries:

- Any Gift(s) in aggregate made to UPMC or UPMC and the University from a commercial entity or a philanthropic unit affiliated with a commercial entity in a 12-month period greater than \$500,000 in total cumulative value, where such entity conducts business with UPMC.
- Any contract or arrangement (including but not limited to a sponsored research or teaching project, a pilot or other product test or evaluation, a purchase agreement for clinical or other purposes, or a licensing agreement) between UPMC and any (1) privately held entity in which UPMC has or acquires a current or future financial interest (ownership or compensation), (2) publicly held entity in which UPMC has or acquires a direct current or future financial interest (ownership or compensation) valued at more than \$100,000, (3) entity with which an Institutional Official has or enters into a Significant External Activity.
- Any acquisition by UPMC of a current or future financial interest (ownership or compensation) in a privately held entity, or any acquisition by UPMC of a direct current or future financial interest (ownership or compensation) valued greater than \$100,000 in a publicly held entity, or entry by an Institutional Official into a Significant External Activity with any entity, with which UPMC has a contractual arrangement (including but not limited to a sponsored research or teaching project, a pilot or other product test or evaluation, a purchase agreement for clinical or other purposes, or a licensing agreement).
- Transactions referred by other UPMC committees, bodies or individuals when there are concerns about a potential ICOI.

Notwithstanding anything herein to the contrary, specifically excluded from Threshold UPMC Transactions are all transactions between or among provider and insurance entities wholly owned or controlled by UPMC.

IV. POLICY

As provided above, relationships with external entities play an important role in supporting UPMC's core mission. It is recognized that institutional financial interests arise in the normal course of UPMC's operations. However, these financial interests and

the Significant External Activity of Institutional Officials must not influence or appear to influence UPMC's business decisions or integrity of its core mission.

To this end, this Policy authorizes the COI Committee to monitor for, and formulate Conflict Management Plans to address, actual or perceived incidences of ICOI of UPMC or an Institutional Official. These Conflict Management Plans will be transmitted as advice to Senior Decision Makers and their supervisors. Compliance with Conflict Management Plans accepted by Senior Decision Makers will be monitored by the COI Committee. To perform its function, the sections below provide for the COI Committee composition and operations.

A. Core Policy Principles

The following core principles will guide the decision-making process of the COI Committee, and its formulation of Conflict Management Plans:

- Gifts from corporate entities must not influence, or appear to influence, UPMC's business decisions or the integrity of patient care, member service, innovation, research and education.
- UPMC's potential to receive financial gain from intellectual property that it owns must not compromise, or appear to compromise, patient care, research, innovation, education, or the testing or evaluation of that intellectual property by UPMC personnel.
- UPMC's ownership interest in a company must not compromise, or appear to compromise, the patient care, research, innovation, education, or the testing or evaluation of the company's products by UPMC personnel.
- Institutional Officials must not use their UPMC positions or influence to further gain advancement for themselves, immediate family (as may be defined in UPMC's conflict of interest disclosure form from time to time), or other personal and business associates, at the expense of UPMC.
- Significant External Activities of Institutional Officials must not compromise UPMC's business decisions or the integrity of UPMC patient care, member service, innovation, research, education or the testing or evaluation of the company's products by UPMC personnel.
- UPMC personnel must comply with Conflict Management Plans that are formulated by the COI Committee and accepted by Senior Decision Makers.

B. COI Committee

This Policy authorizes the COI Committee to formulate Conflict Management Plans for Threshold UPMC Transactions, and to provide advice to Senior Decision Makers to best mitigate ICOI. The COI Committee is empowered to monitor compliance with Conflict Management Plans that have been accepted by Senior Decision Makers, and to report noncompliance to the Ethics and Compliance Committee of the UPMC Board of Directors for review.

The COI Committee shall be comprised of management-level representatives of the following departments, minimally: Office of Sponsored Programs and Research, Corporate Compliance, Corporate Legal, Corporate Supply Chain, Health Services, Insurance Services, International Services and UPMC Enterprises, and the COI Committee Chair shall be selected as provided in the COI Committee Charter. COI Committee members may participate in COI Committee meetings to provide context for actual or proposed relationships arising within their own departments/business units, but they shall recuse themselves from voting on Conflict Management Plans and related matters that their own departments/business units are submitting to the COI Committee for consideration.

Non-voting consultants invited by the COI Committee may also engage in committee discussions, to provide advice on particular topics.

C. Support for COI Committee

The Conflict of Interest Office (“COIO”) within the Ethics and Compliance Department will support the activities of the COI Committee. The COIO is empowered to establish procedures to acquire information from relevant UPMC offices necessary to generate a database of Threshold UPMC Transactions. New or altered Threshold UPMC Transactions will be conveyed at least monthly to the COI Committee Chair. In addition, the COIO will formulate procedures to monitor compliance with Conflict Management Plans developed by the COI Committee and approved by Senior Decision Makers.

D. Conflict Management Plans

The COI Committee Chair, in consultation with the COI Committee, will determine whether each Threshold UPMC Transaction could reasonably be perceived as generating an ICOI. If so, a Conflict Management Plan for the Threshold UPMC Transaction will be developed. Possible Conflict Management Plan elements may include but are not limited to the following:

- Recusal of an Institutional Official from the chain of authority over a transaction or project (including a research study) and supervision of personnel conducting the activity, and appointment of a nonconflicted individual to assume this role.
- Disclosure of ICOIs that can be perceived as potentially compromising care to patients or business integrity.
- For research studies, disclosure of the ICOI to all stakeholders (including all investigators conducting the study, the sponsor, and the public in presentations and publications).
- For human subject studies, disclosure of the ICOI in consent forms and/or to applicable regulatory bodies, as well as the use of an external IRB, external biostatisticians, external contract research organizations and/or an external Data Safety Monitoring Board.
- Reduction or elimination of transactions or other engagements with an external entity.
- Declining Gifts or funding for sponsored research projects or other activities.

- Divestment of a financial interest.

Conflict Management Plans will be conveyed as advice by the Chair of the COI Committee to relevant Senior Decision Makers and their supervisor.

Senior Decision Makers must confirm whether they accept Conflict Management Plans formulated by the COI Committee as provided or in modified form. Subsequently, the COI Committee will monitor compliance with the final version of the Conflict Management Plan accepted by the Senior Decision Maker.

V. **NONCOMPLIANCE**

Institutional Officials are expected to provide complete and truthful information relating to their external engagements that may give rise to the involvement of the COI Committee or a Conflict Management Plan. Noncompliance with an executed Conflict Management Plan or the failure to disclose or the submission of erroneous, misleading, or incomplete information may be the subject of disciplinary procedures and sanctions. The COI Committee shall refer concerns relating to noncompliance or failure to disclose to an appropriate UPMC authority for review.

VI. **CONTACT INFORMATION**

For specific questions related to this Policy, please contact the COIO at conflicts@upmc.edu.

VII. **RELATED POLICIES**

[HS-EC1700 Conflict of Interest – General Obligations](#)

[HS-EC1701 Conflict of Interest in Clinical Research](#)

[HS-EC1702 Policy on Conflicts of Interest and Interactions between Representatives of Certain Industries and Personnel Employed by UPMC at all United States based Locations](#)

[HS-EC1703 Gift](#)

SIGNED: Catherine Yunk
Chief Audit and Chief Compliance Officer

ORIGINAL: October 6, 2022

APPROVALS:

Policy Review Subcommittee: September 15, 2022

Executive Staff: October 6, 2022

SPONSOR: Chief Audit and Chief Compliance Officer

*** 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.**